



# **Comprehensive Annual Financial Report For the Year Ended June 30, 2020**



**The Metropolitan Government of Nashville and Davidson County  
Nashville, Tennessee  
John Cooper, Mayor**

COVER PHOTOGRAPH ACKNOWLEDGEMENT:

**Nashville Skyline at Dusk**

**By Michael W. Bunch**

**Metro Photographer**

Photograph courtesy of Metro Photography

THE METROPOLITAN GOVERNMENT  
OF  
NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
For the Year Ended June 30, 2020

Prepared by  
DEPARTMENT OF FINANCE

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

JOHN COOPER  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
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October 31, 2020

To the Citizens of Nashville and Davidson County, Tennessee:

### FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

We are pleased to submit the Comprehensive Annual Financial Report of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Government) for the fiscal year ended June 30, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the Government in accordance with generally accepted accounting principles (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Government's financial activities have been included.

The Government is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedules of federal and state financial assistance, findings and recommendations, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, are not included herein but are reported separately.

In conformity with generally accepted accounting principles, this report includes all funds of the primary government and all component units. For purposes of this report, the primary government includes all departments and agencies of the Government which are not separate legal entities, including the Department of Water and Sewerage Services and Metropolitan Nashville Public Schools. The component units include those separate legal entities whose relationships with the primary government meet the criteria for inclusion.

The Government is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The Government's MD&A can be found immediately following the report of the independent auditors.

### PROFILE OF THE GOVERNMENT

Metropolitan Nashville and Davidson County is located in middle Tennessee at the hub of many air, rail and highway transportation routes. The Government provides a full range of services. These services include education; police and fire protection; waste management; construction and maintenance of highways, streets and infrastructure; traffic regulation and control; parking; health and social services; recreational and cultural activities; public libraries; planning and zoning; water and sewerage services; administration of justice; and general administrative services.

### FACTORS AFFECTING ECONOMIC AND FINANCIAL CONDITION

The local economy is a well-balanced blend of financial, wholesale, retail, manufacturing and service industries. The local mix of these industries roughly reflects the national economy, with no single industry being predominant in the region. Computer technology, automotive, medical, private prison management, insurance, banking, publishing, telecommunications and entertainment companies and private educational



institutions all find a home in Nashville. With a rich economic, social and cultural environment, the city consistently scores high in national rankings of preferred business locations, best places to live and favorable environments for the creation and development of businesses.

The Nashville Metropolitan Statistical Area (MSA) economy has historically been healthier than the National and State economies, with lower unemployment than the State as a whole.

The Government's two most significant locally generated revenue sources are property and sales taxes.

The economic disruption as a result of the COVID-19 pandemic has significantly altered both the short-term and long-term financial outlook for the Government. COVID-19 transmission mitigation measures have closed businesses, increased unemployment, required citizens to remain at home, and reduced travel. While the Government's property tax collection cycle (its primary source of revenue) for the fiscal year ended June 30, 2020 had essentially ended prior to the onset of COVID-19, the Government experienced significant decreases in various activity-based revenues, primarily local option sales taxes and revenues derived from tourism. As discussed below, these economic factors were considered in the development of the budget for the 2021 fiscal year.

## MAJOR INITIATIVES

The Government continues to emphasize delivery of focused public services in a way that provides efficiency, effectiveness and value to the citizens of Nashville. The Government's major initiatives for fiscal year 2020, for fiscal year 2021 and for the future are discussed below.

FOR FISCAL YEAR 2020: Budget ordinance BL-2019-1624 appropriated a budget of \$2,331,618,000 in the budgetary funds, an overall increase of 4.55% from the budget for fiscal year 2019.

The fiscal year 2020 budget continued to support all Nashville residents by focusing on core services and making improvements in the Nashville community's priority areas:

- Public Education – Metro Nashville Public Schools (MNPS) received \$914.5 million in fiscal year 2020, which was an increase in MNPS's operational funding from fiscal year 2019 of \$28.2 million. The additional funding included pay increases for teachers and staff and helped MNPS to meet the needs of curriculum, instruction, and support services while strengthening the Government's commitment to education.
- Metro Employees – Metro strives to offer competitive wages in order to attract and retain a qualified workforce. As part of that strategy, the fiscal year 2020 budget included \$23.3 million for a 3% cost of living adjustment (COLA) for Metro employees, along with open range and step increases. The pay plan also increased starting pay for all full-time employees under Metro's general pay plan to \$15 per hour.
- Transportation and Infrastructure – The fiscal year 2020 budget maintained a \$48.6 million operating subsidy to MTA for city buses and paratransit vehicles serving Nashville and Davidson County. The fiscal year 2020 budget also maintained \$1.5 million of funding to the commuter rail service, the Music City Star.

Infrastructure needs were also addressed for the Public Works Department. The fiscal year 2020 budget included \$518,100 in funding for additional staff to support the increase of curbside recycling from monthly to every other week. However, due to the economic impact of COVID-19 the frequency of curbside recycling was not increased. Additionally, \$98,100 was included in the Public Works budget to increase staffing for HubNashville. HubNashville is a comprehensive customer service system that makes it easier for people to connect with Metro representatives in order to make service requests, ask questions, and share feedback.

- Affordable Housing and Homelessness – The fiscal year 2020 budget continued to recognize that Metro's growth had resulted in increasing housing prices, making it unaffordable for some to live in Nashville. The fiscal year 2020 budget maintained \$10 million of funding to the Barnes Fund for Affordable Housing and \$300,000 in funding to continue the housing incentive pilot program. It



should be noted that \$5 million of funding for the Barnes Fund was impounded in fiscal year 2020 in order to partially offset \$41.5 million of budgeted revenue that was not going to be realized.

- Quality of Life – The fiscal year 2020 budget continued Metro’s commitment to providing a good quality of life for all Nashville citizens. The budget for the Parks Department was increased by \$761,800 to fully fund the opening of the Bellevue Community Center.
- Community and Economic Development – The fiscal year 2020 budget included \$ 1 million for the new Nashville GRAD program. This program provides financial assistance and other services to full time students pursuing higher education in Davidson County and is in partnership with Nashville State Community College and Tennessee College of Applied Technology. Additionally, the fiscal year 2020 budget included \$442,300 in funding for additional procurement staff to implement the Equal Business Opportunity (EBO) program in order to better support and expand the number of minority-owned and women-owned businesses seeking to obtain contracts with Metro.
- Youth and Family – The administration continued to recognize the importance of investing in youth education and employment. The fiscal year 2020 budget maintained \$2.9 million for the Opportunity NOW program.
- Nashville General Hospital – The fiscal year 2020 budget included funding of \$43.1 million for Nashville General Hospital, Metro’s safety net hospital. This amount fully funded the amount requested by the Hospital Authority.
- Public Safety – Resources dedicated to public safety services increased by \$7.5 million.

The fiscal year 2020 budget included \$3 million in operating funding for implementation of body worn cameras throughout the city. The budget also included \$1.5 million for the new Community Oversight Board and \$250,000 to conduct staffing studies for all public safety departments to determine the appropriate level of staffing for public safety. The staffing study was deferred to offset the budgeted revenue shortfall noted above.

The Police Department’s fiscal year 2020 budget increase included an additional \$859,800 in funding for the Secondary Employment Unit in order to expand services off-duty Metro police officers provide to Metro agencies and private organizations.

The Office of Family Safety’s fiscal year 2020 budget increase included additional funding for three new victim advocate staff members as well as full funding for six positions previously added in the fiscal year 2019 budget.

- The Sheriff’s Office budget for fiscal year 2020 continued to support full staffing for correctional services. The budget for fiscal year 2020 provided \$1.2 million in additional funding for the Sheriff’s Office to enhance building security at various Metro facilities.
- As Nashville continues to be a popular tourist destination, the city has seen a rise in the number of short-term rentals. The fiscal year 2020 budget increase included funding for three additional inspectors.

FOR FISCAL YEAR 2021: Budget ordinance BL-2020-286 appropriated a budget of \$2,466,262,200 in the budgetary funds, an overall increase of 5.77% from the budget for fiscal year 2020.

Like other governments, the fiscal year 2021 budget reflects significant impacts of COVID-19. The budget adapts to forecasted declines in activity-based revenues, most notably local option sales tax, as a result of reduced consumer spending and tourism. In order to achieve the goals of this budget, a \$1.066 increase in the property tax rate was enacted. There had not been an increase in the property tax rate since 2013, and Metro continues to maintain the lowest property tax rate among Tennessee’s four largest cities.

During the fiscal year 2020, Metro departments were collectively asked to achieve savings targets totaling \$12.1 million. The fiscal year 2021 budget largely makes those savings permanent reductions to the department budgets. Additionally, to minimize the anticipated impact of COVID-19 on fiscal year 2021 other savings opportunities were identified including leveraging federal funding for MTA for savings of \$22.3 million, refunding tax increment financing for savings of \$9.3 million, and suspending employee longevity payments of \$3.9 million.

As a result, the fiscal year 2021 budget continues to support all Nashville residents by focusing on core services and making certain improvements in the Nashville community's priority areas as follows:

- Public Education – Metro Nashville Public Schools (MNPS) is receiving \$922.5 million in fiscal year 2021, which is an increase in MNPS's operational funding from fiscal year 2020 of \$8.0 million. Additional funding of \$8,158,500 for pay increases for teachers and staff is contingent on MNPS achieving certain cash and fund balance targets.
- Public Safety – Resources dedicated to public safety services are increasing by \$10.9 million.

The Civil Service Commission passed a \$2.2 million pay plan adjustment that includes funding for pay increases in several job classifications that are primarily in public safety roles.

The Police Department's fiscal year 2021 budget increase includes an additional \$3.7 million for training and recruiting new police officers.

The Sheriff's Office budget for fiscal year 2021 provides \$1.1 million to add additional correctional officers for federal inmate housing. This improvement will enable Metro to collect \$2.2 million in additional revenues, which more than offset the additional costs. The budget also includes \$980,000 for additional operating costs related to the opening of the new Downtown Detention Center. Subsequent to June 30, 2020, the company that managed the detention facility housing state felons for the Sheriff's Office cancelled its contract, and the Sheriff's Office assumed direct management of the facility; the impact on fiscal 2021 is currently being assessed.

The 2021 budget for the Fire Department includes an additional \$1.5 million to cover costs associated with fire prevention.

- Health and Hospitals – The budget for fiscal year 2021 includes \$4.7 million for contractual increases for Correctional Healthcare services and \$2.5 million for contractual increase for managing the Bordeaux Long-Term Care Facility. Funding for the Hospital Authority is \$43 million which is the same amount as the prior year. Subsequent to June 30, 2020 and as anticipated in the contract, the Bordeaux Long-Term Care Facility was closed.
- Effective and Sustainable Government – To ensure continuity of essential governmental services and contractual obligations, the budget for fiscal year 2021 includes several improvements including \$3.5 million contractual increases in the Solid Waste Fund, \$3 million for increases in water bills from a recently approved water rate increase, \$1.3 million for the Property Tax Relief Program to cover additional needs for eligible taxpayers that may occur due to the property tax rate increase, and \$10.7 million to the Injured on Duty Fund to cover costs for medical care, case management and other support for Metro employees who are injured while carrying out their job duties.
- Cash and Fund Balance Restoration – As noted by the State of Tennessee Comptroller, cash and fund balances had been depleted over the past several years. The budget for fiscal year 2021 includes \$100 million dedicated to restoring those balances in the six tax supported funds, and establishes Metro's first rainy day fund.

The budget for fiscal year 2021 is structurally balanced with no reliance on non-recurring revenues to fund recurring expenditures. Additionally, there is no appropriation of fund balance.

Details of the fiscal year 2020 and fiscal year 2021 budgets are described in the annual *Operating Budget* books published by the Department of Finance, Office of Management and Budget. They are also available

on the GFOA-award-winning Citizen's Guide to the Budget at [www.nashville.gov/Finance/Management-and-Budget/Citizens-Guide-to-the-Budget.aspx](http://www.nashville.gov/Finance/Management-and-Budget/Citizens-Guide-to-the-Budget.aspx).

FOR THE FUTURE: As Nashville navigates and ultimately moves beyond the COVID-19 pandemic, the Metropolitan Government of Nashville and Davidson County will maintain as its primary focus:

- Education – The administration is committed to strengthening Nashville's public schools, supporting our teachers, and ensuring all students from every neighborhood have access to high-quality educational experiences. This commitment includes an emphasis on teacher quality, school leadership, fair compensation, and a supportive working and learning environment. It recognizes the importance of working with business and philanthropic partners to promote early childhood literacy and parental engagement, as well as the importance of pathways to careers and jobs.
- Public Safety and Justice – The administration will work to improve public safety by ensuring that our police officers, firefighters, and other emergency responders have the tools and resources necessary to keep the community safe by reducing crime and quickly responding to emergencies. The administration is also committed to enhancing violence prevention efforts and increasing community engagement capacity.
- Infrastructure and Sustainability – The administration is focused on improving the infrastructure that supports Davidson County's neighborhoods. As we continue to grow, the administration will work to address lagging infrastructure, preserve our region's natural resources, and improve our residents' quality of life. Improving our transportation system and expanding our Metro Parks portfolio are two areas of focus. The administration will move forward an incremental implementation of the Metro Nashville Transportation Plan created in 2020.

The administration's sustainability consultancy group published recommendations that will help guide implementation of initiatives in the pursuit of conserving natural resources and increasing access to clean air, clean water, and to the natural amenities of a sustainable city.

- Economic Opportunity – This administration is committed to developing human capital and expanding economic opportunity to all Davidson County neighborhoods. As we move through and beyond the COVID-19 pandemic, we must work to restore lost jobs ensure that more residents and communities within Nashville are able to participate in the recovery, growth and prosperity of our city. We will continue to recruit and retain businesses that will create new, high-quality jobs for residents. At the same time, this administration will help connect citizens from every part of Davidson County to programs designed to promote entrepreneurship and small business ownership, including enhancing our creative economy and enhancing economic opportunities for new Americans.

Housing is an integral component of economic opportunity. The administration is focused on building, funding, and preserving affordable housing options while supporting efforts to prevent displacement and create mixed-income communities in Nashville. The administration has formed an Affordable Housing Task Force to identify targeted opportunities and inform greater investments in the FY2022 budget.

- Neighborhoods and Community Engagement – Metro leaders work with neighborhood and community groups to improve quality of life, enhance citizen engagement and empower residents to take steps to improve their local communities. The administration is committed to making sure that Nashville remains a place where people can live, work and play in their neighborhoods. That means protecting and enhancing our networks of parks, libraries and community centers, as well as preserving the vibrant arts, entertainment and music culture that has made Nashville an international destination.

## FINANCIAL INFORMATION

**CASH MANAGEMENT:** Cash was primarily invested in the State of Tennessee Local Government Investment Pool, the State of Tennessee Intermediate Term Investment Pool, and First Horizon Bank. Investments are made either directly or through the Metro Investment Pool. Investments in the pension trust funds also include common stocks, U.S. Treasury Obligations, corporate bonds and other holdings.

The Government's investment policy objective is to preserve the safety of principal, maintain adequate liquidity and maximize the rate of return on its portfolio. The investment policy aligns with the State's conservative, low risk investment strategy and does not permit the use of high-risk instruments to enhance investment returns. The majority of the cash deposits are held by financial institutions participating in the bank collateral pool administered by the State of Tennessee - thus ensuring that they are collateralized - or custodial accounts. The banking service agreement provides for the daily investment of demand deposit balances.

**RISK MANAGEMENT:** The Government continued to operate a risk management program, which was initiated in 1978. As part of its comprehensive plan, resources are being accumulated in various internal service funds to meet potential losses. Additionally, the Government has a property insurance policy for losses in excess of certain amounts. Accepted risk control techniques, including employee accident prevention training, have been implemented to minimize the risk of potential liability losses. The Government has elected to come under the Tennessee Tort Liability laws in order to limit its potential liability.

**PENSION TRUST FUNDS:** The pension system of the Government covers substantially all full-time employees. It consists of one pension plan that is open to new members and five pension plans that are closed to new members but are still used by some employees of the former City of Nashville, the former Davidson County and Metropolitan Nashville Public Schools.

After recognizing contributions from other funds, employees, and the State of Tennessee, the General Fund is responsible for amounts necessary to fund the Metropolitan Employees' Benefit Trust Fund (which includes Division A, the closed plan, and Division B, the open plan) and the following four closed plans:

- The County Plan - Davidson County Employees' Retirement Fund
- The County Education Plan - Employees' Pension and Insurance Fund
- The City Plan - Closed City Plan Fund
- The City Education Plan - Teachers' Civil Service and Pension Fund

After recognizing contributions from employees and the State of Tennessee, Metropolitan Nashville Public Schools is responsible for funding the Metro Education plan – The Teachers' Retirement Plan Fund.

The total net position of all pension (and other employee benefit) trust funds was \$3.4 billion at June 30, 2020.

**INTERNAL CONTROL STRUCTURE:** Management of the Government establishes and maintains an internal control structure designed to ensure that the assets of the Government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

**BUDGETARY CONTROLS:** The Government maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Government's governing body, the Metropolitan Council. Activities of the General Fund, General Purpose School Fund and the GSD General Purposes, School Purposes and USD General Purposes Debt Service Funds are included in the annual appropriated budget. In the General Fund, budgets are controlled at the department level; reallocation of budget between departments requires approval of the Metropolitan Council. Budgets of the General Purpose School Fund and the Debt Service Funds are controlled in total at the fund level. The Government maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at June 30, encumbrances

outstanding at June 30, 2020 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2021 will provide authority to complete those transactions.

**SINGLE AUDIT:** As a recipient of federal and state financial assistance, the Government is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. As part of the Government's single audit, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Government has complied, in all material respects, with applicable laws and regulations. The results of the Government's single audit for fiscal year 2020 are reported separately.

**INDEPENDENT AUDIT:** Section 6.15 of the Metropolitan Charter requires an annual audit of accounts and other evidences of financial transactions of the Government and of its departments, offices and agencies by independent certified public accountants. The audit is performed by a firm chosen by a three-member audit board consisting of the Vice-Mayor, the Chair of the Budget and Finance Committee of the Metropolitan Council, and the Chair of the Metropolitan Nashville Public School Board. The Government has complied with this requirement. The independent auditors' report is included in the financial section of this report.

### **AWARDS AND ACKNOWLEDGEMENTS**

**AWARDS:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Government for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 37<sup>th</sup> consecutive year that the Government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The GFOA presented a Distinguished Budget Presentation Award to the Government for its annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award is valid for a period of one year only. It is the Government's 29<sup>th</sup> year to receive this award.

**ACKNOWLEDGMENTS:** Many individuals and organizations throughout the Government assisted in preparing this CAFR. To each of them we gratefully express our sincere appreciation for their dedicated contributions.

In conclusion, we acknowledge and express our appreciation for the strong support of the Metropolitan Council. The Council's support will continue to be vital as we work together to further strengthen the financial condition of the Metropolitan Government.

Sincerely,



John Cooper  
Mayor



Kevin Crumbo  
Director of Finance

THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**The Metropolitan Government  
of Nashville & Davidson County  
Tennessee**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

## FORM OF GOVERNMENT

On April 1, 1963 the governments of the City of Nashville and Davidson County were consolidated into a single "Metropolitan Government of Nashville and Davidson County", under which the boundaries of the City of Nashville and Davidson County are coextensive.

The executive and administrative powers are vested in the Mayor, who is elected at large for a four-year term. The Mayor is authorized to administer, supervise and control all departments and to appoint all members of boards and commissions subject to the approval of the Council. A two-thirds vote of the legislative body, the Council, is required to override the Mayor's veto. The Charter also provides for a Vice-Mayor, who is elected at large for a four-year term and is the presiding officer of the Council. The Council is composed of 40 members who are elected for four-year terms.

The Charter provides a framework for local government in Nashville to serve the needs of two service districts: (i) the General Services District (the GSD) and (ii) the Urban Services District (the USD). The GSD embraces the entire area of Davidson County and its residents are taxed to support those services, functions and debt obligations which are deemed properly chargeable to the whole population. Such services include general administration, police, fire protection, courts, jails, health, welfare, hospitals, streets and roads, traffic, schools, parks and recreation, airport facilities, auditoriums, public housing, urban renewal, planning and public libraries.

The original USD conformed to the corporate limits of the City of Nashville as they existed on April 1, 1963, the date of consolidation. USD residents are charged an additional tax to support those services, functions and debt obligations which benefit only the USD. Such services include additional police protection, storm sewers, street lighting and refuse collection. The Charter provides: "The area of the Urban Services District may be expanded and its territorial limits extended by annexation whenever particular areas of the General Services District come to need urban services, and The Metropolitan Government becomes able to provide such service within a reasonable period which shall be no greater than one year after ad valorem taxes in the annexed area become due." Since April 1, 1963 the area of the USD has been expanded from 72 square miles to 198 square miles.

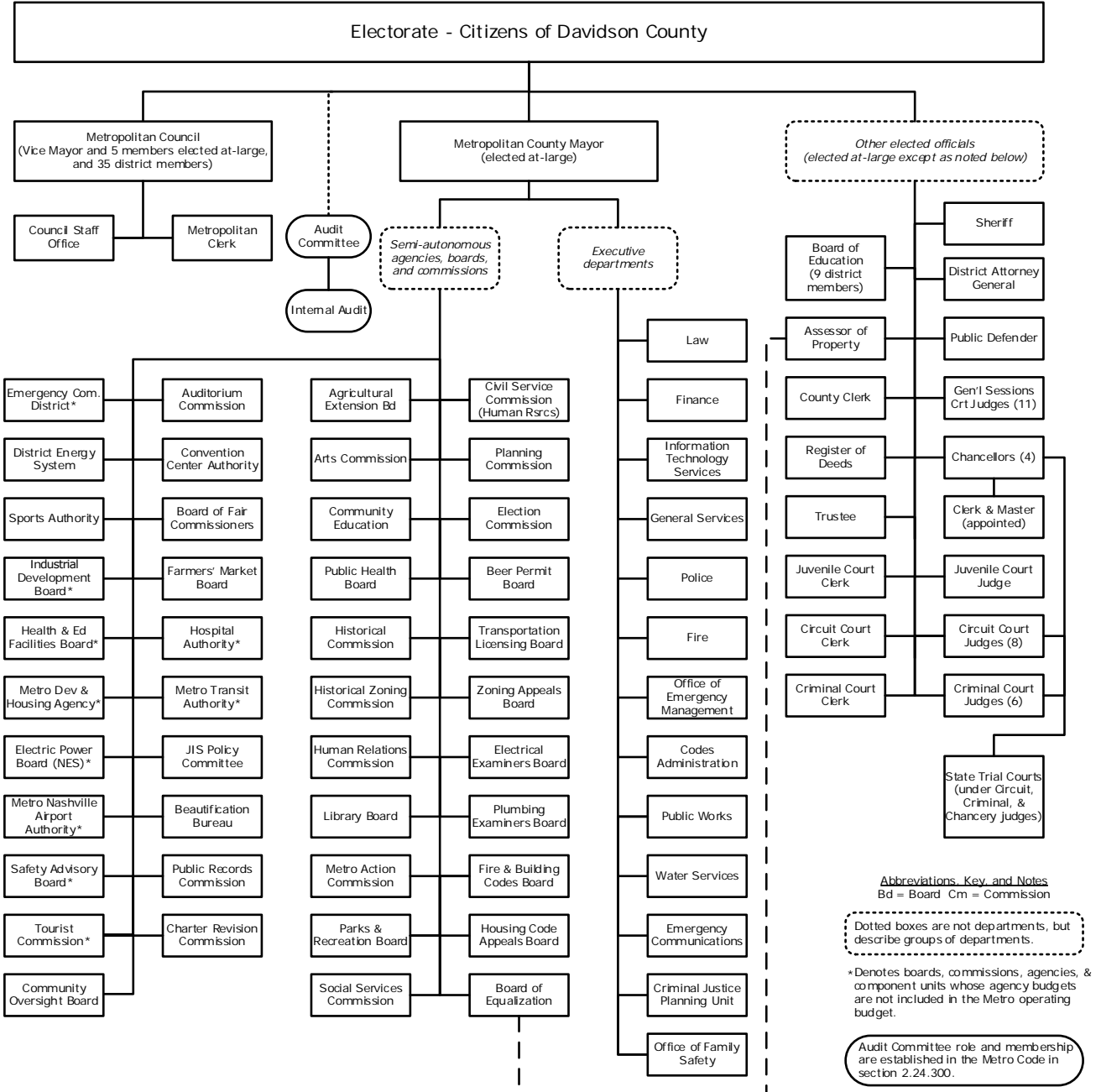


The USD is a subset of the GSD.



# THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

## ORGANIZATION CHART



**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY**

**ELECTED OFFICIALS**

**At June 30, 2020**

John Cooper, Mayor

**Finance Officials**

Vivian M. Wilhoite  
Parker Toler  
Brenda Wynn

Assessor of Property  
Trustee  
County Clerk

**The Metropolitan Council**

Jim Shulman  
Bob Mendes  
Sharon Hurt  
Burkley Allen  
Steve Glover  
Zulfat Suara

Vice Mayor  
Council Member-at-large  
Council Member-at-large  
Council Member-at-large  
Council Member-at-large  
Council Member-at-large

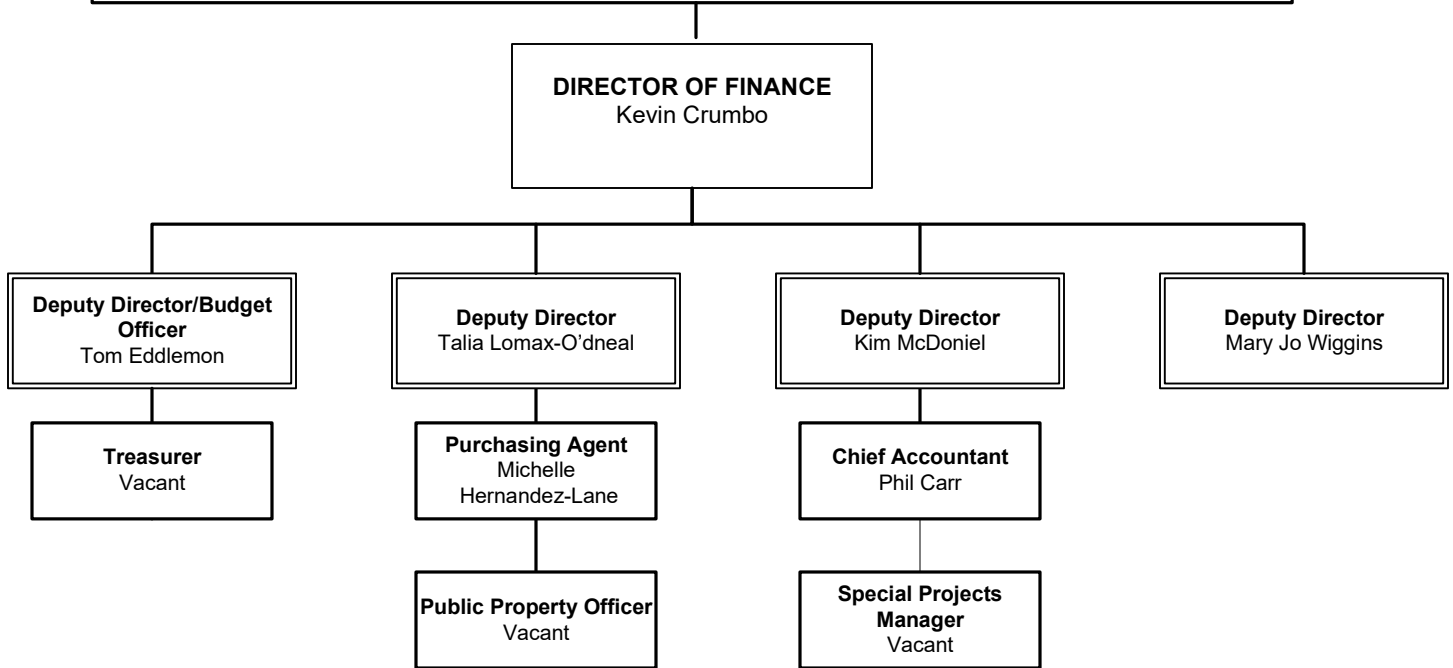
District No. 1 – Jonathan Hall  
District No. 2 – Kyonzté Toombs  
District No. 3 – Jennifer Gamble  
District No. 4 – Robert Swope  
District No. 5 – Sean Parker  
District No. 6 – Brett Withers  
District No. 7 – Emily Benedict  
District No. 8 – Nancy VanReece  
District No. 9 – Tonya Hancock  
District No. 10 – Zach Young  
District No. 11 – Larry Hagar  
District No. 12 – Erin Evans  
District No. 13 – Russ Bradford  
District No. 14 – Kevin Rhoten  
District No. 15 – Jeff Syracuse  
District No. 16 – Ginny Welsch  
District No. 17 – Colby Sledge  
District No. 18 – Tom Cash

District No. 19 – Freddie O’Connell  
District No. 20 – Mary Carolyn Roberts  
District No. 21 – Brandon Taylor  
District No. 22 – Gloria Hausser  
District No. 23 – Thom Druffel  
District No. 24 – Kathleen Murphy  
District No. 25 – Russ Pulley  
District No. 26 – Courtney Johnston  
District No. 27 – Robert Nash  
District No. 28 – Tanaka Vercher  
District No. 29 – Delishia Porterfield  
District No. 30 – Sandra Sepulveda  
District No. 31 – John Rutherford  
District No. 32 – Joy Styles  
District No. 33 – Antoinette Lee  
District No. 34 – Angie Henderson  
District No. 35 – Dave Rosenberg

THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

**ORGANIZATION OF THE DEPARTMENT OF FINANCE**

*at June 30, 2020*



Note: The positions listed as vacant at June 30, 2020 were subsequently filled in the early part of fiscal year 2021.

**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY**

**AUDIT COMMITTEE MEMBERS**

**At June 30, 2020**

<b>Member</b>	<b>Representing</b>
Brackney Reed, Chairperson	Nashville Area Chamber of Commerce
Charles C. Frazier, Vice Chairperson	TSCPA, Nashville Chapter
Thom Druffel	Metropolitan Council Member
Zulfat Suara	Metropolitan Council Member
Kevin Crumbo	Finance Director
Jim Shulman	Vice Mayor

Contact:

Lauren Riley, Metropolitan Auditor





## Independent Auditor's Report

To the Honorable Mayor and Members of Council  
The Metropolitan Government of Nashville and Davidson County, Tennessee

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Metropolitan Government of Nashville and Davidson County, Tennessee (the "Government") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Government's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, as well as the financial statements of the Sports Authority Fund and the Industrial Development Board Fund, which are presented as supplementary information in the accompanying financial statements as of and for the year ended June 30, 2020, as listed in the table of contents. We have also audited the financial statements of each of the discretely presented component units of the Government as of and for the year ended June 30, 2020, as presented in the Government's basic financial statements, except as described in the first paragraph of the Auditor's Responsibility section of this report.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following discretely presented component units: The Nashville District Management Corporation, the Gulch Business Improvement District, Inc., the Metropolitan Development and Housing Agency, the Electric Power Board, the Metropolitan Nashville Airport Authority, and the Emergency Communications District, which represents 74% of the total assets, 72% of total net position and 81% of the total revenues of the aggregate discretely presented component units of the Government. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



To the Honorable Mayor and Members of Council  
The Metropolitan Government of Nashville and Davidson County, Tennessee

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Metropolitan Government of Nashville and Davidson County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and the General Purpose School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, the Sports Authority Fund, the Industrial Development Board Fund, and each of the discretely presented component units as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-1 through A-12, the condition rating of transportation network, the schedule of employer contributions - pension plans, the schedule of changes in net pension liability and related ratios - pension plans, the schedule of investment returns - pension plans, the schedule of the Government's contributions - teacher pension plans of the TCRS, the schedule of the Government's proportionate share of the net pension liability (asset) - teacher pension plans of the TCRS, and the schedule of changes in the total OPEB liability and related ratios - OPEB plans, on pages B-114 through B-115, B-116 through B-119, B-120 through B-131, B-132 through B-133, B-134 through B-135, B-136 through B-137, B-138 through B-139, respectively, be presented to supplement the basic financial statements. Such information, 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 and other auditors 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.





To the Honorable Mayor and Members of Council  
The Metropolitan Government of Nashville and Davidson County, Tennessee

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements, and each of the nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, the Sports Authority Fund, the Industrial Development Board Fund, and the financial statements of each of the discretely presented component units. The schedules on pages C-9, C-10 and C-11, and on pages G-2 through G-28, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2020, on our consideration of the Government'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 Government'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 Government's internal control over financial reporting and compliance.

*Crosslin, PLLC*

Nashville, Tennessee  
October 31, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Metropolitan Government of Nashville and Davidson County (the Government), we offer readers of the Government's financial statements this narrative overview and analysis of the financial activities of the Government for the fiscal year ended June 30, 2020.

### FINANCIAL HIGHLIGHTS

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$61 million, or 5.5% of total general fund expenditures and other financing uses.
- At the end of the current fiscal year, committed fund balance available for the general purpose school fund was \$28 million, or 3.1% of total general purpose school fund expenditures and other financing uses.
- The assets and deferred outflows of resources of the Government were less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2.3 billion (*net position*). This amount includes negative \$4.2 billion of *unrestricted net position*.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of negative \$286 million, a decrease of \$322 million in comparison with the prior year.
- The enterprise funds reported a net position at year-end of \$1.4 billion, an increase of \$45 million during the year. The Department of Water and Sewerage Services implemented a rate increase effective January 1, 2020.
- The Government's total net position decreased by \$197 million (a decrease of \$238 million from governmental activities and an increase of \$41 million from business-type activities).
- The Government's total general obligation and revenue bonds outstanding decreased by \$70 million (1.6%) during the current fiscal year. New bond issues totaled \$215 million, which were offset by principal payments of \$221 million and refundings of \$50 million. Deferred amounts decreased a net amount of \$14 million. Other debt decreased by \$4 million due to principal repayments.
- The Government borrows funds under commercial paper programs to provide interim or short-term financing of authorized capital projects prior to the issuance of general obligation or revenue bonds. Total commercial paper outstanding at the close of the fiscal year was \$625 million.
- The COVID-19 Pandemic which began in March 2020 had a significant impact on the Government's operations and finances. While the Government's property tax collection cycle (its primary source of revenue) had essentially ended prior to the onset of COVID-19, the Government experienced significant decreases in various revenues, primarily local option sales taxes and other activity based revenues. The Government implemented aggressive fiscal constraint measures in response to COVID-19. With the passing of the CARES Act in March 2020, the Government received \$121 million of CARES Act funding. Approximately \$17 million of the funding was spent prior to June 30, 2020.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Government's basic financial statements. The Government's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

#### Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the Government's net position changed during the most recent fiscal year. All changes in net position are reported on an accrual basis as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, compensated absences, etc.).

Both of the government-wide financial statements distinguish functions of the Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the Government include general government; fiscal administration; administration of justice; law enforcement and care of prisoners; fire prevention and control; regulation and inspection; conservation of natural resources; public welfare; public health and hospitals; public library system; public works, highways and streets; recreational and cultural; and education.

The business-type activities of the Government include the Department of Water and Sewerage Services, District Energy System, Stormwater Operations, Board of Fair Commissioners, Farmers Market, Surplus Property Auction, Municipal Auditorium, and Police Impound.

The government-wide financial statements include not only the Government itself (known as the *primary government*), but also the Nashville District Management Corporation, Gulch Business Improvement District, Inc., Sports Authority, Industrial Development Board, Hospital Authority, Metropolitan Development and Housing Agency, Electric Power Board, Metropolitan Transit Authority, Metropolitan Nashville Airport Authority, Emergency Communications District, and Convention Center Authority. These *component units* are legally separate organizations for which the Government is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages B-2 to B-5 of this report.

## **Fund Financial Statements**

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

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Government's near-term financing decisions. Both the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Government reports 21 individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for the General Fund, General Purpose School Fund, Education Services Fund, GSD General Purposes Debt Service Fund, GSD School Purposes Debt Service Fund, USD General Purposes Debt Service Fund, GSD Capital Projects Fund, Education Capital Projects Fund and USD Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The Government adopts an annual appropriated budget for each major governmental fund except the Education Services Fund and Capital Projects Funds. Budgetary comparison statements have been provided in the Basic Financial Statements section for the General Fund and General Purpose School Fund and in the Nonmajor Governmental Funds section for each of the major Debt Service Funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages B-6 to B-17 of this report.

**Proprietary funds** – The Government maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Government uses enterprise funds to account for the Department of Water and Sewerage Services, District Energy System, Stormwater Operations, Board of Fair Commissioners, Farmers Market, Surplus Property Auction, Municipal Auditorium, and Police Impound. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Government's various functions. For the fiscal year ended June 30, 2020, the Government used internal service funds to account for its fleet, information systems, insurance, treasury management and school printing functions. Because these services predominantly benefit governmental rather than business-type functions, they have been primarily included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Department of Water and

Sewerage Services, the District Energy System, and Stormwater Operations, which are considered to be major funds of the Government. Data from the other enterprise funds are combined into a single, aggregated presentation. Also, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages B-18 to B-23 of this report.

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

The basic fiduciary fund financial statements can be found on pages B-24 to B-25 of this report.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-37 to B-113 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information surrounding infrastructure condition and maintenance data, found on pages B-114 to B-115, the Government's progress in funding its obligation to provide pension benefits to employees, found on pages B-116 to B-137, and the Government's progress in funding its obligation to provide other postemployment benefits to employees, found on pages B-138 to B-139.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. In the case of the Government, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$2.3 billion at the close of the most recent fiscal year.

### The Government's Net Position in thousands of dollars (as of June 30,)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 2,280,147	\$ 1,771,749	\$ 486,118	\$ 406,003	\$ 2,766,265	\$ 2,177,752
Capital assets	4,215,575	4,153,490	2,167,822	2,187,382	6,383,397	6,340,872
<b>Total assets</b>	<b>6,495,722</b>	<b>5,925,239</b>	<b>2,653,940</b>	<b>2,593,385</b>	<b>9,149,662</b>	<b>8,518,624</b>
Deferred outflows of resources	841,076	816,921	12,993	15,059	854,069	831,980
Long-term liabilities	7,911,120	8,350,953	1,112,159	945,898	9,023,279	9,296,851
Other liabilities	930,263	542,031	153,223	294,430	1,083,486	836,461
<b>Total liabilities</b>	<b>8,841,383</b>	<b>8,892,984</b>	<b>1,265,382</b>	<b>1,240,328</b>	<b>10,106,765</b>	<b>10,133,312</b>
Deferred inflows of resources	2,166,957	1,282,354	7,718	15,315	2,174,675	1,297,669
Net position:						
Net investment in capital assets	600,273	641,440	1,180,320	1,193,645	1,780,593	1,835,085
Restricted	56,239	60,961	86,502	98,559	142,741	159,520
Unrestricted	(4,328,054)	(4,135,579)	127,011	60,597	(4,201,043)	(4,074,982)
<b>Total net position</b>	<b>\$ (3,671,542)</b>	<b>\$ (3,433,178)</b>	<b>\$ 1,393,833</b>	<b>\$ 1,352,801</b>	<b>\$ (2,277,709)</b>	<b>\$ (2,080,377)</b>

**Governmental activities** – Current and other assets for governmental activities increased by 28.7% primarily due to increases in unspent cash from CARES Act funds of \$114 million and receivables for property taxes driven by growth in the tax base as well as an approximate 1/3 increase in the property tax rate effective with 2020 property taxes, which are assessed as of January 1, 2020. Capital assets increased by 1.5% due to construction of new schools and other government buildings, renovations to the stormwater system and other infrastructure, the acquisition of land for parks and future government buildings, and the renovation of existing government buildings. Deferred outflows of resources increased by 3.0% primarily due to the addition of amounts related to other postemployment benefits (OPEB) partially offset by a reduction in the amount related to pensions, primarily for changes in assumptions and differences between expected and actual experience. The increase was also partially offset by the amortization of deferred charges from bond refundings. Long-term liabilities decreased by 5.3% primarily due to principal payments on debt, the amortization of deferred premiums, and a decrease in the obligation for OPEB. The decrease was partially offset by an increase in the obligation for pensions. Other liabilities increased by 71.6% primarily due to increases in commercial paper borrowings to fund capital projects prior to the issuance of general obligation bonds and due to unearned revenue related to the unspent CARES Act funds. Deferred inflows of resources increased by 69.0% primarily due to an increase in unavailable revenue from property taxes driven by growth in the tax base as well as the increase in the property tax rate and an increase in the amount related to OPEB for differences between expected and actual experience. The increase was partially offset by a decrease in the amount related to pensions for differences between projected and actual earnings and expected and actual experience.

A portion of the Government's net position for governmental activities (16.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related outstanding debt used to acquire those assets. The Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net position for governmental activities (1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position for governmental activities represents unrestricted net position of negative \$4.3 billion (-117.9%). Note that the unrestricted net position is negative due to the total OPEB liability of \$4.3 billion and the net pension liability of \$286 million at June 30, 2020.

**Business-type activities** – Current and other assets for business-type activities increased by 19.8% primarily due to an increase in cash and cash equivalents and accounts receivable in the Department of Water and Sewerage Services resulting from an increase in water and sewer rates effective January 1, 2020. Capital assets decreased by 1.0% due to increases in accumulated depreciation (i.e. depreciation expense), which exceeded capital asset additions primarily consisting of land acquisition and utility plant construction for the Department of Water and Sewerage Services and the construction of new buildings at the Nashville fairgrounds. Deferred outflows of resources decreased by 13.7% due to changes in amounts related to pensions for changes in assumptions and differences between expected and actual experience. Long-term liabilities increased by 17.6% primarily due to the issuance of revenue bonds - partially offset by principal payments and the amortization of deferred premiums - and due to an increase in the obligation for pensions. Other liabilities decreased by 48.0% primarily due to a decrease in commercial paper outstanding after a portion was repaid with proceeds from the issuance of revenue bonds. Deferred inflows of resources decreased by 49.6% due to a decrease in the amounts related to pensions for differences between projected and actual earnings and expected and actual experience.

The largest portion of the Government's net position for business-type activities (84.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related outstanding debt used to acquire those assets. The Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net position for business-type activities (6.2%) represents resources that are subject to external restrictions on how they may be used. The majority of the restrictions relate to debt retirement and construction. The remaining balance of net position for business-type activities, representing unrestricted net position of \$127 million (9.1%), may be used to meet the Government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Government is able to report positive balances in all three categories of net position for its total business-type activities.

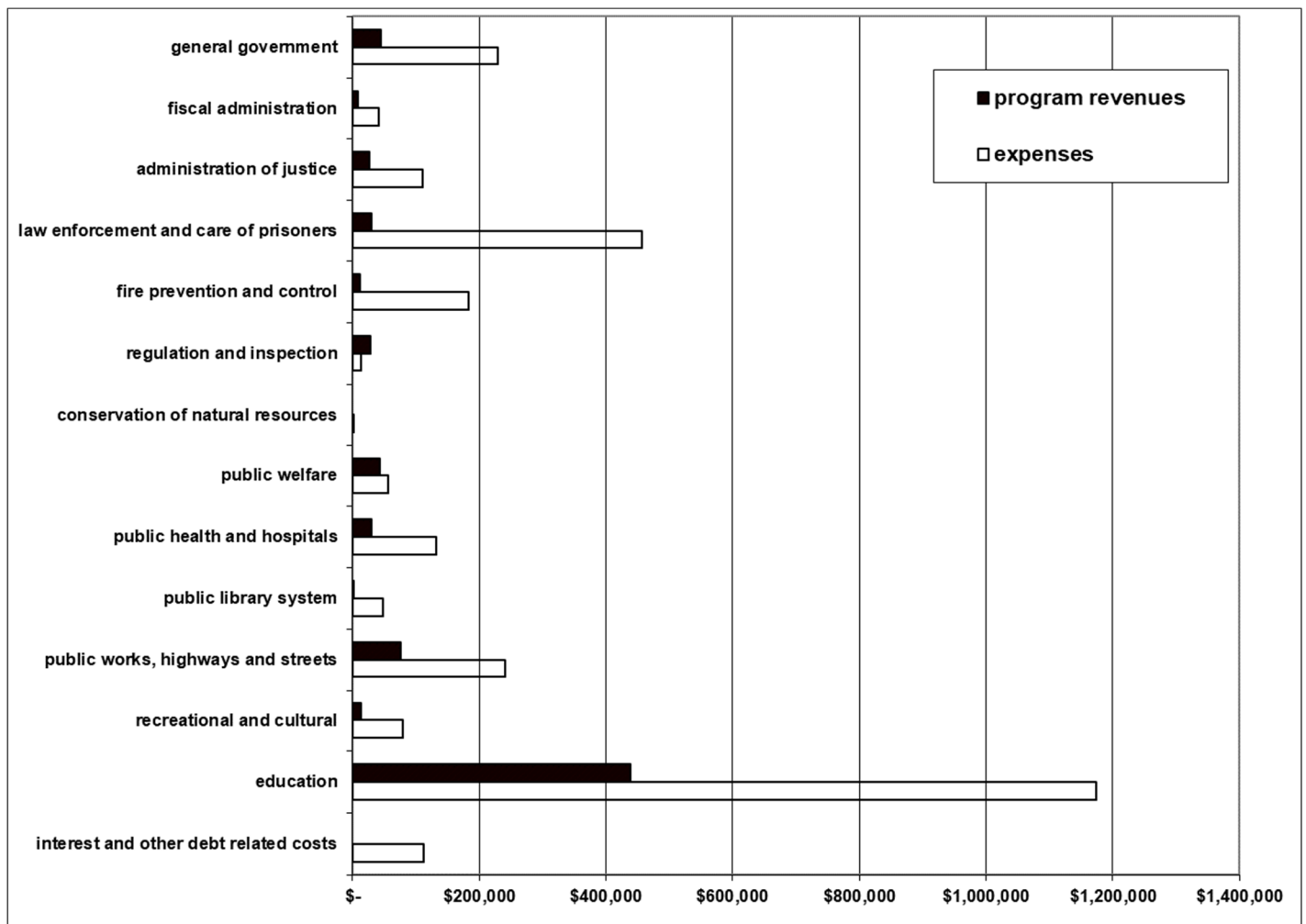
**The Government's Changes in Net Position**  
in thousands of dollars  
*(for the year ended June 30,)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 180,164	\$ 178,701	\$ 323,625	\$ 289,855	\$ 503,789	\$ 468,556
Operating grants and contributions	521,031	518,759	-	-	521,031	518,759
Capital grants and contributions	53,804	60,733	26,568	20,652	80,372	81,385
General revenues:						
Property taxes	1,084,013	1,041,924	-	-	1,084,013	1,041,924
Local option sales taxes	443,868	450,234	-	-	443,868	450,234
Hotel occupancy taxes	80,665	107,552	-	-	80,665	107,552
Beverage taxes	55,274	62,052	-	-	55,274	62,052
Wheel taxes	33,132	34,591	-	-	33,132	34,591
Business taxes	45,691	43,001	-	-	45,691	43,001
Franchise taxes	16,497	18,867	-	-	16,497	18,867
Other taxes	760	603	-	-	760	603
Revenues from the use of money or property	7,298	11,678	2,140	6,857	9,438	18,535
Revenues from other governmental agencies	106,864	97,965	-	-	106,864	97,965
Compensation for loss, sale or damage to property	4,045	19,747	2	30	4,047	19,777
<b>Total revenues</b>	<b>2,633,106</b>	<b>2,646,407</b>	<b>352,335</b>	<b>317,394</b>	<b>2,985,441</b>	<b>2,963,801</b>
Expenses:						
General government	230,356	241,330	-	-	230,356	241,330
Fiscal administration	41,067	36,497	-	-	41,067	36,497
Administration of justice	110,247	111,078	-	-	110,247	111,078
Law enforcement and care of prisoners	457,130	421,429	-	-	457,130	421,429
Fire prevention and control	182,714	183,783	-	-	182,714	183,783
Regulation and inspection	14,209	13,878	-	-	14,209	13,878
Conservation of natural resources	436	447	-	-	436	447
Public welfare	56,783	77,151	-	-	56,783	77,151
Public health and hospitals	131,945	128,550	-	-	131,945	128,550
Public library system	48,057	48,463	-	-	48,057	48,463
Public works, highways and streets	240,851	282,226	-	-	240,851	282,226
Recreational and cultural	79,718	90,277	-	-	79,718	90,277
Education	1,174,220	1,124,977	-	-	1,174,220	1,124,977
Interest and other debt related costs	113,137	121,201	-	-	113,137	121,201
Department of Water and Sewerage Services	-	-	255,803	240,195	255,803	240,195
District Energy System	-	-	16,855	18,060	16,855	18,060
Stormwater Operations	-	-	20,189	18,170	20,189	18,170
Board of Fair Commissioners	-	-	3,918	3,497	3,918	3,497
Farmers Market	-	-	2,242	2,060	2,242	2,060
Surplus Property Auction	-	-	730	640	730	640
Municipal Auditorium	-	-	1,791	2,221	1,791	2,221
Police Impound	-	-	375	375	375	375
<b>Total expenses</b>	<b>2,880,870</b>	<b>2,881,287</b>	<b>301,903</b>	<b>285,218</b>	<b>3,182,773</b>	<b>3,166,505</b>
Change in net position before transfers	(247,764)	(234,880)	50,432	32,176	(197,332)	(202,704)
Transfers	9,400	(6,671)	(9,400)	6,671	-	-
Change in net position	(238,364)	(241,551)	41,032	38,847	(197,332)	(202,704)
Net position, beginning of year	(3,433,178)	(3,191,627)	1,352,801	1,313,954	(2,080,377)	(1,877,673)
Net position, end of year	\$ (3,671,542)	\$ (3,433,178)	\$ 1,393,833	\$ 1,352,801	\$ (2,277,709)	\$ (2,080,377)



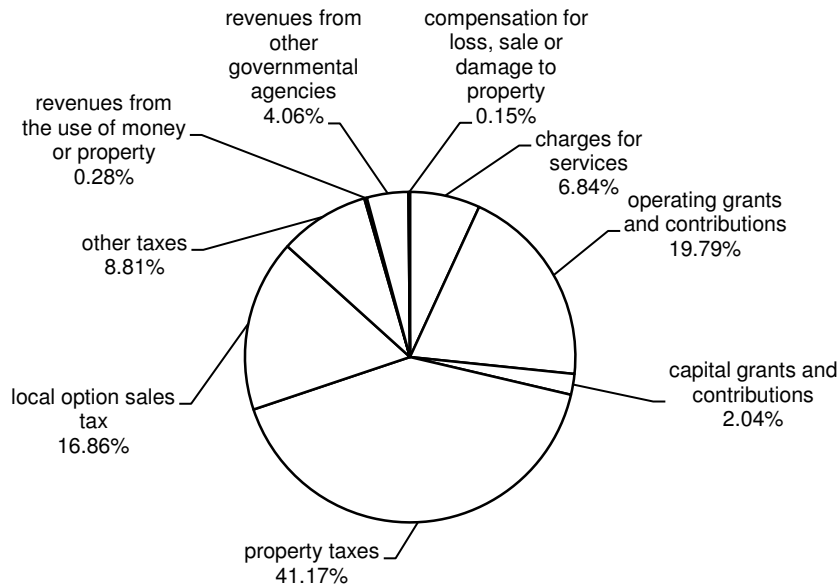
**Governmental activities** – Governmental activities decreased the Government’s net position by \$238 million, compared to a \$242 million decrease in the prior year. Total revenue decreased by \$13 million. Business closures, increased unemployment, reduced travel, and the closure of Government facilities as a result of the COVID-19 pandemic significantly impacted various activity-based revenues. Significant variances in revenues due primarily to the COVID-19 pandemic include 1) a decrease of \$6 million in local option sales tax, 2) a decrease of \$27 million in hotel occupancy taxes, and 3) a decrease of \$7 million in alcoholic beverage taxes. Additionally, capital grants and contributions decreased by \$7 million as there was an unusually high value of roads and right of ways received from an urban development in the prior year, and compensation from the loss, sale or damage to property decreased by \$16 million due to the planned sale of various parcels of land in the prior year. The decreases were partially offset by 1) an increase of \$42 million in property taxes due to construction and economic growth and the negotiation of addition payment in lieu of taxes (PILOT) agreements, and 2) an increase of \$9 million in revenues from other governmental agencies due to the receipt of CARES Act funds and revenues received from the Convention Center Authority, a component unit. Total expenses decreased by \$.5 million. While certain ongoing operating expenses increased, aggressive fiscal constraint measures across all departments to offset the loss of revenues as a result of the COVID-19 pandemic contributed to the decrease.

**Expenses and Program Revenues - Governmental Activities – For the Year Ended June 30, 2020**



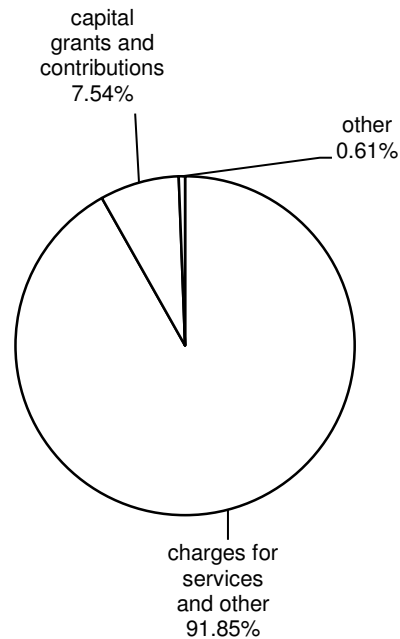
(in thousands)

**Revenues by Source - Governmental Activities – For the Year Ended June 30, 2020**



**Business-type activities** – Business-type activities increased the Government's net position by \$41 million compared to a \$39 million increase in the prior year. The Department of Water and Sewerage Services increased net position by \$27 million primarily due to an increase in operating income driven by a rate increase effective January 1, 2020. Stormwater Operations increased net position by \$9 million primarily from an increase in stormwater rates in fiscal 2017 which will fund future capital spending and debt service, and the Board of Fair Commissioners increased net position by \$10 million from transfers of funding from capital projects funds to cover the construction of new buildings at the Nashville fairgrounds. The impact of the COVID-19 pandemic was minimal on the larger business-type activities; however, Board of Fair Commissioners, Farmers Market, and Municipal Auditorium experienced decreases in operating revenues due to the cancellation of events and due to facility closures.

**Revenues by Source – Business-type Activities – For the Year Ended June 30, 2020**



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the Government's governmental funds reported combined ending fund balances of negative \$286 million, a decrease of \$322 million in comparison with the prior year. Restricted fund balance of \$56 million can only be used for specific purposes pursuant to constraints imposed by external parties such as creditors and grantors. Committed fund balance of \$140 million can only be used for specific purposes pursuant to constraints imposed by formal legislative action of the Metropolitan Council. Significant commitments include \$28 million for education, \$34 million for debt service, \$57 million for equipment acquisitions, and \$21 million for other purposes. Assigned fund balance of \$12 million is for various projects carried forward into the subsequent year. Unassigned fund balance of negative \$499 million represents the \$61 million fund balance of the General Fund offset by deficit balances of \$538 million in the GSD, Education, and USD Capital Projects Funds where the deficits will be funded by the future issuance of general obligation bonds, a deficit of \$16 million for spending related to a March 2020 tornado and May 2020 storms and high wind event that will be funded primarily with future federal and state funding, and a deficit of \$6 million related to costs associated with housing State of Tennessee prisoners which will be funded with future state funding. The remaining fund balance of \$6 million represents nonspendable amounts.

The budget for the GSD General Purposes Debt Service Fund for the fiscal year included \$42 million of revenue from the planned sale of the Government's District Energy System and a concession agreement regarding the management of parking. With a change in the Government's administration during the fiscal year, both projects were cancelled. Additionally, the State of Tennessee would not approve the Government's fiscal year 19-20 budget because it was "structurally unbalanced" since recurring debt service expenditures were funded with non-recurring revenues. To address the revenue shortfall and the State's concerns, the Government developed a corrective action plan that utilized a combination of additional revenues, expenditure savings and impoundments to offset the revenue shortfall. The impacts of the corrective action plan are reflected in various variances as discussed below.

The General Fund is the chief operating fund of the Government. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$61 million, while total fund balance was \$74 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 5.5% of total General Fund expenditures and other financing uses, while total fund balance represents 6.6% of total General Fund expenditures and other financing uses.

The total fund balance of the General Fund decreased by \$18 million during the current fiscal year as compared to a \$15 million increase in the previous year. Business closures, increased unemployment, reduced travel, and the closure of Government facilities as a result of the COVID-19 pandemic significantly impacted various activity-based revenues. Revenues decreased by \$7 million compared to the previous year primarily due to: 1) a decrease in local option sales tax of \$28 million due to the impacts of the COVID-19 pandemic on consumer spending, 2) a decrease of \$4 million in commissions and fees due to reduced collections by certain elected officials, 3) a reduction of \$6 million in charges for current services due to the temporary closure of various Government recreational facilities and vehicle emission testing facilities, and a decrease in the use of various other services provided by the Government such as parking, and 4) a decrease of \$13 million in compensation for loss, sale or damage to property due to the planned sale of various parcels of land in the prior year. The decreases were partially offset by increases in 1) property taxes of \$33 million due to construction and economic growth as well as additional payment in lieu of taxes (PILOT's) from the Department of Water and Sewerage Services and Convention Center Authority, a component unit, and 2) revenue from other governmental agencies of \$15 million due to an increase of \$9 million in the Tennessee excise tax allocation and an increase of \$5 million in the amount transferred from Convention Center Authority, a component unit, from an agreement to transfer a portion of certain revenues to the Government. Ongoing operating expenditures increased by \$19 million primarily due to increases in salaries and fringe benefits across most functions. Additionally, as discussed above, the Government discontinued a planned sale of the District Energy System and a concession agreement regarding the management of parking. As part of the corrective action plan, the General Fund incurred \$38 million of debt service expenditures – given the \$42 million of budgeted revenue that would not be realized in the GSD General Purposes Debt Service Fund - which was offset by additional revenues and expenditure savings. The \$18 million decrease in fund balance compares to a planned use of fund balance of \$45 million primarily due to aggressive fiscal constraint measures across all departments to offset the loss of revenues as result of the COVID-19 pandemic.

The total fund balance of the General Purpose School Fund decreased by \$11 million during the current fiscal year as compared to a \$6 million increase in the previous year. Revenues decreased by \$.3 million compared to the previous year primarily due to: 1) a decrease of \$5 million in compensation for loss, sale or damage to property due to the planned sale of various parcels of land in the prior year, and 2) a decrease of \$4 million in alcoholic beverage taxes resulting from the COVID-19 pandemic. The decreases were partially offset by an increase in property taxes of \$6 million due to construction and economic growth. Other financing sources decreased by \$ 4 million due to a

reduction in indirect costs charged to the Education Services Fund and a one-time, prior year transfer related to salary adjustments for paraprofessionals. Operating expenditures and other financing uses increased by \$13 million primarily due to increases in salaries and fringe benefits, transfers to charter schools, and a transfer to the Education Services Fund to cover food service costs as a result of reduced food service revenue related to the COVID-19 pandemic. The \$11 million decrease in fund balance compares to a planned use of \$8 million in fund balance. While aggressive measures were taken reduce expenditures to offset the loss of revenues as a result of the COVID-19 pandemic, expenditures savings could not fully make up for the reduction in revenues.

The total fund balance of the Educational Services Fund decreased by \$9 million during the current fiscal year as compared to a \$3 million decrease in the previous year. Revenues decreased by \$33 million primarily due to the impacts of the COVID-19 pandemic on revenue related to food services as schools were virtual for part of the year and there were decreases in the amounts of various grants. Expenditures decreased \$15 million due to grant reductions and savings in food and supply costs; however, costs related to charter schools increased \$5 million which were offset by an equal amount of other financing sources as the costs of charter schools are supported by transfers from the General Purpose School Fund. Other financing sources increased \$10 million due to the increase in the transfer to charter schools as well as a transfer to food services to cover losses related to COVID-19. Other financing uses decreased \$2 million due to a reduction in indirect costs transferred to the General Purpose School Fund.

The fund balances of the Government's GSD General Purposes, GSD School Purposes and USD General Purposes Debt Service Funds increased by \$16 million in total during the current fiscal year as compared to a \$7 million increase in the previous year. Revenues increased by \$29 million primarily due to increases in property taxes as explained above as well the allocation of certain revenues to the Debt Service Funds that were previously allocated to the General Fund in order to ensure sufficient liquidity to meet debt services needs and to compensate for unrealized revenues related to the COVID-19 pandemic. Other financing sources decreased by \$9 million due to supplemental appropriations in the prior year to compensate for unrealized budgeted revenue. Expenditures increased by \$10 million due to higher principal and interest costs on outstanding bonds. The \$16 million increase in fund balance compares to a planned use of zero fund balance primarily because of the reallocation of revenues as noted above.

The fund balances of the Government's capital projects funds decreased by \$283 million due to capital project spending funded through commercial paper borrowings.

**Proprietary funds** – The Government's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of proprietary funds at the end of the year amounted to \$296 million compared to \$248 million at the end of the prior year. Factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Government's business-type activities. Proprietary funds also include internal service funds, the operations of which are primarily included in governmental activities in the government-wide statements. The enterprise funds increased the unrestricted net position of proprietary funds by \$45 million, and the internal service funds decreased the net position of the proprietary funds by \$23 million. The decrease in internal service funds is primarily due to decreases in the Information Systems Fund which is used to account for voice and data communication services provided to the departments of the Government, School Professional Employee's Insurance Fund which is used to accumulate assets for the payment of self-insurance medical claims for teachers, and the Injured on Duty Fund which is used to accumulate assets for the payment of self-insured injured on duty claims. The Injured on Duty Fund was not funded in fiscal 2020 in order to utilize accumulated net position.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

### ***Original and Final Budgeted Amounts***

For the General Fund, differences in expenditures and other financing uses between the original budget and the final amended budget were primarily due to supplemental budget appropriations for unanticipated expenditures and unspent amounts carried forward from the prior year as authorized by the budget ordinance. Supplemental budgetary appropriations included \$38 million in debt service expenditures as discussed previously. Unspent amounts carried forward from the prior year totaled \$6 million. The increases in the final budget were partially offset by \$7 million in impoundments related to the corrective action plan discussed previously. Other variances in budget line items were primarily due to fringe benefit increases which were originally budgeted under miscellaneous expenditures then later reallocated to departmental budgets after the final budget was approved.

### ***Final Budgeted and Actual Amounts***

Actual revenues and other financing sources were less than the final budgeted amounts by \$18 million. As discussed previously, certain revenues were significantly impacted by the COVID-19 pandemic. Significant variances were noted in local option sales tax, beer and alcoholic beverage taxes, franchise fees, gas and fuel taxes, the Tennessee sales tax levy, commissions and fees collected by certain elected officials, and admissions at certain Government facilities. The variances below budget were partially offset by positive variances in property taxes primarily due to new PILOT's, building and other construction related permits, income tax, Tennessee excise taxes, and revenues from the Convention Center Authority, a component unit. Actual expenditures and other financing uses were under budget by \$44 million due to amounts budgeted for potential adjustments to benefits and pay plan changes that were less than planned as well as savings achieved by most departments.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets** – The Government's investment in capital assets for its governmental and business type activities as of June 30, 2020 amounts to \$6.4 billion (net of accumulated depreciation). Depreciation charges for the fiscal year totaled \$214 million.

### The Government's Capital Assets in thousands of dollars (as of June 30,)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Utility plant in service	\$ -	\$ -	\$ 3,249,900	\$ 3,173,842	\$ 3,249,900	\$ 3,173,842
Land	540,988	529,600	24,583	24,583	565,571	554,183
Buildings and improvements	2,621,627	2,543,931	123,976	101,885	2,745,603	2,645,816
Improvements other than buildings	-	-	76,962	65,544	76,962	65,544
Furniture, machinery and equipment	544,444	500,251	146,291	130,368	690,735	630,619
Property under capital lease	-	-	3,645	3,645	3,645	3,645
Infrastructure	1,824,667	1,780,782	-	-	1,824,667	1,780,782
Public art	5,555	5,419	-	-	5,555	5,419
Construction in progress	245,227	240,355	181,935	235,949	427,162	476,304
Less: Accumulated depreciation	(1,566,933)	(1,446,848)	(1,639,470)	(1,548,434)	(3,206,403)	(2,995,282)
<b>Total capital assets</b>	<b>\$ 4,215,575</b>	<b>\$ 4,153,490</b>	<b>\$ 2,167,822</b>	<b>\$ 2,187,382</b>	<b>\$ 6,383,397</b>	<b>\$ 6,340,872</b>

The total increase in the Government's investment in capital assets for the current fiscal year was 1.0% (a 2.0% increase for governmental activities and a 1.0% decrease for business-type activities).

Construction of new schools and other government buildings, the acquisition of park and other property, and the renovation of existing schools and government buildings have continued in accordance with the Government's capital plans. Significant additions include the completion of a correctional facility for the Sheriff's Department. Other additions include renovations to the stormwater system, land acquisitions for parks and future government buildings, renovations to existing schools, and the contribution of roads and right of ways from private developments within the city. Additions to capital assets for the Department of Water and Sewerage Services - net of disposals - totaled approximately \$59 million.

As allowed by GASB Statement No. 34, the Government has adopted the alternative to recording depreciation expense on selected infrastructure assets. Under this method, referred to as the modified approach, the Government expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under this approach include approximately 5,953 lane miles of streets and roads and 323 bridges and underpasses that the Government is responsible for maintaining. The Government's policy is to have at least 70% of roads in fair or better condition and 75% of bridges in fair or better condition. The most recent condition assessments indicate that 74.1% of roads and 99.0% of bridges are in fair or better condition. The maintenance of infrastructure in accordance with the Government's policy continues to be a priority. The percentage of roads and streets in fair or better condition declined after 2010 because the area was significantly impacted by the May 2010 flood, which was followed by several winters with heavy snowfall, ice and salt usage. Additionally, population growth and construction have added to the deterioration of roads and streets. Increased spending on road and street maintenance resulted in continual improvement in the percentage of roads and streets in fair or better condition. The condition has now returned to a level that exceeds the policy level.

Additional information on the Government's capital assets can be found in Note 4 beginning on page B-54 of this report.

**Long-term debt** – At the end of the current fiscal year, the Government had total bonded debt outstanding of \$4.3 billion. Of this amount, \$3.2 billion comprises debt backed by the full faith and credit of the Government. The remaining \$1.1 billion of the Government's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**The Government's Outstanding Debt**  
General Obligation and Revenue Bonds  
in thousands of dollars  
*(as of June 30,)*

	Governmental Activities		Business-type Activities		Total Primary Government		
	2020	#	2019	2020	2019	2020	2019
General obligation bonds	\$ 2,882,551		\$ 3,062,113	\$ 47,714	\$ 50,062	\$ 2,930,265	\$ 3,112,175
Deferred amounts, net	336,350		372,968	6,628	7,168	342,978	380,136
<b>Total general obligation bonds outstanding</b>	<b>3,218,901</b>		<b>3,435,081</b>	<b>54,342</b>	<b>57,230</b>	<b>3,273,243</b>	<b>3,492,311</b>
Revenue bonds	-		-	979,615	854,140	979,615	854,140
Deferred amounts, net	-		-	87,416	64,276	87,416	64,276
<b>Total revenue bonds outstanding</b>	<b>-</b>		<b>-</b>	<b>1,067,031</b>	<b>918,416</b>	<b>1,067,031</b>	<b>918,416</b>
<b>Total general obligation and revenue bonds outstanding</b>	<b>\$ 3,218,901</b>		<b>\$ 3,435,081</b>	<b>\$ 1,121,373</b>	<b>\$ 975,646</b>	<b>\$ 4,340,274</b>	<b>\$ 4,410,727</b>

The Government's total general obligation and revenue bonds outstanding, net of deferred amounts, decreased by \$70 million (1.6%) during the current fiscal year. New bond issues totaled \$215 million, which were offset by principal payments of \$221 million and refundings of \$50 million. Deferred amounts decreased a net amount of \$14 million.

Other debt decreased by \$4 million due to principal payments.

Construction commitments at June 30, 2020 totaled \$133 million for the governmental activities of the Government and \$29 million for the Department of Water and Sewerage Services.

The Government maintains an "AA" rating from Standard & Poor's and "Aa2" from Moody's for general obligation debt.

The Government maintains ratings an "AA" from Standard & Poor's "Aa2" from Moody's for the various issues of revenue debt of the Department of Water and Sewerage Services.

The ratio of general long-term debt (defined as gross debt less debt service monies available and less debt to be repaid from sources other than property taxes) to the actual value of property is 2.57%, and the amount of net debt per capita is \$4,498.

Additional information on the Government's long-term debt can be found in Note 5 beginning on page B-58 of this report.

**Commercial paper** – In July 2017, the Government instituted a new general obligation commercial paper program to provide interim or short-term financing for various authorized capital projects. In July 2018, the Government instituted a new Water and Sewer revenue bond commercial paper program to provide interim and short-term financing for various authorized capital projects of the Department of Water and Sewerage Services. Commercial paper obligations of \$625 million outstanding at June 30, 2020 are considered short-term liabilities of the appropriate capital projects and proprietary funds. The commercial paper obligations will be redeemed with the proceeds from the future issuance of general obligation or revenue bonds.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The most recent (October 2020) unemployment rate for the Nashville combined statistical area is 6.2%. The state's and nation's unemployment rates are 7.4% and 6.9%, respectively. The budget for the 2021 fiscal year reflects a balanced budget with no use of fund balance. The budget reflects the expected impacts of the COVID-19 pandemic on revenues and expenditures. The budget includes an increase in the property tax rate from \$3.155 to \$4.221. The budget also includes funds for the restoration of cash and fund balances. For more comprehensive information on the Government's approved budget for the 2021 fiscal year, the budget ordinance, the budget book as well as other documents are available at [www.nashville.gov](http://www.nashville.gov).

## **OTHER MATTERS**

On November 7, 2006, voters approved a ballot initiative prohibiting the Metropolitan Council from raising real property tax rates above the rate at that time, which was \$4.69, without the approval of the voters in a referendum. Prior to the adoption of the ballot initiative, the Metropolitan Council was authorized to set the real property tax rate without any requirement of voter approval. The Government's legal department has issued a memo stating that the approved initiative violates the Tennessee Constitution because it places the power to set property tax rates with voters, rather than with the Metropolitan Council, as prescribed by the Constitution. However, the Government cannot predict whether there will be a court challenge as to the constitutionality of the approved initiative. If there is a challenge, the Government cannot predict the timing or be certain of the outcome of any court challenge as to the constitutionality of the approved initiative.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Government's finances for citizens, taxpayers, customers, investors, creditors and all others with an interest in the Government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be forwarded to the Department of Finance, Division of Accounts, at [cafr@nashville.gov](mailto:cafr@nashville.gov).





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION

June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 533,124,755	\$ 187,880,891	\$ 721,005,646	\$ 925,661,812
Investments	4,617,896	-	4,617,896	65,904,588
Sales tax receivable	67,643,759	-	67,643,759	-
Accounts receivable	166,785,439	31,109,183	197,894,622	208,884,506
Property tax receivable	1,405,459,460	-	1,405,459,460	-
Allowance for doubtful accounts	(23,907,795)	(2,761,964)	(26,669,759)	(46,278,049)
Accrued interest receivable	195,392	169,384	364,776	141,319
Due from other governmental agencies	-	-	-	11,208,328
Internal balances	33,469,284	(33,469,284)	-	-
Due from the primary government	-	-	-	345,641
Due from component units	197,087	4,455	201,542	-
Inventories of supplies	6,064,974	3,043,026	9,108,000	39,778,797
Other current assets	1,469,747	101,760	1,571,507	18,205,878
Restricted assets:				
Cash and cash equivalents	-	264,729,886	264,729,886	923,984,833
Investments	-	-	-	94,703,658
Accrued interest receivable	-	31,286	31,286	162,331
Accounts receivable	-	3,430,849	3,430,849	2,576,066
Due from the primary government	-	-	-	2,477,634
Other restricted assets	-	2,538	2,538	1,092,154
Notes receivable	-	-	-	51,516,894
Capital assets:				
Utility plant in service	-	3,249,899,937	3,249,899,937	1,593,042,000
Land	540,988,211	24,583,200	565,571,411	396,093,467
Buildings and improvements	2,621,627,455	123,976,374	2,745,603,829	2,676,625,091
Improvements other than buildings	-	76,961,628	76,961,628	1,859,972
Furniture, machinery and equipment	544,443,854	146,290,960	690,734,814	610,599,443
Property under capital lease	-	3,645,000	3,645,000	-
Infrastructure	1,824,666,495	-	1,824,666,495	641,046,030
Public art	5,554,480	-	5,554,480	1,183,844
Construction in progress	245,227,359	181,935,071	427,162,430	376,516,572
Accumulated depreciation	(1,566,933,193)	(1,639,469,933)	(3,206,403,126)	(2,276,868,207)
Other noncurrent assets	85,027,339	31,846,034	116,873,373	52,059,763
<b>Total assets</b>	<b>6,495,721,998</b>	<b>2,653,940,281</b>	<b>9,149,662,279</b>	<b>6,372,524,365</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	135,732,765	4,594,024	140,326,789	16,969,146
Effective portion of fuel hedging	953,117	-	953,117	673,382
Other post employment benefits (OPEB)	556,644,517	-	556,644,517	45,841,208
Pensions	147,745,474	8,399,038	156,144,512	35,137,853
<b>Total deferred outflows of resources</b>	<b>841,075,873</b>	<b>12,993,062</b>	<b>854,068,935</b>	<b>98,621,589</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION (CONTINUED)

June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES:</b>				
Accounts payable	\$ 113,985,267	\$ 10,425,604	\$ 124,410,871	\$ 280,017,607
Accrued payroll	53,933,382	7,629,542	61,562,924	14,573,348
Accrued interest	66,692,667	-	66,692,667	-
Claims payable	31,440,889	-	31,440,889	-
Due to component units	2,489,738	333,537	2,823,275	-
Due to the primary government	-	-	-	201,542
Customer deposits	-	3,198,585	3,198,585	21,941,734
Unearned revenue	105,305,352	738,537	106,043,889	14,189,022
Commercial paper payable	548,485,758	76,714,242	625,200,000	-
Other current liabilities	7,930,319	33,392	7,963,711	27,254,079
Liabilities payable from restricted assets:				
Accounts payable	-	4,786,821	4,786,821	8,609,395
Accrued payroll	-	469,549	469,549	-
Accrued interest	-	21,607,204	21,607,204	54,809,384
Noncurrent liabilities:				
Current portion of long-term liabilities payable from restricted assets	-	27,285,695	27,285,695	65,835,000
Due within one year	248,351,744	-	248,351,744	13,851,886
Due in more than one year	7,662,768,164	1,112,159,052	8,774,927,216	3,299,646,344
<b>Total liabilities</b>	<b>8,841,383,280</b>	<b>1,265,381,760</b>	<b>10,106,765,040</b>	<b>3,800,929,341</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Assessed and unlevied property taxes	1,395,649,978	-	1,395,649,978	-
Interest rate swap	1,704,008	-	1,704,008	-
Other post employment benefits (OPEB)	601,659,126	-	601,659,126	32,956,512
Pensions	167,943,935	7,718,474	175,662,409	21,488,468
Tax increment financing	-	-	-	28,000,000
<b>Total deferred inflows of resources</b>	<b>2,166,957,047</b>	<b>7,718,474</b>	<b>2,174,675,521</b>	<b>82,444,980</b>
<b>NET POSITION:</b>				
Net investment in capital assets	600,273,279	1,180,320,370	1,780,593,649	1,735,330,999
Restricted for debt retirement	-	86,501,678	86,501,678	372,033,420
Restricted for perpetual care:				
Expendable	183,158	-	183,158	-
Nonexpendable	185,112	-	185,112	-
Restricted for:				
Education	9,638,150	-	9,638,150	-
Law enforcement and care of prisoners	4,290,468	-	4,290,468	-
Public works, highways and streets	7,026,571	-	7,026,571	-
Convention center and tourism promotion	12,535,392	-	12,535,392	-
Public health	2,717,759	-	2,717,759	-
Flood recovery	12,220,042	-	12,220,042	-
Public library	1,193,052	-	1,193,052	-
Other purposes	6,248,731	-	6,248,731	204,845,447
Unrestricted	(4,328,054,170)	127,011,061	(4,201,043,109)	275,561,767
<b>Total net position</b>	<b>\$ (3,671,542,456)</b>	<b>\$ 1,393,833,109</b>	<b>\$ (2,277,709,347)</b>	<b>\$ 2,587,771,633</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 230,356,055	\$ 25,232,996	\$ 17,630,305	\$ 2,409,099
Fiscal administration	41,067,025	8,637,880	145,620	-
Administration of justice	110,247,375	21,364,702	6,092,078	-
Law enforcement and care of prisoners	457,129,369	28,808,471	1,954,955	-
Fire prevention and control	182,714,146	10,718,119	1,614,018	-
Regulation and inspection	14,208,897	27,836,903	-	-
Conservation of natural resources	436,449	-	-	-
Public welfare	56,782,858	563,708	42,363,080	-
Public health and hospitals	131,945,536	10,960,625	19,555,885	-
Public library system	48,056,685	151,916	823,558	-
Public works, highways and streets	240,850,854	20,890,715	5,828,870	49,044,597
Recreational and cultural	79,717,638	11,119,097	360,882	2,350,509
Education	1,174,220,123	13,879,293	424,661,252	-
Interest and other debt related costs	113,136,780	-	-	-
Total governmental activities	<u>2,880,869,790</u>	<u>180,164,425</u>	<u>521,030,503</u>	<u>53,804,205</u>
Business-type activities:				
Department of Water and Sewerage Services	255,802,922	265,887,373	-	26,567,580
District Energy System	16,854,867	16,580,450	-	-
Stormwater Operations	20,189,154	34,891,322	-	-
Board of Fair Commissioners	3,918,112	1,814,135	-	-
Farmers Market	2,241,507	1,062,266	-	-
Surplus Property Auction	729,715	1,247,124	-	-
Municipal Auditorium	1,790,737	1,642,558	-	-
Police Impound	375,000	500,000	-	-
Total business-type activities	<u>301,902,014</u>	<u>323,625,228</u>	<u>-</u>	<u>26,567,580</u>
Total primary government	<u>\$ 3,182,771,804</u>	<u>\$ 503,789,653</u>	<u>\$ 521,030,503</u>	<u>\$ 80,371,785</u>
Component units	<u>\$ 1,957,023,645</u>	<u>\$ 1,610,760,544</u>	<u>\$ 366,925,351</u>	<u>\$ 74,625,299</u>

General revenues:  
 Property taxes  
 Local option sales taxes  
 Hotel occupancy taxes  
 Beverage taxes  
 Wheel taxes  
 Business taxes  
 Franchise taxes  
 Other taxes  
 Revenues from the use of money or property  
 Revenues from other governmental agencies  
 not restricted for specific programs/functions  
 Compensation for loss, sale or damage to property  
 Transfers  
 Total general revenues and transfers  
 Changes in net position  
 Net position - beginning of year  
 Net position - end of year

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
STATEMENT OF ACTIVITIES (CONTINUED)  
For the Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (185,083,655)	\$ -	\$ (185,083,655)	\$ -
(32,283,525)	-	(32,283,525)	-
(82,790,595)	-	(82,790,595)	-
(426,365,943)	-	(426,365,943)	-
(170,382,009)	-	(170,382,009)	-
13,628,006	-	13,628,006	-
(436,449)	-	(436,449)	-
(13,856,070)	-	(13,856,070)	-
(101,429,026)	-	(101,429,026)	-
(47,081,211)	-	(47,081,211)	-
(165,086,672)	-	(165,086,672)	-
(65,887,150)	-	(65,887,150)	-
(735,679,578)	-	(735,679,578)	-
(113,136,780)	-	(113,136,780)	-
<u>(2,125,870,657)</u>	<u>-</u>	<u>(2,125,870,657)</u>	<u>-</u>
-	36,652,031	36,652,031	-
-	(274,417)	(274,417)	-
-	14,702,168	14,702,168	-
-	(2,103,977)	(2,103,977)	-
-	(1,179,241)	(1,179,241)	-
-	517,409	517,409	-
-	(148,179)	(148,179)	-
-	125,000	125,000	-
-	48,290,794	48,290,794	-
<u>(2,125,870,657)</u>	<u>48,290,794</u>	<u>(2,077,579,863)</u>	<u>-</u>
-	-	-	95,287,549
1,084,012,837	-	1,084,012,837	-
443,867,556	-	443,867,556	-
80,664,634	-	80,664,634	-
55,273,654	-	55,273,654	-
33,132,278	-	33,132,278	-
45,690,697	-	45,690,697	-
16,496,643	-	16,496,643	-
760,755	-	760,755	-
7,297,938	2,139,626	9,437,564	41,094,878
106,863,905	-	106,863,905	-
4,045,162	1,763	4,046,925	4,690,687
9,400,084	(9,400,084)	-	-
<u>1,887,506,143</u>	<u>(7,258,695)</u>	<u>1,880,247,448</u>	<u>45,785,565</u>
(238,364,514)	41,032,099	(197,332,415)	141,073,114
(3,433,177,942)	1,352,801,010	(2,080,376,932)	2,446,698,519
<u>\$ (3,671,542,456)</u>	<u>\$ 1,393,833,109</u>	<u>\$ (2,277,709,347)</u>	<u>\$ 2,587,771,633</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020

	General	General Purpose School	Education Services	GSD General Purposes Debt Service	GSD School Purposes Debt Service
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 66,594,031	\$ 7,055,382	\$ 1,013,702	\$ 14,598,281	\$ 13,014,519
Investments	-	-	4,617,896	-	-
Sales tax receivable	20,904,291	37,040,050	-	171,820	9,527,598
Accounts receivable	75,127,249	5,795,921	30,283,968	2,369,542	-
Accrued interest receivable	10,066	-	1,772	15,278	-
Property tax receivable	683,613,580	440,305,488	-	192,091,896	69,976,483
Allowance for doubtful accounts	(19,459,844)	(2,938,582)	-	(939,390)	(384,229)
Due from other funds of the primary government	6,159,352	21,331,534	13,897,490	262,692	2,459
Due from component units	195,063	-	-	-	-
Inventories of supplies	344,534	2,141,115	2,298,671	-	-
Other assets	404,045	31,802	-	20,000	-
<b>Total assets</b>	<b>\$ 833,892,367</b>	<b>\$ 510,762,710</b>	<b>\$ 52,113,499</b>	<b>\$ 208,590,119</b>	<b>\$ 92,136,830</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 16,688,306	\$ 7,772,048	\$ 9,813,404	\$ 333,897	\$ 170,364
Accrued payroll	27,110,326	19,473,421	878,808	-	-
Due to other funds of the primary government	22,536,626	15,859,282	18,036,955	22,724	6,009,652
Due to component units	-	-	-	12,104	-
Commercial paper payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Other liabilities	6,453,054	-	-	-	-
<b>Total liabilities</b>	<b>72,788,312</b>	<b>43,104,751</b>	<b>28,729,167</b>	<b>368,725</b>	<b>6,180,016</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	679,540,610	437,794,466	-	191,172,520	69,601,636
Unavailable revenue - grants	-	-	11,447,511	-	-
Unavailable revenue - other revenues	7,788,400	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>687,329,010</b>	<b>437,794,466</b>	<b>11,447,511</b>	<b>191,172,520</b>	<b>69,601,636</b>
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	707,906	2,141,115	2,298,671	-	-
Restricted for:					
Other purposes	-	-	9,638,150	-	-
Committed for:					
Education (available)	-	27,722,378	-	-	-
Debt service	-	-	-	17,048,874	16,355,178
Equipment acquisitions (appropriated)	-	-	-	-	-
Equipment acquisitions (unappropriated)	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned for:					
Specific projects	11,994,500	-	-	-	-
Unassigned	61,072,639	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>73,775,045</b>	<b>29,863,493</b>	<b>11,936,821</b>	<b>17,048,874</b>	<b>16,355,178</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 833,892,367</b>	<b>\$ 510,762,710</b>	<b>\$ 52,113,499</b>	<b>\$ 208,590,119</b>	<b>\$ 92,136,830</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2020

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,667,034	\$ 30,743,018	\$ 9,329,800	\$ 807,873	\$ 233,574,388	\$ 378,398,028
-	-	-	-	-	4,617,896
-	-	-	-	-	67,643,759
16,386	-	-	-	45,214,004	158,807,070
-	2,392	53	-	96,938	126,499
19,472,013	-	-	-	-	1,405,459,460
(185,750)	-	-	-	-	(23,907,795)
247,829	318,416	374,258	-	12,783,553	55,377,583
-	-	-	-	-	195,063
-	-	-	-	256,160	5,040,480
-	-	-	-	501,027	956,874
<u>\$ 21,217,512</u>	<u>\$ 31,063,826</u>	<u>\$ 9,704,111</u>	<u>\$ 807,873</u>	<u>\$ 292,426,070</u>	<u>\$ 2,052,714,917</u>
\$ 13,871	\$ 25,032,641	\$ 5,251,032	\$ 279,193	\$ 24,578,612	\$ 89,933,368
-	29,795	-	-	3,185,793	50,678,143
1,002,230	376,913	3,291	-	27,164,041	91,011,714
-	-	-	-	2,477,634	2,489,738
-	418,889,486	118,810,512	10,393,624	392,136	548,485,758
-	-	-	-	104,297,772	104,297,772
-	15,000	-	-	1,462,265	7,930,319
<u>1,016,101</u>	<u>444,343,835</u>	<u>124,064,835</u>	<u>10,672,817</u>	<u>163,558,253</u>	<u>894,826,812</u>
19,289,712	-	-	-	-	1,397,398,944
-	-	-	-	27,284,973	38,732,484
-	-	-	-	-	7,788,400
<u>19,289,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,284,973</u>	<u>1,443,919,828</u>
-	-	-	-	441,282	5,588,974
-	-	-	-	46,415,173	56,053,323
-	-	-	-	-	27,722,378
911,699	-	-	-	-	34,315,751
-	-	-	-	41,427,423	41,427,423
-	-	-	-	15,854,689	15,854,689
-	-	-	-	20,425,594	20,425,594
-	-	-	-	-	11,994,500
-	(413,280,009)	(114,360,724)	(9,864,944)	(22,981,317)	(499,414,355)
<u>911,699</u>	<u>(413,280,009)</u>	<u>(114,360,724)</u>	<u>(9,864,944)</u>	<u>101,582,844</u>	<u>(286,031,723)</u>
<u>\$ 21,217,512</u>	<u>\$ 31,063,826</u>	<u>\$ 9,704,111</u>	<u>\$ 807,873</u>	<u>\$ 292,426,070</u>	<u>\$ 2,052,714,917</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS

June 30, 2020

Fund balances - total governmental funds	\$	(286,031,723)
<p>Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported for governmental funds in the Balance Sheet because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Capital assets		5,565,566,431
Less accumulated depreciation		(1,410,333,891)
<p>Net pension assets are not financial resources and therefore are not reported in the governmental funds.</p>		
		85,027,339
<p>Deferred outflows are not financial obligations and therefore not reported in the governmental funds.</p>		
Pensions		147,745,474
Other postemployment benefits (OPEB)		556,644,517
Fair value of derivative financial instruments		953,117
<p>Deferred inflows are not financial resources and therefore not reported in the governmental funds.</p>		
Pensions		(167,943,935)
Other postemployment benefits (OPEB)		(601,659,126)
Fair value of derivative financial instruments		(1,704,008)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds payable		(2,882,551,190)
Qualified zone academy notes payable		(414,563)
Qualified school construction bond loan payable		(24,118,692)
Less deferred charge on refunding		135,732,765
Add net bond premium/discount		(336,344,599)
Accrued interest payable		(66,692,667)
Unamortized swaption proceeds		(1,007,580)
Net pension liability		(285,662,920)
Other postemployment benefits (OPEB) liability		(4,261,044,596)
Compensated absences		(97,051,724)
Claims and judgments		(6,222,000)
Landfill closure costs		(6,541,140)
Fair value of derivative financial instruments		(5,906,000)
<p>Certain deferred inflows reported in the governmental funds are recognized as revenues in the governmental activities.</p>		
		48,269,850
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds less those allocated to business-type activities are included in governmental activities.</p>		
		229,748,405
Net position - governmental activities	\$	(3,671,542,456)

The accompanying notes are an integral part of this financial statement.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	General	General Purpose School	Education Services	GSD General Purposes Debt Service	GSD School Purposes Debt Service
<b>REVENUES:</b>					
Property taxes	\$ 597,829,022	\$ 328,038,370	\$ -	\$ 97,033,163	\$ 41,162,853
Local option sales taxes	113,464,491	242,743,133	-	15,151,591	71,258,341
Other taxes, licenses and permits	159,918,852	18,472,592	-	-	-
Fines, forfeits and penalties	5,014,278	1,362	-	316,378	-
Revenues from the use of money or property	376,653	328,313	206,661	-	651,221
Revenues from other governmental agencies	139,187,410	288,468,264	126,809,259	9,733,881	-
Commissions and fees	13,437,944	-	-	-	-
Charges for current services	36,498,952	3,151,402	10,197,942	-	-
Compensation for loss, sale or damage to property	513,104	1,913,557	11,444	-	-
Contributions and gifts	406,680	345,239	1,163,765	-	-
Bond interest tax credit	-	-	-	4,911,180	-
Miscellaneous	1,079,380	262,582	500	-	-
<b>Total revenues</b>	<b>1,067,726,766</b>	<b>883,724,814</b>	<b>138,389,571</b>	<b>127,146,193</b>	<b>113,072,415</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	52,446,684	-	-	-	-
Fiscal administration	24,620,447	-	-	-	-
Administration of justice	68,715,316	-	-	-	-
Law enforcement and care of prisoners	301,194,426	-	-	-	-
Fire prevention and control	136,829,267	-	-	-	-
Regulation and inspection	11,032,259	-	-	-	-
Conservation of natural resources	335,444	-	-	-	-
Public welfare	6,672,499	-	-	-	-
Public health and hospitals	66,919,483	-	-	-	-
Public library system	31,369,260	-	-	-	-
Public works, highways and streets	36,321,877	-	-	-	-
Recreational and cultural	42,072,126	-	-	-	-
Education	-	749,899,754	284,184,468	-	-
Retiree benefits	88,233,381	-	-	-	-
Miscellaneous	102,696,115	-	-	-	-
<b>Debt service:</b>					
Principal retirement	21,230,100	-	-	89,479,616	62,510,141
Interest	16,669,900	-	-	75,086,059	45,834,988
Fiscal charges	-	-	-	2,125,909	1,381,787
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>1,007,358,584</b>	<b>749,899,754</b>	<b>284,184,468</b>	<b>166,691,584</b>	<b>109,726,916</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>60,368,182</b>	<b>133,825,060</b>	<b>(145,794,897)</b>	<b>(39,545,391)</b>	<b>3,345,499</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2020

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,452,400	\$ -	\$ -	\$ -	\$ 3,552,729	\$ 1,084,068,537
1,250,000	-	-	-	-	443,867,556
239,243	-	-	-	85,176,523	263,807,210
-	-	-	-	1,857,519	7,189,537
-	99,827	1,525	-	2,820,624	4,484,824
-	693,007	-	-	92,123,301	657,015,122
-	-	-	-	12,080,393	25,518,337
-	223,621	-	-	16,033,968	66,105,885
-	94,704	-	-	57,403	2,590,212
-	4,665,608	-	-	5,006,859	11,588,151
-	-	-	-	-	4,911,180
-	-	-	-	66,428	1,408,890
<u>17,941,643</u>	<u>5,776,767</u>	<u>1,525</u>	<u>-</u>	<u>218,775,747</u>	<u>2,572,555,441</u>
-	-	-	-	103,282,752	155,729,436
-	-	-	-	343,633	24,964,080
-	-	-	-	13,458,767	82,174,083
-	-	-	-	25,071,303	326,265,729
-	-	-	-	23,954	136,853,221
-	-	-	-	48,049	11,080,308
-	-	-	-	-	335,444
-	-	-	-	58,410,684	65,083,183
-	-	-	-	23,969,614	90,889,097
-	-	-	-	781,938	32,151,198
-	-	-	-	37,924,204	74,246,081
-	-	-	-	1,694,001	43,766,127
-	-	-	-	-	1,034,084,222
-	-	-	-	-	88,233,381
-	-	-	-	-	102,696,115
10,292,627	-	-	-	-	183,512,484
8,618,588	-	-	-	-	146,209,535
179,808	-	-	-	-	3,687,504
-	192,810,522	66,590,037	2,372,806	24,544,427	286,317,792
<u>19,091,023</u>	<u>192,810,522</u>	<u>66,590,037</u>	<u>2,372,806</u>	<u>289,553,326</u>	<u>2,888,279,020</u>
<u>(1,149,380)</u>	<u>(187,033,755)</u>	<u>(66,588,512)</u>	<u>(2,372,806)</u>	<u>(70,777,579)</u>	<u>(315,723,579)</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	General	General Purpose School	Education Services	GSD General Purposes Debt Service	GSD School Purposes Debt Service
OTHER FINANCING SOURCES (USES):					
Insurance recovery	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	25,936,866	1,174,669	139,960,015	50,317,401	1,619,422
Transfers out	(103,974,920)	(146,453,347)	(2,794,091)	-	-
Total other financing sources (uses)	(78,038,054)	(145,278,678)	137,165,924	50,317,401	1,619,422
Net change in fund balances	(17,669,872)	(11,453,618)	(8,628,973)	10,772,010	4,964,921
FUND BALANCES (DEFICITS), beginning of year	91,444,917	41,317,111	20,565,794	6,276,864	11,390,257
FUND BALANCES (DEFICITS), end of year	<u>\$ 73,775,045</u>	<u>\$ 29,863,493</u>	<u>\$ 11,936,821</u>	<u>\$ 17,048,874</u>	<u>\$ 16,355,178</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2020

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
1,775,700	-	-	-	75,801,200	296,585,273
<u>-</u>	<u>(26,917,184)</u>	<u>-</u>	<u>-</u>	<u>(26,417,662)</u>	<u>(306,557,204)</u>
1,775,700	(26,917,184)	-	-	53,383,538	(5,971,931)
626,320	(213,950,939)	(66,588,512)	(2,372,806)	(17,394,041)	(321,695,510)
<u>285,379</u>	<u>(199,329,070)</u>	<u>(47,772,212)</u>	<u>(7,492,138)</u>	<u>118,976,885</u>	<u>35,663,787</u>
<u>\$ 911,699</u>	<u>\$ (413,280,009)</u>	<u>\$ (114,360,724)</u>	<u>\$ (9,864,944)</u>	<u>\$ 101,582,844</u>	<u>\$ (286,031,723)</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

Net change in fund balances - governmental funds \$ (321,695,510)

Amounts reported for governmental activities in the Statement of Activities are different from amounts reported for governmental funds in the Statement of Revenues, Expenditures and Changes in Fund Balances, because:

Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities.

Acquisition of capital assets that meet criteria for capitalization	138,427,951
Depreciation expense	(122,188,098)

Donations of capital assets increase net position for governmental activities, but do not appear in the governmental funds because they are not financial resources.	47,247,156
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The gain or loss on the sale of capital assets is reported for governmental activities, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the capital assets sold.	(429,646)
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Changes in net pension assets increase or decrease net position for governmental activities, but do not appear in the governmental funds because they are not current financial resources.	51,695,654
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Changes in deferred outflows increase or decrease net position for governmental activities, but do not appear in the governmental funds because they are not current financial resources.	
Pensions	(25,735,271)
Other postemployment benefits (OPEB)	69,831,437

Changes in deferred inflows increase or decrease net position for governmental activities, but do not appear in the governmental funds because they are not current financial resources.	
Pensions	63,954,123
Other postemployment benefits (OPEB)	(566,737,533)

Bond proceeds provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities for governmental activities. Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities for governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities.

Principal repayments	183,512,484
Amortization of deferred charge on refunding	(18,953,719)
Amortization of premium/discount	36,608,721
Change in accrued interest	3,971,090

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)

For the Year Ended June 30, 2020

Swaption proceeds provide current financial resources to governmental funds, but the issuance of swaptions increases long-term liabilities for governmental activities. Also, these proceeds are amortized for governmental activities.

Amortization of swaptions	\$	172,727
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Some expenses reported for governmental activities do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds.

Net pension liability	(76,117,813)
Total other postemployment benefits (OPEB) liability	301,779,495
Compensated absences	(6,224,026)
Landfill closure costs	24,430

Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.	21,206,365
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds less those allocated to business-type activities are included in governmental activities.	<u>(18,714,531)</u>
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Change in net position - governmental activities	<u>\$</u>	<u>(238,364,514)</u>
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The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 578,398,800	\$ 578,398,800	\$ 597,829,022	\$ 19,430,222
Local option sales tax	146,962,800	146,962,800	113,464,491	(33,498,309)
Other taxes, licenses and permits	166,306,700	166,306,700	159,918,852	(6,387,848)
Fines, forfeits and penalties	6,757,700	6,757,700	5,014,278	(1,743,422)
Revenues from the use of money or property	-	-	376,653	376,653
Revenues from other governmental agencies	124,449,200	124,449,200	139,187,410	14,738,210
Commissions and fees	15,146,300	15,146,300	13,437,944	(1,708,356)
Charges for current services	42,340,000	42,340,000	36,498,952	(5,841,048)
Compensation for loss, sale or damage to property	630,600	630,600	513,104	(117,496)
Contributions and gifts	-	-	406,680	406,680
Miscellaneous	620,400	620,400	1,079,380	458,980
<b>Total revenues</b>	<b>1,081,612,500</b>	<b>1,081,612,500</b>	<b>1,067,726,766</b>	<b>(13,885,734)</b>
<b>EXPENDITURES:</b>				
General government	56,391,600	56,420,000	52,446,684	3,973,316
Fiscal administration	27,383,700	27,423,400	24,620,447	2,802,953
Administration of justice	70,765,000	70,989,700	68,715,316	2,274,384
Law enforcement and care of prisoners	300,257,600	302,778,800	301,194,426	1,584,374
Fire prevention and control	132,766,500	136,906,500	136,829,267	77,233
Regulation and inspection	11,927,500	11,966,500	11,032,259	934,241
Conservation of natural resources	331,400	335,500	335,444	56
Public welfare	7,284,500	7,291,000	6,672,499	618,501
Public health and hospitals	66,929,700	66,929,700	66,919,483	10,217
Public library system	31,770,300	31,770,300	31,369,260	401,040
Public works, highways and streets	36,723,700	36,723,700	36,321,877	401,823
Recreational and cultural	46,758,100	46,759,100	42,072,126	4,686,974
Retiree benefits	90,608,700	90,608,700	88,233,381	2,375,319
Miscellaneous	127,627,100	123,432,700	102,696,115	20,736,585
Debt service:				
Principal retirement	-	21,230,100	21,230,100	-
Interest	-	16,669,900	16,669,900	-
<b>Total expenditures</b>	<b>1,007,525,400</b>	<b>1,048,235,600</b>	<b>1,007,358,584</b>	<b>40,877,016</b>
Excess (deficiency) of revenues over expenditures	74,087,100	33,376,900	60,368,182	26,991,282
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	29,572,700	29,572,700	25,936,866	(3,635,834)
Transfers out	(110,959,800)	(107,476,800)	(103,974,920)	3,501,880
<b>Total other financing sources (uses)</b>	<b>(81,387,100)</b>	<b>(77,904,100)</b>	<b>(78,038,054)</b>	<b>(133,954)</b>
Net change in fund balances	(7,300,000)	(44,527,200)	(17,669,872)	26,857,328
FUND BALANCES, beginning of year	91,444,917	91,444,917	91,444,917	-
FUND BALANCES, end of year	\$ 84,144,917	\$ 46,917,717	\$ 73,775,045	\$ 26,857,328

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 331,064,700	\$ 331,064,700	\$ 328,038,370	\$ (3,026,330)
Local option sales tax	261,130,500	261,130,500	242,743,133	(18,387,367)
Other taxes, licenses and permits	25,316,300	25,316,300	18,472,592	(6,843,708)
Fines, forfeits and penalties	1,200	1,200	1,362	162
Revenues from the use of money or property	-	-	328,313	328,313
Revenues from other governmental agencies	290,009,900	290,009,900	288,468,264	(1,541,636)
Charges for current services	2,030,000	2,030,000	3,151,402	1,121,402
Compensation for loss, sale or damage to property	1,643,000	1,643,000	1,913,557	270,557
Contributions and gifts	300,000	300,000	345,239	45,239
Miscellaneous	180,000	180,000	262,582	82,582
<b>Total revenues</b>	<b>911,675,600</b>	<b>911,675,600</b>	<b>883,724,814</b>	<b>(27,950,786)</b>
<b>EXPENDITURES:</b>				
Education	770,140,700	777,718,700	749,899,754	27,818,946
<b>Total expenditures</b>	<b>770,140,700</b>	<b>777,718,700</b>	<b>749,899,754</b>	<b>27,818,946</b>
Excess (deficiency) of revenues over expenditures	141,534,900	133,956,900	133,825,060	(131,840)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,800,000	2,800,000	1,174,669	(1,625,331)
Transfers out	(144,334,900)	(144,334,900)	(146,453,347)	(2,118,447)
<b>Total other financing sources (uses)</b>	<b>(141,534,900)</b>	<b>(141,534,900)</b>	<b>(145,278,678)</b>	<b>(3,743,778)</b>
Net change in fund balances	-	(7,578,000)	(11,453,618)	(3,875,618)
FUND BALANCES, beginning of year	41,317,111	41,317,111	41,317,111	-
FUND BALANCES, end of year	\$ 41,317,111	\$ 33,739,111	\$ 29,863,493	\$ (3,875,618)

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2020

Business-type Activities - Enterprise Funds

	Department of Water and Sewerage Services	District Energy System	Stormwater Operations	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents	\$ 130,008,389	\$ 6,633,410	\$ 46,178,690	\$ 5,060,402	\$ 187,880,891	\$ 154,726,727
Accounts receivable	23,828,365	2,045,950	5,081,286	153,582	31,109,183	5,068,432
Allowance for doubtful accounts	(1,621,134)	-	(1,140,830)	-	(2,761,964)	-
Accrued interest receivable	138,372	-	28,696	2,316	169,384	68,893
Due from other funds of the primary government	434,775	-	2,859,990	407,220	3,701,985	8,471,561
Due from component units	4,155	-	300	-	4,455	2,024
Inventories of supplies	3,043,026	-	-	-	3,043,026	1,024,494
Other current assets	90,560	-	11,200	-	101,760	512,873
Restricted assets:						
Cash and cash equivalents	28,715,404	1,802,389	-	-	30,517,793	-
Accounts receivable	3,430,849	-	-	-	3,430,849	-
Accrued interest receivable	31,286	-	-	-	31,286	-
Due from other funds of the primary government	19,316,275	-	-	-	19,316,275	-
Other current assets	2,538	-	-	-	2,538	-
<b>Total current assets</b>	<b>207,422,860</b>	<b>10,481,749</b>	<b>53,019,332</b>	<b>5,623,520</b>	<b>276,547,461</b>	<b>169,875,004</b>
Noncurrent assets:						
Capital assets:						
Utility plant in service	3,182,981,902	66,918,035	-	-	3,249,899,937	-
Land	22,509,294	1,311,213	-	762,693	24,583,200	-
Buildings and improvements	55,411,607	22,249,490	-	46,315,277	123,976,374	-
Improvements other than buildings	62,340,172	273,754	-	14,347,702	76,961,628	-
Furniture, machinery and equipment	142,949,154	886,904	-	2,454,902	146,290,960	216,941,423
Property under capital lease	-	-	-	3,645,000	3,645,000	-
Construction in progress	172,727,888	800,956	-	8,406,227	181,935,071	-
Less accumulated depreciation	(1,576,693,053)	(35,231,581)	-	(27,545,299)	(1,639,469,933)	(156,599,302)
Capital assets - net	2,062,226,964	57,208,771	-	48,386,502	2,167,822,237	60,342,121
Restricted assets:						
Cash and cash equivalents	234,212,093	-	-	-	234,212,093	-
Other noncurrent assets	31,846,034	-	-	-	31,846,034	-
<b>Total noncurrent assets</b>	<b>2,328,285,091</b>	<b>57,208,771</b>	<b>-</b>	<b>48,386,502</b>	<b>2,433,880,364</b>	<b>60,342,121</b>
<b>Total assets</b>	<b>2,535,707,951</b>	<b>67,690,520</b>	<b>53,019,332</b>	<b>54,010,022</b>	<b>2,710,427,825</b>	<b>230,217,125</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred charge on refunding	2,509,379	2,084,645	-	-	4,594,024	-
Pensions	7,037,553	29,440	1,031,354	300,691	8,399,038	-
<b>Total deferred outflows of resources</b>	<b>9,546,932</b>	<b>2,114,085</b>	<b>1,031,354</b>	<b>300,691</b>	<b>12,993,062</b>	<b>-</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS (CONTINUED)

June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Stormwater Operations	Other Enterprise Funds	Total Enterprise Funds	
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	\$ 7,031,055	\$ 2,052,183	\$ 846,548	\$ 495,818	\$ 10,425,604	\$ 12,567,260
Accrued payroll	6,535,379	-	712,405	381,758	7,629,542	3,255,239
Claims payable	-	-	-	-	-	31,440,889
Due to other funds of the primary government	3,642,149	275,969	31,909	33,284	3,983,311	447,081
Due to component units	333,333	-	-	204	333,537	-
Customer deposits	3,149,502	-	-	49,083	3,198,585	-
Unearned revenue	-	-	-	738,537	738,537	-
Other current liabilities	33,392	-	-	-	33,392	-
Liabilities payable from restricted assets:						
Accounts payable	4,786,821	-	-	-	4,786,821	-
Accrued payroll	469,549	-	-	-	469,549	-
Accrued interest	21,159,982	447,222	-	-	21,607,204	-
Current portion of long term debt	25,080,000	2,205,695	-	-	27,285,695	-
Commercial paper payable	75,200,000	1,514,242	-	-	76,714,242	-
Total current liabilities	<u>147,421,162</u>	<u>6,495,311</u>	<u>1,590,862</u>	<u>1,698,684</u>	<u>157,206,019</u>	<u>47,710,469</u>
Noncurrent liabilities:						
Revenue bonds payable	1,041,951,351	-	-	-	1,041,951,351	-
General obligation bonds payable	-	52,136,219	-	-	52,136,219	-
Claims payable	-	-	-	-	-	5,262,484
Net pension liability	15,142,093	63,344	2,219,076	646,969	18,071,482	-
Total noncurrent liabilities	<u>1,057,093,444</u>	<u>52,199,563</u>	<u>2,219,076</u>	<u>646,969</u>	<u>1,112,159,052</u>	<u>5,262,484</u>
Total liabilities	<u>1,204,514,606</u>	<u>58,694,874</u>	<u>3,809,938</u>	<u>2,345,653</u>	<u>1,269,365,071</u>	<u>52,972,953</u>
DEFERRED INFLOWS OF RESOURCES:						
Pensions	6,467,308	27,055	947,785	276,326	7,718,474	-
Total deferred inflows of resources	<u>6,467,308</u>	<u>27,055</u>	<u>947,785</u>	<u>276,326</u>	<u>7,718,474</u>	<u>-</u>
NET POSITION:						
Net investment in capital assets	1,128,496,608	3,437,260	-	48,386,502	1,180,320,370	60,342,121
Restricted for debt retirement	85,146,511	1,355,167	-	-	86,501,678	-
Unrestricted	120,629,850	6,290,249	49,292,963	3,302,232	179,515,294	116,902,051
Total net position	<u>\$ 1,334,272,969</u>	<u>\$ 11,082,676</u>	<u>\$ 49,292,963</u>	<u>\$ 51,688,734</u>	<u>1,446,337,342</u>	<u>\$ 177,244,172</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(52,504,233)	
Net position of business-type activities					<u>\$ 1,393,833,109</u>	

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Stormwater Operations	Other Enterprise Funds	Total Enterprise Funds	
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 265,887,373	\$ 16,580,450	\$ 34,891,322	\$ 6,266,083	\$ 323,625,228	\$ 428,603,534
Other	-	-	-	-	-	20,074,546
Total operating revenues	<u>265,887,373</u>	<u>16,580,450</u>	<u>34,891,322</u>	<u>6,266,083</u>	<u>323,625,228</u>	<u>448,678,080</u>
<b>OPERATING EXPENSES:</b>						
Personal services	59,633,170	3,408	8,976,712	2,826,253	71,439,543	21,707,325
Contractual services	44,730,409	12,774,838	8,195,011	3,914,847	69,615,105	36,861,505
Supplies and materials	14,718,090	223,514	2,092,617	124,171	17,158,392	10,913,586
Depreciation	86,868,784	2,361,657	-	1,849,989	91,080,430	19,902,408
Compensation for damages	-	-	-	-	-	3,111,869
Medical and insurance benefits	-	-	-	-	-	396,534,080
Other	13,529,362	30,762	159,048	225,848	13,945,020	6,695,654
Total operating expenses	<u>219,479,815</u>	<u>15,394,179</u>	<u>19,423,388</u>	<u>8,941,108</u>	<u>263,238,490</u>	<u>495,726,427</u>
<b>OPERATING INCOME (LOSS)</b>	<u>46,407,558</u>	<u>1,186,271</u>	<u>15,467,934</u>	<u>(2,675,025)</u>	<u>60,386,738</u>	<u>(47,048,347)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>						
Investment income (loss)	1,279,050	147,227	647,438	65,911	2,139,626	2,196,502
Interest expense	(32,364,872)	(1,460,688)	-	-	(33,825,560)	-
Gain (loss) on sale of property	5,090	-	-	(3,327)	1,763	(314,434)
Other	(701,698)	-	(78,394)	-	(780,092)	476,237
Total nonoperating revenue (expense)	<u>(31,782,430)</u>	<u>(1,313,461)</u>	<u>569,044</u>	<u>62,584</u>	<u>(32,464,263)</u>	<u>2,358,305</u>
<b>INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS</b>	<u>14,625,128</u>	<u>(127,190)</u>	<u>16,036,978</u>	<u>(2,612,441)</u>	<u>27,922,475</u>	<u>(44,690,042)</u>
<b>CAPITAL GRANTS AND CONTRIBUTIONS TRANSFERS IN</b>	26,567,580	-	-	-	26,567,580	-
<b>TRANSFERS OUT</b>	(14,015,941)	(1,192,300)	(6,811,545)	(2,390,700)	(24,410,486)	(1,933,000)
<b>CHANGE IN NET POSITION</b>	<u>27,176,767</u>	<u>(1,319,490)</u>	<u>9,225,433</u>	<u>10,007,261</u>	<u>45,089,971</u>	<u>(22,772,403)</u>
<b>NET POSITION, beginning of year</b>	<u>1,307,096,202</u>	<u>12,402,166</u>	<u>40,067,530</u>	<u>41,681,473</u>		<u>200,016,575</u>
<b>NET POSITION, end of year</b>	<u>\$ 1,334,272,969</u>	<u>\$ 11,082,676</u>	<u>\$ 49,292,963</u>	<u>\$ 51,688,734</u>		<u>\$ 177,244,172</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(4,057,872)	
<b>Change in net position of business-type activities</b>					<u>\$ 41,032,099</u>	

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Stormwater Operations	Other Enterprise Funds	Total Enterprise Funds	
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 260,491,283	\$ 16,612,333	\$ 34,258,110	\$ 4,218,512	\$ 315,580,238	\$ 438,154,713
Payments to suppliers	(61,729,863)	(12,769,577)	(10,981,355)	(4,143,084)	(89,623,879)	(453,188,414)
Payments to employees	(54,214,576)	-	(8,746,163)	(2,829,026)	(65,789,765)	(21,017,514)
Other receipts	-	-	-	-	-	476,237
Other payments	(16,091,529)	-	-	-	(16,091,529)	-
Net cash provided by (used in) operating activities	<u>128,455,315</u>	<u>3,842,756</u>	<u>14,530,592</u>	<u>(2,753,598)</u>	<u>144,075,065</u>	<u>(35,574,978)</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	-	-	-	15,010,402	15,010,402	23,850,639
Transfers out	(14,015,941)	(1,192,300)	(6,811,545)	(2,390,700)	(24,410,486)	(1,933,000)
Net cash provided by (used in) non-capital financing activities	<u>(14,015,941)</u>	<u>(1,192,300)</u>	<u>(6,811,545)</u>	<u>12,619,702</u>	<u>(9,400,084)</u>	<u>21,917,639</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition of capital assets	(55,070,208)	(308,801)	-	(12,687,459)	(68,066,468)	(19,244,181)
Proceeds from the sale of property	5,090	-	-	663	5,753	-
Proceeds from borrowings	69,833,305	877,498	-	-	70,710,803	-
Principal payments on borrowings	(39,120,000)	(2,348,512)	-	-	(41,468,512)	-
Interest subsidy	5,031,069	-	-	-	5,031,069	-
Interest paid	(43,804,978)	(1,817,828)	-	-	(45,622,806)	-
Capital contributions received	26,085,944	-	-	-	26,085,944	-
Net cash provided by (used in) capital and related financing activities	<u>(37,039,778)</u>	<u>(3,597,643)</u>	<u>-</u>	<u>(12,686,796)</u>	<u>(53,324,217)</u>	<u>(19,244,181)</u>
<b>Cash flows from investing activities:</b>						
Interest on investments	1,733,791	147,227	703,210	78,836	2,663,064	2,538,138
Net cash provided by (used in) investing activities	<u>1,733,791</u>	<u>147,227</u>	<u>703,210</u>	<u>78,836</u>	<u>2,663,064</u>	<u>2,538,138</u>
Net changes in cash and cash equivalents	79,133,387	(799,960)	8,422,257	(2,741,856)	84,013,828	(30,363,382)
Cash and cash equivalents at beginning of year	313,802,499	9,235,759	37,756,433	7,802,258	368,596,949	185,090,109
Cash and cash equivalents at end of year	<u>\$ 392,935,886</u>	<u>\$ 8,435,799</u>	<u>\$ 46,178,690</u>	<u>\$ 5,060,402</u>	<u>\$ 452,610,777</u>	<u>\$ 154,726,727</u>
<b>Cash and cash equivalents are classified as:</b>						
Current assets	\$ 130,008,389	\$ 6,633,410	\$ 46,178,690	\$ 5,060,402	\$ 187,880,891	\$ 154,726,727
Current restricted assets	28,715,404	1,802,389	-	-	30,517,793	-
Noncurrent restricted assets	234,212,093	-	-	-	234,212,093	-
Cash and cash equivalents at end of year	<u>\$ 392,935,886</u>	<u>\$ 8,435,799</u>	<u>\$ 46,178,690</u>	<u>\$ 5,060,402</u>	<u>\$ 452,610,777</u>	<u>\$ 154,726,727</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Stormwater Operations	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 46,407,558	\$ 1,186,271	\$ 15,467,934	\$ (2,675,025)	\$ 60,386,738	\$ (47,048,347)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	86,868,784	2,361,657	-	1,849,989	91,080,430	19,902,408
Provision for doubtful accounts	941,156	-	-	-	941,156	-
Other receipts	-	-	-	-	-	476,237
Other payments	(701,698)	-	(78,394)	-	(780,092)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Accounts receivable	(6,273,898)	31,883	(906,041)	(25,620)	(7,173,676)	(2,826,707)
Due from other funds of the primary government	473,192	-	272,829	(347,324)	398,697	(7,651,316)
Due from component units	1,861	-	-	-	1,861	1,906
Inventories of supplies	(171,388)	-	-	-	(171,388)	88,600
Other current assets	(86,248)	-	(11,200)	2,220	(95,228)	-
Deferred outflows pensions	1,414,814	5,334	195,136	87,768	1,703,052	-
Accounts payable	(2,109,976)	95,358	(402,389)	117,468	(2,299,539)	3,194,061
Accrued payroll	4,835,191	-	124,851	17,516	4,977,558	246,634
Claims payable	-	-	-	-	-	(2,095,055)
Due to other funds of the primary government	1,404,659	164,179	(42,696)	(660,719)	865,423	136,601
Due to component units	333,333	-	-	(508)	332,825	-
Customer deposits	(63,348)	-	-	38,893	(24,455)	-
Unearned revenue	-	-	-	(1,050,199)	(1,050,199)	-
Other current liabilities	(3,987,266)	-	-	-	(3,987,266)	-
Net pension liability	5,515,102	23,737	822,141	204,524	6,565,504	-
Deferred inflows pensions	(6,346,513)	(25,663)	(911,579)	(312,581)	(7,596,336)	-
Total adjustments	82,047,757	2,656,485	(937,342)	(78,573)	83,688,327	11,473,369
Net cash provided by (used in) operating activities	\$ 128,455,315	\$ 3,842,756	\$ 14,530,592	\$ (2,753,598)	\$ 144,075,065	\$ (35,574,978)
<u>Non-Cash Capital, Financing and Investing Activities:</u>						
Contributions of capital assets	\$ 12,347,530	\$ -	\$ -	\$ -	\$ 12,347,530	\$ -

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2020

	Pension (and Other Employee Benefit) Trust Funds	Agency Funds
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 117,726,811	\$ 56,298,821
Investments, at fair value:		
Bank debt notes	92,221	-
Commingled funds U.S. debt	22,182,854	-
Conventional mortgages	64,749,123	-
Preferred stock	6,068,719	-
Common stock	324,903,490	-
Corporate bonds and notes	195,731,117	-
Emerging markets	473,552	-
Equity commingled funds	62,246,795	-
Bank loans	8,143,502	-
Non agency mortgages/collateralized mortgage obligations	42,055,229	-
Other fixed income	290,116,565	-
Other securities	237,826,676	-
Venture capital and partnerships	2,007,528,121	-
Municipals	277,044	-
Real estate	452,676	-
Registered investment companies	111,932,041	-
U.S. treasury securities	96,711,140	-
Cash collateral received - securities lending program	20,171,314	-
Mortgages and real estate	-	991,100
Mutual funds	-	19,976
Accounts receivable	468,886,775	-
Accrued interest receivable	5,307,329	1,456
Due from other funds of the primary government	6,525,321	4,959,318
Other assets	-	6,203
Total assets	4,090,108,415	\$ 62,276,874
<b>LIABILITIES:</b>		
Accounts payable	714,668	\$ -
Due to brokers	672,045,715	-
Payable for collateral received - securities lending program	20,171,314	-
Due to other funds of the primary government	2,909,937	-
Funds held in custody for others	-	41,914,687
Other liabilities	-	20,362,187
Total liabilities	695,841,634	\$ 62,276,874
<b>NET POSITION:</b>		
Restricted for pensions	3,392,121,124	
Held in trust for other employee benefits	2,145,657	
Total net position	\$ 3,394,266,781	

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended June 30, 2020

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS:	
Investment income:	
Interest and dividend income	\$ 74,517,087
Net appreciation (depreciation) of investments	86,128,125
Miscellaneous	217,543
	<u>160,862,755</u>
Net increase (decrease) in fair value of investments	<u>160,862,755</u>
Net income earned on securities lending transactions:	
Securities lending income	142,131
Securities lending expense	(28,414)
	<u>113,717</u>
Net income earned on securities lending transactions	<u>113,717</u>
Less investment expenses	<u>(37,481,366)</u>
Net investment income (loss)	<u>123,495,106</u>
Contributions:	
Employee contributions	2,578,653
Employer contributions	112,210,324
Transfers in	180,056
Contributions from the State of Tennessee	13,341,332
Miscellaneous	2,707,511
	<u>131,017,876</u>
Total contributions	<u>131,017,876</u>
Total additions	<u>254,512,982</u>
DEDUCTIONS:	
Pension and other employee benefits	221,550,221
Administrative expenses	3,911,544
Transfers out	2,725,680
	<u>228,187,445</u>
Total deductions	<u>228,187,445</u>
Change in net position	26,325,537
NET POSITION, beginning of year	<u>3,367,941,244</u>
NET POSITION, end of year	<u>\$ 3,394,266,781</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS

June 30, 2020

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 255	\$ 212,111	\$ 10,152,905	\$ 64,426
Investments	-	-	-	-
Accounts receivable	-	-	264,419	-
Allowance for doubtful accounts	-	-	-	-
Accrued interest receivable	-	-	8,060	36
Due from other governmental agencies	-	-	-	-
Due from the primary government	-	-	345,641	-
Inventories of supplies	-	-	-	-
Other current assets	3,350	400	-	-
Restricted assets:				
Cash and cash equivalents	-	-	10,610,033	-
Investments	-	-	860,975	-
Accounts receivable	-	-	37,097	-
Accrued interest receivable	-	-	-	-
Due from the primary government	-	-	-	-
Other restricted assets	-	-	-	-
Notes receivable	-	-	28,647,242	-
Capital assets:				
Utility plant in service	-	-	-	-
Land	-	-	75,698,192	-
Buildings and improvements	-	-	472,547,113	-
Improvements other than buildings	135,509	-	1,724,463	-
Furniture, machinery and equipment	18,697	46,324	42,826,183	-
Infrastructure	-	-	-	-
Public art	-	-	-	-
Construction in progress	-	-	1,819,244	-
Less accumulated depreciation	(154,206)	(44,052)	(248,177,065)	-
Other noncurrent assets	-	-	-	-
<b>Total assets</b>	<b>3,605</b>	<b>214,783</b>	<b>397,364,502</b>	<b>64,462</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	-	-	1,963,440	-
Effective portion of fuel hedging	-	-	-	-
Other post employment benefits (OPEB)	-	-	-	-
Pensions	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>1,963,440</b>	<b>-</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITON  
COMPONENT UNITS (CONTINUED)

June 30, 2020

Total Governmental Types	Hospital Authority	Metropolitan Development and Housing Agency	Electric Power Board
\$ 10,429,697	\$ 11,572,614	\$ 68,561,748	\$ 341,905,000
-	-	2,254,173	50,457,000
264,419	44,794,519	9,010,411	147,885,000
-	(37,682,131)	(5,987,820)	(2,181,000)
8,096	-	-	-
-	-	-	-
345,641	-	-	-
-	2,493,381	1,527,110	32,519,000
3,750	2,858,953	3,320,736	9,969,000
-	-	-	-
10,610,033	-	60,000,538	23,559,000
860,975	-	-	54,831,000
37,097	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
28,647,242	-	22,231,652	638,000
-	-	-	1,593,042,000
75,698,192	-	105,341,243	3,889,000
472,547,113	54,532,370	458,460,364	76,398,000
1,859,972	-	-	-
42,891,204	48,583,790	10,240,342	123,617,000
-	-	27,382,471	-
-	-	-	-
1,819,244	522,356	53,060,905	118,970,000
(248,375,323)	(79,663,603)	(237,640,475)	(760,288,000)
-	-	37,163,684	8,109,000
<u>397,647,352</u>	<u>48,012,249</u>	<u>614,927,082</u>	<u>1,823,319,000</u>
1,963,440	-	-	12,132,000
-	-	-	-
-	-	-	25,280,000
-	1,495,879	-	28,443,000
<u>1,963,440</u>	<u>1,495,879</u>	<u>-</u>	<u>65,855,000</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS (CONTINUED)

June 30, 2020

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 5,396,168	\$ 301,385,615	\$ 1,022,628
Investments	-	-	13,193,415
Accounts receivable	684,439	5,880,108	-
Allowance for doubtful accounts	(6,000)	(421,098)	-
Accrued interest receivable	-	-	-
Due from other governmental agencies	7,317,283	3,891,045	-
Due from the primary government	-	-	-
Inventories of supplies	2,675,559	563,747	-
Other current assets	1,031,960	527,396	272,698
Restricted assets:			
Cash and cash equivalents	534,789	732,767,445	-
Investments	-	-	-
Accounts receivable	-	2,538,969	-
Accrued interest receivable	-	-	-
Due from the primary government	-	-	-
Other restricted assets	-	-	-
Notes receivable	-	-	-
Capital assets:			
Utility plant in service	-	-	-
Land	14,733,025	105,115,818	-
Buildings and improvements	109,841,159	841,349,251	-
Improvements other than buildings	-	-	-
Furniture, machinery and equipment	175,400,432	194,396,606	7,179,760
Infrastructure	-	613,663,559	-
Public art	-	-	-
Construction in progress	22,625,060	139,067,964	-
Less accumulated depreciation	(158,153,257)	(668,885,544)	(6,456,383)
Other noncurrent assets	350,000	6,437,079	-
<b>Total assets</b>	<b>182,430,617</b>	<b>2,278,277,960</b>	<b>15,212,118</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred charge on refunding	-	2,873,706	-
Effective portion of fuel hedging	673,382	-	-
Other post employment benefits (OPEB)	20,302,871	258,337	-
Pensions	4,872,703	-	-
<b>Total deferred outflows of resources</b>	<b>25,848,956</b>	<b>3,132,043</b>	<b>-</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS (CONTINUED)

June 30, 2020

Convention Center Authority	Total Proprietary Types	Total Component Units
\$ 185,388,342	\$ 915,232,115	\$ 925,661,812
-	65,904,588	65,904,588
365,610	208,620,087	208,884,506
-	(46,278,049)	(46,278,049)
133,223	133,223	141,319
-	11,208,328	11,208,328
-	-	345,641
-	39,778,797	39,778,797
221,385	18,202,128	18,205,878
96,513,028	913,374,800	923,984,833
39,011,683	93,842,683	94,703,658
-	2,538,969	2,576,066
162,331	162,331	162,331
2,477,634	2,477,634	2,477,634
1,092,154	1,092,154	1,092,154
-	22,869,652	51,516,894
-	1,593,042,000	1,593,042,000
91,316,189	320,395,275	396,093,467
663,496,834	2,204,077,978	2,676,625,091
-	-	1,859,972
8,290,309	567,708,239	610,599,443
-	641,046,030	641,046,030
1,183,844	1,183,844	1,183,844
40,451,043	374,697,328	376,516,572
(117,405,622)	(2,028,492,884)	(2,276,868,207)
-	52,059,763	52,059,763
<u>1,012,697,987</u>	<u>5,974,877,013</u>	<u>6,372,524,365</u>
-	15,005,706	16,969,146
-	673,382	673,382
-	45,841,208	45,841,208
326,271	35,137,853	35,137,853
<u>326,271</u>	<u>96,658,149</u>	<u>98,621,589</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS (CONTINUED)

June 30, 2020

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
<b>LIABILITIES:</b>				
Accounts payable	\$ 438	\$ 79,923	\$ 364,906	\$ 180
Accrued payroll	-	-	18,211	-
Due to the primary government	-	-	21,237	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Current portion of long-term liabilities	-	-	-	-
Current portion of capitalized lease obligations	-	-	-	-
Other current liabilities	-	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued interest	-	-	2,862,914	-
Current portion of long-term liabilities	-	-	6,005,000	-
Revenue bonds payable	-	-	111,719,894	-
Capitalized lease obligations	-	-	-	-
Other long-term liabilities	-	-	10,148,146	-
	<u>438</u>	<u>79,923</u>	<u>131,140,308</u>	<u>180</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Tax increment financing	-	-	28,000,000	-
Other post employment benefits (OPEB)	-	-	-	-
Pensions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>28,000,000</u>	<u>-</u>
<b>NET POSITION:</b>				
Net investment in capital assets	-	2,272	216,739,838	-
Restricted for debt retirement	-	-	12,027,323	-
Restricted for other purposes	-	-	-	-
Unrestricted	<u>3,167</u>	<u>132,588</u>	<u>11,420,473</u>	<u>64,282</u>
	<u>\$ 3,167</u>	<u>\$ 134,860</u>	<u>\$ 240,187,634</u>	<u>\$ 64,282</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS (CONTINUED)

June 30, 2020

Total Governmental Types	Hospital Authority	Metropolitan Development and Housing Agency	Electric Power Board
\$ 445,447	\$ 10,982,887	\$ 11,742,888	\$ 176,350,000
18,211	4,174,893	789,533	-
21,237	-	-	-
-	-	2,179,734	19,762,000
-	-	-	-
-	-	8,889,615	-
-	3,163,039	-	-
-	7,669,300	9,086,970	-
-	-	-	8,113,000
2,862,914	-	-	3,088,000
6,005,000	-	-	37,690,000
111,719,894	-	-	516,373,000
-	12,578,859	-	-
<u>10,148,146</u>	<u>3,218,553</u>	<u>190,371,116</u>	<u>409,275,000</u>
-	-	-	-
<u>131,220,849</u>	<u>41,787,531</u>	<u>223,059,856</u>	<u>1,170,651,000</u>
28,000,000	-	-	-
-	-	-	27,725,000
-	1,374,669	-	16,125,000
<u>28,000,000</u>	<u>1,374,669</u>	<u>-</u>	<u>43,850,000</u>
216,742,110	8,233,015	229,121,303	606,585,000
12,027,323	-	-	74,300,000
-	-	71,964,995	1,002,000
<u>11,620,510</u>	<u>(1,887,087)</u>	<u>90,780,928</u>	<u>(7,214,000)</u>
<u>\$ 240,389,943</u>	<u>\$ 6,345,928</u>	<u>\$ 391,867,226</u>	<u>\$ 674,673,000</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS (CONTINUED)

June 30, 2020

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
<b>LIABILITIES:</b>			
Accounts payable	\$ 2,770,459	\$ 75,490,777	\$ 104,169
Accrued payroll	3,222,205	4,804,145	-
Due to the primary government	-	-	-
Customer deposits	-	-	-
Unearned revenue	-	5,028,893	-
Current portion of long-term liabilities	-	1,799,232	-
Current portion of capitalized lease obligations	-	-	-
Other current liabilities	10,446,277	51,532	-
Liabilities payable from restricted assets:			
Accounts payable	-	-	-
Accrued interest	-	29,519,176	-
Current portion of long-term liabilities	-	8,175,000	-
Revenue bonds payable	-	1,358,709,878	-
Capitalized lease obligations	-	-	-
Other long-term liabilities	112,219,474	11,677,448	-
<b>Total liabilities</b>	<b>128,658,415</b>	<b>1,495,256,081</b>	<b>104,169</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Tax increment financing	-	-	-
Other post employment benefits (OPEB)	1,366,389	3,865,123	-
Pensions	2,549,348	1,139,617	-
<b>Total deferred inflows of resources</b>	<b>3,915,737</b>	<b>5,004,740</b>	<b>-</b>
<b>NET POSITION:</b>			
Net investment in capital assets	156,239,257	397,961,301	723,377
Restricted for debt retirement	-	224,975,853	-
Restricted for other purposes	59,991	82,971,903	-
Unrestricted	(80,593,827)	75,240,125	14,384,572
<b>Total net position</b>	<b>\$ 75,705,421</b>	<b>\$ 781,149,182</b>	<b>\$ 15,107,949</b>

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION  
COMPONENT UNITS (CONTINUED)

June 30, 2020

Convention Center Authority	Total Proprietary Types	Total Component Units
\$ 2,130,980	\$ 279,572,160	\$ 280,017,607
1,564,361	14,555,137	14,573,348
180,305	180,305	201,542
-	21,941,734	21,941,734
9,160,129	14,189,022	14,189,022
-	10,688,847	10,688,847
-	3,163,039	3,163,039
-	27,254,079	27,254,079
496,395	8,609,395	8,609,395
19,339,294	51,946,470	54,809,384
13,965,000	59,830,000	65,835,000
562,652,967	2,437,735,845	2,549,455,739
-	12,578,859	12,578,859
702,009	727,463,600	737,611,746
<u>610,191,440</u>	<u>3,669,708,492</u>	<u>3,800,929,341</u>
-	-	28,000,000
-	32,956,512	32,956,512
299,834	21,488,468	21,488,468
<u>299,834</u>	<u>54,444,980</u>	<u>82,444,980</u>
119,725,636	1,518,588,889	1,735,330,999
60,730,244	360,006,097	372,033,420
48,846,558	204,845,447	204,845,447
173,230,546	263,941,257	275,561,767
<u>\$ 402,532,984</u>	<u>\$ 2,347,381,690</u>	<u>\$ 2,587,771,633</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES  
COMPONENT UNITS

For the Year Ended June 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Nashville District Management Corporation	\$ 2,831,278	\$ 2,927,202	\$ -	\$ -
Gulch Business Improvement District, Inc.	484,588	472,067	-	-
Sports Authority	59,640,160	4,892,414	31,377,495	9,000,936
Industrial Development Board	4,887,866	2,600	4,295,185	-
Hospital Authority	108,318,236	58,193,108	42,914,668	1,557,982
Metropolitan Development and Housing Agency	145,807,467	43,978,158	103,377,830	9,303,829
Electric Power Board	1,223,539,000	1,278,700,000	-	-
Metropolitan Transit Authority	114,044,074	10,036,165	57,197,261	33,475,353
Metropolitan Nashville Airport Authority	184,199,126	182,130,867	8,906,194	21,287,199
Emergency Communications District	6,136,763	7,014,989	196,000	-
Convention Center Authority	107,135,087	22,412,974	118,660,718	-
<b>Total component units</b>	<b>\$ 1,957,023,645</b>	<b>\$ 1,610,760,544</b>	<b>\$ 366,925,351</b>	<b>\$ 74,625,299</b>

General revenues:

Revenues from the use of  
money or property

Compensation for loss, sale or  
damage to property

Total general revenues

Changes in net position

Net position - beginning of year

Net position - end of year

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES  
COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position								
Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board	Total Governmental Types	Hospital Authority	Metropolitan Development and Housing Agency	Electric Power Board	Metropolitan Transit Authority
\$ 95,924	\$ -	\$ -	\$ -	\$ 95,924	\$ -	\$ -	\$ -	\$ -
-	(12,521)	-	-	(12,521)	-	-	-	-
-	-	(14,369,315)	-	(14,369,315)	-	-	-	-
-	-	-	(590,081)	(590,081)	-	-	-	-
-	-	-	-	-	(5,652,478)	-	-	-
-	-	-	-	-	-	10,852,350	-	-
-	-	-	-	-	-	-	55,161,000	-
-	-	-	-	-	-	-	-	(13,335,295)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>95,924</u>	<u>(12,521)</u>	<u>(14,369,315)</u>	<u>(590,081)</u>	<u>(14,875,993)</u>	<u>(5,652,478)</u>	<u>10,852,350</u>	<u>55,161,000</u>	<u>(13,335,295)</u>
8,025	4,819	1,660,940	6,206	1,679,990	-	2,152,174	8,229,000	-
-	-	1,673,241	-	1,673,241	-	-	-	-
<u>8,025</u>	<u>4,819</u>	<u>3,334,181</u>	<u>6,206</u>	<u>3,353,231</u>	<u>-</u>	<u>2,152,174</u>	<u>8,229,000</u>	<u>-</u>
103,949	(7,702)	(11,035,134)	(583,875)	(11,522,762)	(5,652,478)	13,004,524	63,390,000	(13,335,295)
<u>(100,782)</u>	<u>142,562</u>	<u>251,222,768</u>	<u>648,157</u>	<u>251,912,705</u>	<u>11,998,406</u>	<u>378,862,702</u>	<u>611,283,000</u>	<u>89,040,716</u>
<u>\$ 3,167</u>	<u>\$ 134,860</u>	<u>\$ 240,187,634</u>	<u>\$ 64,282</u>	<u>\$ 240,389,943</u>	<u>\$ 6,345,928</u>	<u>\$ 391,867,226</u>	<u>\$ 674,673,000</u>	<u>\$ 75,705,421</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES  
COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2020

	Net (Expense) Revenue and Changes in Net Position				
	Metropolitan Nashville Airport Authority	Emergency Communications District	Convention Center Authority	Total Proprietary Types	Total Component Units
Nashville District Management Corporation	\$ -	\$ -	\$ -	\$ -	\$ 95,924
Gulch Business Improvement District, Inc.	-	-	-	-	(12,521)
Sports Authority	-	-	-	-	(14,369,315)
Industrial Development Board	-	-	-	-	(590,081)
Hospital Authority	-	-	-	(5,652,478)	(5,652,478)
Metropolitan Development and Housing Agency	-	-	-	10,852,350	10,852,350
Electric Power Board	-	-	-	55,161,000	55,161,000
Metropolitan Transit Authority	-	-	-	(13,335,295)	(13,335,295)
Metropolitan Nashville Airport Authority	28,125,134	-	-	28,125,134	28,125,134
Emergency Communications District	-	1,074,226	-	1,074,226	1,074,226
Convention Center Authority	-	-	33,938,605	33,938,605	33,938,605
<b>Total component units</b>	<b>28,125,134</b>	<b>1,074,226</b>	<b>33,938,605</b>	<b>110,163,542</b>	<b>95,287,549</b>
General revenues:					
Revenues from the use of money or property	23,723,090	205,310	5,105,314	39,414,888	41,094,878
Compensation for loss, sale or damage to property	3,013,297	4,149	-	3,017,446	4,690,687
<b>Total general revenues</b>	<b>26,736,387</b>	<b>209,459</b>	<b>5,105,314</b>	<b>42,432,334</b>	<b>45,785,565</b>
Changes in net position	54,861,521	1,283,685	39,043,919	152,595,876	141,073,114
Net position - beginning of year	726,287,661	13,824,264	363,489,065	2,194,785,814	2,446,698,519
Net position - end of year	<u>\$ 781,149,182</u>	<u>\$ 15,107,949</u>	<u>\$ 402,532,984</u>	<u>\$ 2,347,381,690</u>	<u>\$ 2,587,771,633</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Metropolitan Government of Nashville and Davidson County (the Government) operates under a metropolitan form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, education, culture and recreation, public improvements, planning and zoning and general administrative services.

The accounting policies of the Government conform to accounting principles generally accepted in the United States of America as applied to governmental units. The following is a summary of the most significant policies:

**A. Reporting Entity**

The financial statements of the Government present the primary government and its component units. The component units discussed below are included in the Government's reporting entity because of the significance of their operational or financial relationships with the Government. Each discretely presented component unit is reported separately in the basic financial statements to emphasize that it is legally separate from the Government.

The financial statements of the following component units have been discretely presented:

The **Nashville District Management Corporation** was established in 1998 to administer special assessment revenue collected by the Government for the benefit of the Central Business Improvement District (CBID). The Corporation's duties and responsibilities are defined in a memorandum of agreement with the Government and include, but are not limited to, providing services for improvement and operation of the CBID through security enhancement, downtown marketing, and improving downtown beautification, sanitation and maintenance. The original agreement was one year, renewable annually by mutual notification by each party to the other. The agreement may be terminated by the Government upon thirty days' notice. The Corporation is a legally separate entity which is closely related to and financially dependent on the Government as the Government has the legal obligation to levy the CBID taxes and approves the CBID tax rate. These taxes represent substantially all of the Corporation's revenue. Complete financial statements of the Corporation can be obtained from its offices at Accounting Office, 211 Commerce Street, Suite 100, Nashville, TN 37201.

The **Gulch Business Improvement District, Inc.** (GBID, Inc.) was established in 2006 to administer special assessment revenue collected by the Government for the benefit of the Gulch Business Improvement District (GBID). GBID, Inc.'s duties and responsibilities are defined in the legislation approved by the Metropolitan Council creating the entity and include, but are not limited to, providing services for improvement and operation of the GBID such as promotion and marketing, security, sanitation, and aesthetic enhancements. GBID, Inc. is a legally separate entity which is closely related to and financially dependent on the Government as the Government has the legal obligation to levy the GBID taxes and approves the GBID tax rate. These taxes represent substantially all of GBID, Inc.'s revenue. Complete financial statements of GBID, Inc. can be obtained from its offices at 138 Second Avenue North, Suite 300, Nashville, TN 37201.

The **Sports Authority** was established in 1995 to act as the financing and building authority for the Nashville arena, stadium, and ballpark. The Sports Authority administers and manages these facilities and other sports projects, including the soccer stadium under construction, for the Government. The Government is responsible for annual funding for both the Nashville arena, stadium, and ballpark. The underlying credit for the Sports Authority Revenue bonds is a pledge on the non-tax revenues of the Government's General Fund, and the Government is required to approve debt issuances of the Sports Authority. The members of the Sports Authority's Board are all appointed and can also be removed by the Government. The Sports Authority does not issue separate financial statements. A Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for its only fund are included in the Component Units section with reconciliations of those statements to the Statement of Net Position – Component Units and Statement of Activities – Component Units included in the basic financial statements.

The **Industrial Development Board** (the IDB) assists private businesses within Davidson County in obtaining public financing through the issuance of bonds. The members of the IDB are appointed and can be removed by the Government. All debt of the IDB is considered conduit debt and is issued in the name of the Government. The IDB does not issue separate financial statements. A Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for its only fund are included in the Component Units section. There are no reconciling items between those statements and the Statement of Net Position – Component Units and Statement of Activities – Component Units included in the basic financial statements.

The **Hospital Authority** operates General Hospital (a full-service medical facility) for the residents of Nashville and Davidson County. The Hospital Authority was created in March 1999 to operate General Hospital which was previously accounted for as an enterprise fund of the Government. The members of the Hospital Authority Board are all appointed and can also be removed by the Government. The Government approves and can modify the annual operating budget of General Hospital. Hospital Authority land and buildings and improvements are titled in the Government's name. General Hospital is financially dependent on contributions from the Government's

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

General Fund. Complete financial statements for General Hospital can be obtained by writing to the Hospital Authority at 1818 Albion Street, Nashville, TN 37208.

The **Metropolitan Development and Housing Agency** operates public housing facilities for the inhabitants of Nashville and Davidson County. The members of the Agency's Board of Commissioners are all appointed and can also be removed by the Government. The Agency receives incremental taxes that result from tax increment financing arrangements on numerous development projects. These property taxes paid to the Agency are considered financial support by the Government. Complete financial statements of the Agency can be obtained by writing P. O. Box 846, Nashville, TN 37202.

The **Electric Power Board** operates and regulates an electric power system for the purpose of supplying electricity for public property and for resale to consumers. The members of the Board of Directors are all appointed and can also be removed by the Government. The Government is required to approve debt issuances of the Board. Complete financial statements of the Board can be obtained from its administrative offices at 1214 Church Street, Nashville, TN 37246.

The **Metropolitan Transit Authority** operates and regulates the public mass transit system in Nashville and Davidson County. The members of the Authority's Board of Directors are all appointed and can also be removed by the Government. The Authority is financially dependent on the Government. Complete financial statements of the Authority can be obtained from its administrative offices at 430 Myatt Drive, Nashville, TN 37115.

The **Metropolitan Nashville Airport Authority** operates the Nashville International and John C. Tune Airports. The members of the Airport Authority's Board of Directors are all appointed and can also be removed by the Government. Complete financial statements of the Airport Authority can be obtained from its administrative offices at One Terminal Drive, Nashville, TN 37214.

The **Emergency Communications District** secures funding for efficient emergency services to the public. The members of the District's Board of Directors are all appointed and can also be removed by the Government. The District also provides equipment for the Government's use in emergency services. Complete financial statements of the District can be obtained from its administrative offices at 2060 15<sup>th</sup> Avenue South, Nashville, TN 37212.

The **Convention Center Authority** is a public, nonprofit corporation and public instrumentality of the Government formed in August 2009, and was responsible for the acquisition, development and construction of the new convention center – the Music City Center – and is responsible for the operation of the completed facility. The members of the Convention Center Authority's Board of Directors are all appointed and can be removed by the Government. The Convention Center Authority is fiscally dependent on the Government. Complete financial statements of the Convention Center Authority can be obtained from its administrative offices at 413 5<sup>th</sup> Avenue South, Nashville, TN 37202.

All discretely presented component units have a June 30 fiscal year end with the exception of the Metropolitan Development and Housing Agency with a September 30 year end, and the Nashville District Management Corporation and Gulch Business Improvement District, Inc., both with a December 31 year end.

The separately issued financial statements for the component units contain additional note disclosures that are not considered essential to the fair presentation of the Government's basic financial statements and have therefore been excluded from these notes to the financial statements in the Government's Comprehensive Annual Financial Report for the year ended June 30, 2020.

The primary government includes \$201,542 due from component units and \$2,823,275 due to component units in the Statement of Net Position. The component units include \$2,823,275 due from the primary government and \$201,542 due to the primary government.

## **B. Accounting Pronouncements**

The Government plans to adopt GASB Statement No. 84, Fiduciary Activities, required for fiscal periods beginning after December 15, 2019, in fiscal 2021. This Statement enhances consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

The Government plans to adopt GASB Statement No. 87, Leases, required for fiscal periods beginning after June 15, 2021, in fiscal 2022. This Statement increases the usefulness of financial statements by requiring reporting of certain lease liabilities that currently are not reported, enhances comparability by requiring lessees and lessors to report leases under a single model, and enhances the usefulness of information by requiring notes to the financial statements regarding leasing arrangements.

The Government plans to adopt GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, required for fiscal periods beginning after December 15, 2020, in fiscal 2022. This Statement

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

The Government plans to adopt GASB Statement No. 90, Majority Equity Interests, required for fiscal periods beginning after December 15, 2019, in fiscal 2021. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units.

The Government plans to adopt GASB Statement No. 91, Conduit Debt Obligations, required for fiscal periods beginning after December 15, 2021, in fiscal 2023. This Statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

The Government plans to adopt GASB Statement No. 92, Omnibus 2020, required for fiscal periods beginning after June 15, 2021, in fiscal 2022. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The Government plans to adopt GASB Statement No. 93, Replacement of Interbank Offered Rates, required for fiscal periods beginning after June 15, 2021, in fiscal 2022. This Statement addresses accounting and reporting implications that result from the replacement of an interbank offered rate.

The Government plans to adopt GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, required for fiscal periods beginning after June 15, 2022, in fiscal 2023. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements.

The Government adopted GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, effective immediately, in fiscal 2020. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain GASB Statements and Implementation Guides.

The Government plans to adopt GASB Statement No. 96, Subscription-Based Information Technology Arrangements, required for fiscal periods beginning after June 15, 2022, in fiscal 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for governments.

The Government plans to adopt GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, required for fiscal periods beginning after June 15, 2021, in fiscal 2022. This Statement increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with the reporting of certain employee benefit plans, and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code 457 deferred compensation plans. Certain provisions of GASB Statement No. 97 that were effective immediately had no impact on the Government's financial statements.

Unless otherwise noted, management is in the process of determining the effects that the adoption of these Statements will have on the Government's financial statements.

### C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the Government and its component units. Except for interfund services provided and used, all material interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The **Statement of Net Position** presents the Government's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets.

**Restricted net position** consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Unrestricted net position** consists of net position which does not meet the definition of the two preceding categories.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements; nonmajor funds are combined in a single column.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and pension (and other employee benefit) trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which the levy is assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or up to one year for grant revenues. Property taxes, sales taxes, franchise taxes, licenses, interest and grant revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as receivables in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to sick pay, compensated absences and other long-term commitments and contingencies are recorded only when payment is due.

Agency fund financial statements report only assets and liabilities and accordingly have no measurement focus. However, they do use the accrual basis of accounting to recognize receivables and payables.

Amounts reported as **program revenues** include 1) charges to customers for goods, services or privileges provided and fines and forfeitures, 2) operating grants and contributions and 3) capital grants and contributions. Amounts reported as **general revenues** include 1) all taxes, 2) unrestricted revenues from the use of money or property, 3) unrestricted revenues from other governmental agencies and 4) compensation for loss, sale or damage of property.

Expenses reported by function include **direct expenses** that are specifically associated with a service or program and are clearly identifiable to a particular program. Some functions, such as general government and fiscal administration, include expenses that are in essence **indirect expenses** of other functions. The Government has elected not to charge these indirect expenses to other functions.

Proprietary funds distinguish **operating** revenues and expenses from **nonoperating** items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with the fund's principal ongoing operations and consist primarily of charges to customers or departments, cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, then unrestricted resources as they are needed.

The Government reports the following major governmental funds:

The **General Fund** is the Government's primary operating fund which is used to account for all financial resources of the general operations of the Government, except those required to be accounted for in another fund.

The **General Purpose School Fund** is used to account for the receipt and disbursement of federal, state and local funds for education purposes, except those required to be accounted for in another fund.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The **Education Services Fund** accounts for a variety of programs supporting education activities including various state and federal grant programs, funds reserved for unemployment claims of Metropolitan Nashville Public School employees, food service operations of the school system, costs associated with charter schools, and fund raising activities of individual schools.

The **GSD General Purposes Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest for the General Services District general obligation debt.

The **GSD School Purposes Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest for the debt related to schools.

The **USD General Purposes Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest for the Urban Services District general obligation debt.

The **GSD Capital Projects Fund** is used to account for the use of bond proceeds for the construction and equipping of various public projects in the General Services District.

The **Education Capital Projects Fund** is used to account for the use of bond proceeds for the construction and equipping of various school facilities.

The **USD Capital Projects Fund** is used to account for the use of bond proceeds for the construction and equipping of various public projects in the Urban Services District.

The Government reports the following major enterprise funds:

The **Department of Water and Sewerage Services** provides services to customers on a self-supporting basis utilizing a rate structure designed to produce revenues sufficient to fund debt service requirements, operating expenses and adequate working capital.

The **District Energy System** provides heating and cooling services to the Government and downtown businesses. The System is managed by a third party and is primarily self-supporting by utilizing a rate structure designed to fund debt service requirements, pay for operating expenses and generate adequate working capital. The System is partially subsidized from the General Fund.

**Stormwater Operations** is under the administrative responsibility of the Department of Water and Sewerage Services and accounts for activities surrounding the maintenance of the Government's stormwater drainage system. Revenues are derived from a stormwater fee assessed on users of the system.

Additionally, the Government reports the following fund types:

**Internal service funds** are used to account for the operations of self-sustaining agencies rendering services to other agencies of the Government on a cost reimbursement basis. For the year ended June 30, 2020, these services include fleet management, information systems, radio maintenance, insurance, treasury management, and printing.

**Pension (and other employee benefit) trust funds** are used to account for assets and liabilities held by the Government in a fiduciary capacity to provide retirement and disability benefits for employees and retirees.

**Agency funds** are used to account for assets held by elected officials as agents for individuals, collections by the Government due to the purchasers of certain outstanding property tax receivables, funds held by the Sheriff's Department for inmates, and funds held by the Planning Commission for performance bonds for contractors.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity**

Cash and cash equivalents – Cash and cash equivalents include amounts in demand deposits and highly liquid short-term investments with maturity dates within three months of the date of acquisition and other available pooled funds. The cash and cash equivalents of various funds and component units of the Government are invested in pooled accounts. Funds or component units with negative cash and cash equivalents report the negative amount as due to other funds of the primary government or due to component units, and the funds or component units lending funds report an offsetting due from other funds of the primary government or due from component units. Investment income earned on funds invested in pooled accounts is allocated to the respective funds and component units on the basis of relative balances.

Investments – Investments, except in the pension funds, consist primarily of U.S. Government securities and are stated at fair value. Pension fund investments, which also include common stocks, bonds and U.S. Government and other domestic and foreign securities, are stated at quoted fair value at June 30, 2020. The Government and certain component units also invest in the Tennessee Local Government Investment Pool which is maintained and managed by the State of Tennessee. This Pool is not registered with the Securities and Exchange Commission (SEC) but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Accordingly, the Government's investments in the Pool have been determined based on the Pool's share price. Investment income consists of realized and unrealized appreciation or depreciation in the fair value of assets. Investment income of the capital projects funds is reported in those funds and is transferred to the debt service funds after arbitrage calculations, as applicable.

Inventories – Inventories, principally materials, supplies and replacement parts, are valued at cost in governmental fund statements and at the lower of cost or market in the government-wide and proprietary fund statements, with cost determined using the first-in, first-out, moving weighted average or average cost method. Inventory items are recorded as expenditures when used under the consumption method.

Capital assets – Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined as assets with an individual cost in excess of \$10,000 and a useful life in excess of one year. Such assets are recorded at historical cost at the time of acquisition. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest cost incurred during the construction of facilities is capitalized as part of the cost of such facilities for business-type activities. The Department of Water and Sewerage Services capitalized interest totaling \$3,457,569 for the year ended June 30, 2020.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives are as follows:

Utility plant in service	7 - 100	years
Buildings and improvements	3 - 50	years
Improvements other than buildings	20 - 100	years
Furniture, machinery and equipment	3 - 50	years
Stormwater infrastructure	50	years

The Government has elected to use the "modified approach" to account for certain infrastructure assets as provided by GASB Statement No. 34. Under this approach, depreciation expense is not recorded nor are amounts capitalized in connection with improvements to these assets unless they expand capacity. Utilization of this approach requires that the Government 1) have an up-to-date inventory of assets, 2) perform condition assessments and summarize the results using a measurement scale, 3) estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Government and 4) document that the assets are being preserved approximately at (or above) the condition level established and disclosed. Roads and bridges are accounted for using the modified approach.

Property under capital leases is stated at the lower of the present value of minimum lease payments or the fair market value at the inception of the lease. Once placed in use, such property is amortized using the straight-line method over the remaining lease term.

The Government maintains certain collections of art which have not been capitalized as they are 1) held for public exhibition, education, or research in furtherance of public service rather than financial gain, 2) protected, kept unencumbered, cared for and preserved and 3) subject to policy that requires the proceeds from any sales of collection items to be used to acquire other items for the collection.

Deferred outflows of resources – In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. *Deferred outflows of resources* represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource (expense) until then. The *deferred charge on refunding* results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The *effective portion of fuel hedging* relates to the Government's fuel hedging program. The Government's fuel hedges are considered to be derivatives, the effective portion of which is accounted for as a deferred outflow of resources. The amount for *pensions* relates to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, contributions between the measurement and reporting dates, as well as changes in assumptions, which are accounted for as deferred outflows of resources. The amount for *OPEB* relates to certain differences between projected and actual actuarial results and changes in assumptions, which are accounted for as deferred outflows of resources.

Claims payable – Losses for claim liabilities are reported in the self-insurance funds for claims payable from those funds. Claims payable include reported claims and an estimated liability for claims incurred but not reported at June 30, 2020. The claims liabilities are based on the estimated cost of settling the claim, including nonincremental claim

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

adjustments, using past experience and adjusting for current conditions. Losses for uninsured judgments against the Government payable from governmental funds not expected to be liquidated with expendable available resources are reported in the applicable governmental activities in the Statements of Net Position and Activities.

Compensated absences – General policy of the Metropolitan Civil Service Commission permits the accumulation, within certain limitations, of unused vacation days and sick leave. Vacation days may accumulate to an amount equal to three times the current annual vacation accrual rate. Although sick pay may accumulate, no amounts are vested in the event of employee termination. Unused earned vacation pay that is due and payable, such as after employees' resignations or retirements, is reported in the governmental funds. Accumulated unpaid vacation pay related to governmental fund type operations that has not been used is reported in the applicable governmental activities in the Statements of Net Position and Activities, but is not a governmental fund liability, because it is not expected to be liquidated with expendable available resources. Accumulated unpaid vacation pay related to proprietary fund type operations is reported as a liability in the appropriate individual proprietary funds.

The policy of the Metropolitan Nashville Public Schools allows employees to accumulate sick leave without limitation. In addition, the Board allows vesting of accumulated sick leave depending on length of service beyond 15 years. Vested sick leave for Metropolitan Nashville Public Schools employees is reported in the applicable governmental activity in the Statements of Net Position and Activities, but is not a governmental fund liability, because it is not expected to be liquidated with expendable available resources. Accumulated unpaid vacation pay related to proprietary fund type operations is reported as a liability in the appropriate individual proprietary funds.

Arbitrage rebates – For the governmental funds, arbitrage rebates due to the federal government under the Internal Revenue Code of 1986, as amended, for excess earnings on invested proceeds of tax exempt securities are reported as a liability in the Statements of Net Position and Activities and as a commitment of fund balance in the Balance Sheet - Governmental Funds. For proprietary funds (including component units) any such rebates are reflected as liabilities in the appropriate individual proprietary funds.

Landfills – State and federal laws and regulations require the Government to place a final cover on all its landfill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near, or after, the date the landfill stops accepting waste, the Government is required to report a portion of these closure and postclosure care costs as an expense in the government-wide financial statements. This expense is based on landfill capacity used at the reporting date. The current year expenditures of the landfills are reported in the Solid Waste Operations Fund, a nonmajor governmental fund, in the Governmental Funds section of this report. The long-term liability and expense are reported in the Statements of Net Position and Activities. The total liability for landfill purposes is \$6,541,140.

Bordeaux Sanitary Landfill – This landfill has stopped accepting solid waste, and closure procedures are 100% complete. Estimated postclosure costs of \$3,817,588 are included in the long-term liability.

Metro Thermal Ash Landfill – This landfill has stopped accepting solid waste, and closing procedures are 100% complete. Estimated postclosure costs of \$811,929 are included in the long-term liability.

Due West Landfill – This landfill has stopped accepting waste, and closing procedures are 100% complete. Estimated postclosure costs of \$1,320,720 are included in the long-term liability.

Lebanon Road Landfill – This landfill has stopped accepting waste, and closing procedures are 100% complete. Estimated postclosure costs of \$590,903 are included in the long-term liability.

These estimates are based on an independent evaluation of the cost to perform all closure and care. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Closure and care financial requirements are expected to be met by the operations of the Solid Waste Operations Fund. To the extent the Solid Waste Operations Fund operations create a deficit, the General Fund is required to fund its operations.

Bond premiums and discounts – In the governmental funds, bond premiums and discounts are treated as other financing sources or uses or expenditures in the year of issue. In the government-wide and proprietary fund statements, bond premiums and discounts are deferred and amortized over the term of the related bonds.

Derivative financial instruments – Derivative financial instruments consist of interest rate swap agreements and fuel hedging agreements and are accounted for at fair value in accordance with GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. The Government analyzes its derivative financial instruments into hedging derivative instruments and investment derivative instruments. If a derivative is classified as a hedging derivative instrument, changes in its fair value are deferred on the Statement of Net Position as either deferred inflows or deferred outflows. If a derivative is classified as an investment derivative instrument, changes in its fair value are reported on the Statement of Activities in the period in which they occur.

Deferred inflows of resources – In addition to liabilities, the Balance Sheets and Statements of Net Position report a separate section for deferred inflows of resources. *Deferred inflows of resources* represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The *unavailable revenue* reported in the Balance Sheet, which arises under a modified accrual basis of

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The *assessed and unlevied property taxes* reported in the Statement of Net Position, arises from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year but levied in the subsequent year. The *interest rate swap*, which relates to an interest rate swap agreement, is considered to be a hedging derivative. Changes in the fair market value of hedging derivatives are reported as deferred inflows or outflows of resources. The amounts for *pensions* relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources. Deferred inflows for *tax increment financing* represent amounts that will be received in the future by the Sports Authority, a component unit, from a note receivable from Metropolitan Development and Housing Agency (MDHA), a component unit, to be paid from future tax increment revenues related to the developments near a new ballpark facility. The Sports Authority has a note receivable from MDHA, and as the note is paid back to the Sports Authority, the deferred inflows will be recognized as revenue and used to pay principal and interest on the Series 2013 Ballpark Bonds. These developments have yet to be completed. The amounts for *OPEB* relate to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, and changes in assumptions, which are accounted for as deferred inflows of resources.

Fund balances – Restricted fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by external parties such as creditors or grantors or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal legislative action of the Metropolitan Council, the Government's highest level of decision-making authority. Committed fund balances are established and can only be modified or rescinded by resolution approved by the Metropolitan Council. Assigned fund balances are amounts intended to be used for specific purposes as designated by management of the Finance Department of the Government. The Metropolitan Council has by ordinance authorized the Finance Director to assign fund balance. The Metropolitan Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily; no additional action is required for the removal of an assignment. Unassigned fund balance is the residual classification for the General Fund and for negative fund balances in other governmental funds. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the Government considers restricted amounts to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance amounts are available, the Government considers committed fund balance to have been spent first, followed by assigned, then unassigned. Per the Tennessee Code Annotated 49-3-352, any accumulated fund balance in the General Purpose School Fund in excess of three percent of the budgeted annual operating expenses for the current fiscal year may be budgeted and expended for any educational purposes.

**F. Revenues, Expenditures and Expenses**

Grants – The Government receives grant revenues from various federal, state and non-profit agencies. The Government reports capital contributions, including capital grants, in the Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds as a separate line item after non-operating revenues and expenses. In the Statement of Activities, capital grants and contributions are presented as program revenues.

On-behalf payments – On-behalf payments totaling \$13,341,332 received by the State of Tennessee for contributions to pension plans are reported as revenues and expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Revenues – Revenues from the Department of Water and Sewerage Services are recognized from meters read on a monthly cycle basis. At the end of each month, an estimate of service rendered from the latest date of each meter-reading cycle to month end is accrued and included in accounts receivable. Revenues for the Department of Water and Sewerage Services are presented net of bad debt expense for June 30, 2020 of \$2,330,404.

Property taxes – The Government's property taxes are levied for the current fiscal year each September 1 on the assessed value listed as of the prior January 1 for all real and personal property located in Nashville and Davidson County. Property taxes are secured by a statutory lien effective as of the original assessment date of January 1 and as such an enforceable legal claim to the subsequent fiscal year levy exists at fiscal year-end. In accordance with state law, the real property assessment includes supplemental assessments made through September 1 for improved, demolished or damaged property.

Assessed values are established by the State of Tennessee at the following percentages of assessed market value:

- Public utility property 55% (Railroads and certain telecommunication services at 40%)
- Industrial and commercial property
  - Real 40%
  - Personal 30%

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Farm and residential property 25%

Taxes are levied at a rate of \$2.755 per \$100 of assessed value for the entire metropolitan area (General Services District) with an additional tax of \$.400 per \$100 of assessed value levied upon properties within the Urban Services District.

Payments are due by February 28 of the following year and are delinquent on March 1. Property taxes receivable have been included in the Balance Sheet – Governmental Funds with offsetting deferred inflows to reflect amounts not available at June 30, 2020. Amounts available at June 30, 2020 have been recorded as revenue in the governmental fund statements. Current tax collections of \$1,003,880,089 for the fiscal year ended June 30, 2020 were approximately 99% of the tax levy.

Of the \$1,405,459,460 property tax receivable, \$1,395,649,978 represents the 2021 property taxes which have been assessed but not yet levied and recorded as required by GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

**G. Estimates**

Estimates used in the preparation of financial statements require management to make assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Compliance with Finance Related Legal and Contractual Provisions**

Management believes that the Government has no material violations of finance related legal and contractual provisions as of June 30, 2020.

**B. Budgets and Budgetary Accounting**

The Government's procedures in establishing the budget as reflected in the basic financial statements are as follows:

1. The Director of Finance annually obtains information from all officers, departments, boards, commissions and other agencies of the Government for which appropriations are made and/or revenues are collected, and compiles the annual operating budget for the ensuing fiscal year beginning July 1. The compiled information, including various expenditure options and the means of financing them, is submitted to the Mayor for review.
2. The Mayor, with the assistance of the Department of Finance, determines the programs to be recommended to the Metropolitan Council, the expenditures proposed to operate those programs and the revenue changes needed to fund those expenditures. That information is compiled into a balanced operating budget which is submitted to the Metropolitan Council by May 1.
3. Copies of the Mayor's proposed budget and budget message are distributed to interested persons, and a summary of the budget is published in the area daily newspaper. The budget is a public record open for public inspection.
4. The Metropolitan Council's Budget and Finance Committee holds hearings with the officers, departments, boards, commissions and other agencies to explore the impact of the recommended operating budget and to explore other departmental budget options. In addition, advertised public hearings are held to obtain taxpayers' comments prior to final passage.
5. The budget is legally enacted effective July 1 through passage of an ordinance by the Metropolitan Council. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and fund balance.
6. The amounts in the adopted operating budgets for each organizational unit, purpose or activity constitute the annual appropriation for such items, and no expenditure can be made which will result in the annual appropriation being exceeded unless an additional appropriation is made.
7. The Metropolitan Council may make appropriations in addition to those contained in the current operating budgets, but any such additional appropriations may be made only from an existing unappropriated surplus in the fund to which it applies.
8. The Mayor may transfer the available balance of any appropriation for any purpose to the appropriation for any other purpose within the same department or by resolution approved by the Metropolitan Council,

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

the available balance of any appropriation may be transferred to another appropriation within the same section of the budget and within the same fund.

9. All available balances of appropriations in the current operating budget lapse into the fund balance of the fund or funds from which the appropriations were originally made at the end of the fiscal year. Encumbrances do not lapse at the end of the fiscal year. Appropriations for the subsequent year will provide authority to complete these transactions.

The Government is legally required to prepare, and the Metropolitan Council is required to approve, the annual budgets of the General Fund, the General Purpose School Fund, and the GSD General Purposes, GSD School Purposes and USD General Purposes Debt Service Funds. In preparing the budgets, the Government utilizes generally accepted accounting principles (GAAP) for all legally required budgeted funds.

In accordance with Article 6 of the Metropolitan Charter, the Annual Operating Budget of the Government for the fiscal year 2020-2021 was submitted to the Metropolitan Council and subsequently approved by Substitute Bill Number BL 2020-286. No fund balance resources at June 30, 2020 have been assigned to the 2020-2021 fiscal year operating budget.

Encumbrances – Information regarding encumbrances is available to assist in the management of commitments against appropriations. Encumbrance accounting is utilized for budgetary control purposes. Encumbrances, however, are not treated as expenditures in the basic financial statements. Outstanding encumbrances for the governmental funds at June 30, 2020 were as follows:

	<u>Outstanding Encumbrances</u>
General Fund	\$ 2,989,971
Special Revenue Funds:	
General Purpose School	6,037,397
Education Services	6,416,942
Metropolitan Action Commission	456,670
General Fund 4% Reserve	2,786,354
Solid Waste Operations	453,619
COVID-19 Recovery	20,768,777
Other Governmental Services	16,589,285
Capital Projects Funds:	
GSD Capital Projects	96,974,440
Education Capital Projects	34,743,135
USD Capital Projects	793,778

**C. Deficit Balances and Excess Expenditures**

**Primary Government**

The following funds have deficit balances at June 30, 2020

	<u>Unassigned Fund Balance/ Unrestricted Net Position</u>
Capital Project Funds:	
GSD Capital Projects	\$ (413,280,009)
Education Capital Projects	(114,360,724)
USD Capital Projects	(9,864,944)
Other Governmental Services	(22,981,317)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The deficits in the GSD, Education, and USD Capital Project Funds will be funded by the future issuance of general obligation bonds. The deficit in Other Governmental Services represents spending of \$16,670,768 related to a tornado event in March 2020 and a storm, high wind event in May 2020, both of which are expected to be funded with federal and state disaster relief grants, and spending of \$6,310,549 for the housing of state prisoners which is expected to be funded with payments from the State of Tennessee.

During the year ended June 30, 2020, the Government exceeded the budgeted level of expenditures at the department or significant line item level as follows:

Budgeted Unit	Budget	Actual	Variance
General Fund:			
General Services District:			
Retiree Benefits:			
Employer's Contribution for Group Life Insurance	3,121,200	3,207,078	(85,878)
Transfers Out:			
Internal Service Funds	219,200	232,103	(12,903)
General Purpose School Fund:			
Transfers Out	144,334,900	146,453,347	(2,118,447)
GSD General Purposes Debt Service Fund:			
Fiscal Charges	1,401,000	2,125,909	(724,909)
GSD School Purposes Debt Service Fund:			
Principal Retirement	58,973,700	62,510,141	(3,536,441)
Fiscal Charges	645,300	1,381,787	(736,487)
USD General Purposes Debt Service Fund:			
Interest	5,959,400	8,618,588	(2,659,188)
Fiscal Charges	67,100	179,808	(112,708)

Employer's Contribution for Group Life Insurance represents the employer portion of life insurance benefits for retirees; retiree benefits are under budget in total. Transfers Out to Internal Service Funds in the General Fund are over budget due to transfers to the Office of Fleet Management Fund to fund certain fleet acquisitions by departments that are under budget in total.

Expenditures for the General Purpose School Fund are not controlled on a line item basis; expenditures for the General Purpose School Fund are under budget in total.

Expenditures for the Debt Service Funds are not controlled on a line item basis. The GSD General Purposes, GSD School Purposes Debt Service, and USD General Purposes Debt Service Funds are under budget in total.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Primary Government**

The Government is authorized by State statute and policy to invest funds that are not immediately needed in: United States Treasury Bills, Bonds and Notes; The State of Tennessee Local Government Investment Pool (LGIP); most bonds issued by U.S. Government Agencies and other investments such as repurchase agreements and commercial paper. The Government is authorized to invest in these instruments either directly or through the Metro Investment Pool (MIP). The Metro Investment Pool is invested in the LGIP. Primary oversight for the LGIP rests with the State of Tennessee Funding Board. The Government's amounts included in the LGIP are reported at the fair value of its position in the LGIP, which approximates the value of the shares at amortized cost. The Metropolitan Employees' Benefit Trust is authorized to invest funds in accordance with the Statement of Investment Policy of the Investment Committee of the Government, which states that the Investment Committee may make investments it deems suitable for the Trust. Investments of the Teachers Retirement Plan are administered by the Administrative Retirement Committee of the Metropolitan Nashville Public Schools, which adopted the Metropolitan Employees' Benefit Trust Statement of Investment Policy effective July 1, 2011.

**A. Deposits**

**Custodial credit risk** is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. As of June 30, 2020, all deposits were insured or collateralized, as required by Government policy.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**B. Investments**

The majority of the Government's investments are managed as a part of the Metro Investment Pool. However, certain business-type activities and elected officials have limited investments that are managed under Separate Portfolios. Both the Metro Investment Pool and Separate Portfolio investments are administered according to the Investment Policy of the Government. Investments related to the Metropolitan Employees' Benefit Trust and the Teachers' Retirement Plan are administered under the Statement of Investment Policy adopted by their respective Committees.

As of June 30, 2020, the Government had the following investments:

Investment Type	Fair Value	Total Portfolio Average Weighted Maturity (in Years)
Metro Investment Pool:		
Tennessee Local Government Investment Pool	\$ 812,777,145	0.13
Total Metro Investment Pool (a)	<u>\$ 812,777,145</u>	
Separate Portfolios:		
U.S. Treasuries (a)	\$ 9,423,734	0.15
Total Separate Portfolios	<u>\$ 9,423,734</u>	
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan:		
Bank Debt Notes	\$ 92,221	(b)
Commingled Funds US Debt	22,182,854	(b)
Conventional Mortgages	64,749,123	0.41
Preferred Stock	6,068,719	0.06
Common Stock	324,903,490	(b)
Corporate Bonds and Notes	195,731,117	3.05
Emerging Market	473,552	0.004
Equity Commingled Funds	62,246,795	(b)
Bank Loans	8,143,502	0.02
Non Agency Mortgages/Collateralized Mortgage Obligations	42,055,229	0.19
Other Fixed Income	290,116,565	(b)
Other Securities	237,826,676	(b)
Venture Capital and Partnerships	2,007,528,121	(b)
Municipals	277,044	0.01
Real Estate	452,676	(b)
Registered Investment Companies	111,932,041	(b)
U.S. Treasury Securities	96,711,140	2.62
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	<u>\$ 3,471,490,865</u>	

(a) These amounts are included in cash and cash equivalents in the financial statements.

(b) These investment types are not subject to interest rate risk. Therefore, average weighted maturity is not applicable.

**Interest rate risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policies place no specific limit on the weighted average maturity of the Government's investment portfolios. However, the average maturity of the portfolios are monitored and managed so that the changing interest rates will cause only minimal deviations in the net asset value. The Cash Investment policy states no maturity greater than 5 years or provided by State Statute. As of June 30, 2020, the investments of the Government had average weighted maturities as noted on the preceding table.

**Credit risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Government's Investment Policy limits the majority of fixed income investments, other than short-term paper, at purchase to investment grade as established by one or more of the nationally recognized bond rating agencies.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Also, the use of futures, options and swaps is permitted as long as the particular investment manager's strategy or mandate allows it. As of June 30, 2020, the investments of the Government had credit ratings as follows:

Investment Type	Credit Ratings								
	Fair Value	A	AA	AAA	B	BB	BBB	CC - D	Not Rated
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan									
Conventional Mortgages	\$ 64,749,123	\$ -	\$ 64,749,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred Stock	6,068,719	222,554	-	-	-	949,143	4,458,104	-	438,918
Corporates	195,731,117	26,129,217	691,736	-	10,648,164	39,839,040	110,163,823	887,854	7,371,281
Emerging Markets	473,552	-	-	-	-	-	-	-	473,552
Bank Loans	8,143,502	-	-	-	2,796,468	803,545	3,258,038	1,263,206	22,246
Non Agency Mortgages/CMO	42,055,229	1,739,600	3,937,972	3,680,171	2,057,121	527,376	583,079	12,989,073	16,540,836
Municipals	277,044	-	-	277,044	-	-	-	-	-
<b>Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan</b>	<b>\$ 317,498,285</b>	<b>\$ 28,091,371</b>	<b>\$ 69,378,831</b>	<b>\$ 3,957,215</b>	<b>\$ 15,501,753</b>	<b>\$ 42,119,104</b>	<b>\$ 118,463,045</b>	<b>\$ 15,140,133</b>	<b>\$ 24,846,833</b>

**Concentration of credit risk** is the risk of loss attributed to the magnitude of the Government's investment in a single issuer. The Government's Investment Policy limits single issuer exposure to 5% except for the securities of the U.S. Government or its agencies. There is no single issuer that exceeds 5% of total investments at June 30, 2020.

**Custodial credit risk** is the risk that, in the event of a failure of the counterparty to a transaction, the Government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Government does not have a policy with regard to custodial credit risk of investments. As of June 30, 2020, all investments were insured or registered or the securities were held by the Government or its agent in the Government's name.

**Foreign currency risk** is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of June 30, 2020, no Metro Investment Pool or Separate Portfolio investments were held in foreign currency. The Investment Policy for the Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan places no specific limits on investments in international markets; however, investments in international markets are targeted at 16% with a maximum exposure not to exceed 30% of the portfolios. As of June 30, 2020, the Government's exposure to foreign currency risk is as follows:

Base Currency	Fair Value (1)
Argentina Peso	\$ 1,563,954
Australian Dollar	73,207
Brazil Real	(26,506)
Canadian Dollar	(96,731)
Chilean Peso	113,851
Chinese Yuan Renminbi	(10,059)
Colombian Peso	326,914
Danish Krone	2,276,398
Euro	134,209,226
Hong Kong Dollar	722,357
Indonesian Rupiah	191,165
Israeli Shekel	990,385
Japanese Yen	14,475,778
Mexican Peso	550,813
New Taiwan Dollar	(4,771,262)
New Zealand Dollar	34,779
Norwegian Krone	2,252,157
Peruvian Sol	319,268

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Base Currency	Fair Value (1)
Polish Zloty	2,637
Pound Sterling	14,675,373
Russian Ruble (New)	345,206
Singapore Dollar	6,398,488
South African Rand	34,254
Swedish Krona	3,460,265
Swiss Franc	6,976,237
Turkish Lira	768
Total Metropolitan Employees' Benefit Trust and Teachers'	
Retirement Plan	<u>\$ 185,088,920</u>

(1) Amounts are net of certain payables related to foreign contracts. Negative numbers indicate where liabilities exceed assets.

### C. Securities Lending Program

The Metropolitan Employees' Benefit Trust (Trust) and Teachers' Retirement Plan (Plan) are authorized by the Metropolitan Charter and the Statement of Investment Policy to lend securities to brokerage firms on a temporary basis through their custodian bank, Bank of New York Mellon (Custodian). During the fiscal year, the Custodian lent the Trust securities and received cash, U.S. Government securities, and irrevocable letters-of-credit as collateral. The Custodian did not have the ability to pledge or sell non-cash collateral delivered absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to not less than 102% of the market value of loaned domestic securities and 105% of the fair value of loaned foreign securities.

The Trust imposed no restrictions on the amount of securities lent by the Custodian during the year on their behalf. There were no violations of legal or contractual provisions and there were no borrower or lending agent default losses during the year. The contract with the Custodian requires indemnification only in cases of Custodian negligence.

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the Trust loans for the year ended June 30, 2020 was approximately 60 days. Cash collateral is invested in a short term investment pool. The relationship between the maturities of the investment pool and the Custodian's loans is affected by the maturities of the securities loans made by other entities that use the Custodian's pool, which the Custodian's system cannot determine. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. As the loans are terminable at will, the duration of the investments generally did not match the duration of the investments made with the cash collateral.

The collateral held and the fair value of the securities on loan as of June 30, 2020 was \$20,171,314 and \$19,600,626 respectively, for the Trust. The cash collateral is recorded as both an asset and a liability on the Trust financial statements. Securities and letters-of-credit received as collateral at June 30, 2020 are not recorded in the Statement of Plan Net Position, as the Trust cannot sell or pledge the collateral received absent a borrower default.

At year end, the Trust has no credit risk by the borrowers because the amount the Trust owes the borrowers exceeds the amount the borrowers owe the Trust. The gross earnings for securities lending were \$173,138 and borrower's rebates were \$31,007 for total income of \$142,131, and the related expenses were \$28,414 in agent fees, netting \$113,717 in securities lending income for the Trust.

### D. Fair Value Measurement

GASB Statement No. 72, Fair Value Measurement and Application, categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. Level 2 inputs are inputs – other than quoted prices included in Level 1 – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability.

For the Metropolitan Government Investment Pool, the input levels are not applicable to LGIP as investments are reported at amortized cost.

The Separate Portfolio which is comprised of U.S. Treasuries and U.S. Government Bonds are valued by the Government as Level 1 inputs. These investments are made on behalf of the respective Departments and component

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

units of the Government. Similarly, these investments can be valued from quoted prices (unadjusted) to identical assets or liabilities in active markets that a government can access at the measurement date.

For the Metropolitan Employees' Benefit Trust (Trust) and Teachers' Retirement Plan (Plan) investments, the custodian uses a proprietary matrix based on asset class (i.e., "sector code" or "firm code"). The custodian established a framework of thirteen major asset classifications, with over 1,100 sub-classifications, allowing the client to aggregate or disaggregate based on the strategies and investment policies that they identify as most appropriate for their plans. The sub-classifications are assigned a fair value level based on the attributes and pricing guidelines of the sub-classification. This information is passed on from the security level to the individual asset holder's account. The fair value hierarchy level matrix is based on discussions with 1) pricing vendors, 2) brokers and dealers, 3) investment managers, 4) industry groups, and 5) independent accounting firms. Examples of Level 1 securities that have quoted prices (unadjusted) in an active market for identical assets or liabilities include U.S. equities, non-U.S. equities, EFT's, regulated investment companies and U.S. treasuries. Examples of Level 2 securities that have inputs other than quoted prices that are observable for the assets or liabilities include corporate bonds, asset backed securities and government bonds. Examples of Level 3 securities that have unobservable inputs for the assets or liabilities used to measure fair value that rely on the other assumptions include limited partnerships, private placement investments, hedge funds, and commingled funds. The Investment Committee used this matrix and did not override any of the fair value levels reported by the custodian.

Investment Type	Fair Value	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Metro Investment Pool:				
Tennessee Local Government Investment Pool	\$ 812,777,145	\$ n/a	\$ n/a	\$ n/a
Total Metro Investment Pool	\$ 812,777,145	\$ -	\$ -	\$ -
Separate Portfolios:				
U.S. Treasuries	\$ 9,423,734	\$ 9,423,734	\$ -	\$ -
Total Separate Portfolios	\$ 9,423,734	\$ 9,423,734	\$ -	\$ -
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan:				
Common Stock	\$ 453,130,925	\$ 325,243,020	\$ 3,472,324	\$ 124,415,581
Equity Commingled Funds	62,246,795	62,246,795	-	-
Fixed Income Funds	117,556,491	4,571,078	-	112,985,413
Futures	1,756,804	1,756,804	-	-
Registered Investment Companies	111,932,041	111,932,041	-	-
U.S. Government Securities	217,957,497	214,303,742	3,653,755	-
Asset Backed Securities	159,240,317	-	159,240,317	-
Corporate Debt Instruments	176,418,282	-	176,418,282	-
Municipals	709,202	-	709,202	-
Non U.S. Government Bonds	21,270,710	-	21,270,710	-
Non U.S. Government Private Placement	13,254,369	-	13,254,369	-
Swaps	(8,212,714)	-	(8,212,714)	-
U.S. Private Placement	66,722,031	-	66,722,031	-
Bank Debt Notes	18,356,895	-	10,163,843	8,193,052
Commingled Funds US Debt	22,182,854	-	-	22,182,854
Partnership Joint Venture Interest	2,007,528,121	-	-	2,007,528,121
Add Amounts Reported as Cash and Cash Equivalents (1)	29,440,245	29,440,245	-	-
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	\$ 3,471,490,865	\$ 749,493,725	\$ 446,692,119	\$ 2,275,305,021

(1) The amounts categorized in the fair value levels were determined from information provided by the custodian and include cash held by the custodian that is reported in the financial statements as cash and cash equivalents.

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 are primarily fixed income assets that may have not traded, but the prices are derived from substantially similar assets that have traded. Securities classified in Level 3 are primarily private equity and private debt in limited partnership securities, and the prices are derived from 1) fair value capital balances which may be adjusted by investment managers where appropriate giving consideration to various factors, or 2) the value that is most likely to be an exit price in an orderly arm's length transaction between market participants using

# THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

one of the accepted valuation methods under U.S. generally accepted accounting principles. The valuation for Level 3 assets is consistent with industry standards, and valuation changes are primarily due to fundamental changes at the company level, subsequent transactions, or observable market pricing.

### **Component Units**

#### **A. Deposits**

All component units are subject to State of Tennessee statute which requires that deposits in financial institutions be secured and collateralized by such institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. The degrees of risk regarding deposits vary with each component unit as noted in their separately issued financial statements.

#### **B. Investments**

Each component unit manages its own investments and creates its own policies, except for the Sports Authority, Industrial Development Board, and Convention Center Authority which participate in the Metro Investment Pool of the primary government. Certain component units are subject to the same investment risks as the primary government. The degrees of risk regarding investments and the policies addressing each type of risk vary with each component unit as noted in their separately issued financial statements.

### **TCRS Stabilization Trust**

#### **A. Legal Provisions**

Teachers of the Government participate in the Tennessee Consolidated Retirement System (TCRS), and a portion of the Government's contributions to the TCRS are placed in the TCRS Stabilization Reserve Trust (the Trust) as authorized by statute under *Tennessee Code Annotated* (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the Trust. Funds of trust members are held and invested in the name of the Trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the Government.

The Trust is authorized to make investments as directed by the TCRS Board of Trustees. The Government may not impose any restrictions on investments placed by the Trust on its behalf.

#### **B. Investment Balances**

Assets of the TCRS, including the Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS has not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value and securities transactions are recorded on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020 represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement consistent with GASB Statement No. 72, Fair Value Measurement and Application. Level 1 inputs are unadjusted quoted prices for identical asset or liabilities in active markets that can be accessed at the measurement date. Level 2 inputs are quoted prices for similar assets or liabilities in activities markets, quoted prices in markets that are not active, assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market, and Level 1 assets or liabilities that are adjusted. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable. Investments using the Net Asset Value (NAV) per share have no readily determinable fair value and have been determined using amortized cost which approximates fair value.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2020, the Government had the following investments held by the Trust on its behalf.

Investment Type	Fair Value	Weighted Average Maturity (days)	Maturities
Investments at Fair Value:			
U.S. Equity	\$ 1,431,563	n/a	n/a
Developed Market International Equity	646,520	n/a	n/a
Emerging Market International Equity	184,720	n/a	n/a
U.S. Fixed Income	923,566	n/a	n/a
Real Estate	461,800	n/a	n/a
Short-term Securities	46,162	n/a	n/a
Investments at Amortized Cost Using the NAV:			
Private Equity and Strategic Lending	923,565	n/a	n/a
<b>Total</b>	<b>\$ 4,617,896</b>		

Investment Type	Fair Value	Fair Value Measurement Using			Amortized Cost
		Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	NAV
U.S. Equity	\$ 1,431,563	\$ 1,431,563	\$ -	\$ -	\$ -
Developed Market International Equity	646,520	646,520	-	-	-
Emerging Market International Equity	184,720	184,720	-	-	-
U.S. Fixed Income	923,566	-	923,566	-	-
Real Estate	461,800	-	-	461,800	-
Short-term Securities	46,162	-	46,162	-	-
Private Equity and Strategic Lending	923,565	-	-	-	923,565
<b>Total</b>	<b>\$ 4,617,896</b>	<b>\$ 2,262,803</b>	<b>\$ 969,728</b>	<b>\$ 461,800</b>	<b>\$ 923,565</b>

**C. Risks and Uncertainties**

The Trust's investments include various types of investment funds, which in turn invest in any combination of stocks, bonds and other investments exposed to various risks. Due to the level of risk associated with various investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for Trust investments.

**Interest rate risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. The Government does not have the ability to limit Trust investment maturities as a means of exposure to fair value losses arising from increasing interest rates.

**Credit risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Government does not have the ability to limit the credit ratings of individual investments made by the Trust.

**Concentration of credit risk** is the risk of loss attributed to the magnitude of the Trust's investment in a single issuer. The Government places no limit on the amount the Trust may invest in one issuer.

**Custodial credit risk** for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the Trust agreement, investments are held in the name of the Trust for the benefit of the Government to pay retirement benefits of teachers.

For further information concerning the Government's investments with the Trust, audited financial statements of the TCRS may be obtained from the website for the State of Tennessee.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

**Primary Government**

Governmental activities:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 529,600,162	\$ 11,388,049	\$ -	\$ 540,988,211
Transportation infrastructure	1,600,058,981	22,353,155	-	1,622,412,136
Public art	5,418,868	135,612	-	5,554,480
Construction in progress	<u>240,354,835</u>	<u>85,696,630</u>	<u>(80,824,106)</u>	<u>245,227,359</u>
Total capital assets, not being depreciated	<u>2,375,432,846</u>	<u>119,573,446</u>	<u>(80,824,106)</u>	<u>2,414,182,186</u>
Capital assets, being depreciated:				
Buildings and improvements	2,543,931,499	84,867,331	(7,171,375)	2,621,627,455
Furniture, machinery and equipment	500,251,044	59,798,615	(15,605,805)	544,443,854
Stormwater infrastructure	<u>180,722,861</u>	<u>21,531,498</u>	<u>-</u>	<u>202,254,359</u>
Total capital assets, being depreciated	<u>3,224,905,404</u>	<u>166,197,444</u>	<u>(22,777,180)</u>	<u>3,368,325,668</u>
Less accumulated depreciation:				
Building and improvements	(1,016,254,954)	(99,864,046)	6,741,729	(1,109,377,271)
Furniture, machinery and equipment	(374,199,703)	(38,333,716)	15,263,875	(397,269,544)
Stormwater infrastructure	<u>(56,393,634)</u>	<u>(3,892,744)</u>	<u>-</u>	<u>(60,286,378)</u>
Total accumulated depreciation	<u>(1,446,848,291)</u>	<u>(142,090,506)</u>	<u>22,005,604</u>	<u>(1,566,933,193)</u>
Total capital assets, being depreciated, net	<u>1,778,057,113</u>	<u>24,106,938</u>	<u>(771,576)</u>	<u>1,801,392,475</u>
Governmental activities capital assets, net	<u>\$ 4,153,489,959</u>	<u>\$ 143,680,384</u>	<u>\$ (81,595,682)</u>	<u>\$ 4,215,574,661</u>

Governmental activities include the capital assets of the internal service funds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Business-type activities:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 24,583,200	\$ -	\$ -	\$ 24,583,200
Construction in progress	235,948,617	45,398,304	(99,411,850)	181,935,071
Total capital assets, not being depreciated	<u>260,531,817</u>	<u>45,398,304</u>	<u>(99,411,850)</u>	<u>206,518,271</u>
Capital assets, being depreciated:				
Utility plant in service	3,173,842,258	76,057,679	-	3,249,899,937
Buildings and improvements	101,884,881	22,091,493	-	123,976,374
Improvements other than buildings	65,544,375	11,453,734	(36,481)	76,961,628
Furniture, machinery and equipment	130,368,023	16,043,002	(120,065)	146,290,960
Property under capital lease	<u>3,645,000</u>	<u>-</u>	<u>-</u>	<u>3,645,000</u>
Total capital assets, being depreciated	<u>3,475,284,537</u>	<u>125,645,908</u>	<u>(156,546)</u>	<u>3,600,773,899</u>
Less accumulated depreciation:				
Utility plant in service	(1,366,639,549)	(74,938,380)	-	(1,441,577,929)
Buildings and improvements	(62,527,168)	(3,422,720)	-	(65,949,888)
Improvements other than buildings	(46,852,715)	(2,656,952)	116	(49,509,551)
Furniture, machinery and equipment	(70,310,958)	(9,971,253)	44,115	(80,238,096)
Property under capital lease	<u>(2,103,344)</u>	<u>(91,125)</u>	<u>-</u>	<u>(2,194,469)</u>
Total accumulated depreciation	<u>(1,548,433,734)</u>	<u>(91,080,430)</u>	<u>44,231</u>	<u>(1,639,469,933)</u>
Total capital assets, being depreciated, net	<u>1,926,850,803</u>	<u>34,565,478</u>	<u>(112,315)</u>	<u>1,961,303,966</u>
Business-type activities capital assets, net	<u>\$ 2,187,382,620</u>	<u>\$ 79,963,782</u>	<u>\$ (99,524,165)</u>	<u>\$ 2,167,822,237</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 24,975,432
Fiscal administration	756,856
Administration of justice	2,490,902
Law enforcement and care of prisoners	23,966,147
Fire prevention and control	2,369,873
Education	42,827,630
Regulation and inspection	5,970
Public welfare	1,557,534
Public health and hospitals	1,343,811
Public library system	3,263,757
Public works, highways and streets, including depreciation of stormwater infrastructure	6,000,029
Recreational and cultural	12,630,157
Capital assets held by internal service funds are charged to the various functions based on each function's usage of the services provided by the funds	<u>19,902,408</u>
Total depreciation expense, governmental activities	<u>\$ 142,090,506</u>
Business-type activities:	
Department of Water and Sewerage Services	\$ 86,868,784
District Energy System	2,361,657
Board of Fair Commissioners	1,176,675
Farmers Market	293,464
Municipal Auditorium	<u>379,850</u>
Total depreciation expense, business-type activities	<u>\$ 91,080,430</u>



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Component Units**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019 (1)	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 385,924,298	\$ 10,575,021	\$ (405,852)	\$ 396,093,467
Public art	1,183,844	-	-	1,183,844
Construction in progress	397,152,729	491,946,579	(512,582,736)	376,516,572
Total capital assets, not being depreciated	<u>784,260,871</u>	<u>502,521,600</u>	<u>(512,988,588)</u>	<u>773,793,883</u>
Capital assets, being depreciated:				
Utility plant in service	1,526,189,000	87,960,000	(21,107,000)	1,593,042,000
Buildings and improvements	2,195,645,615	485,489,869	(4,510,393)	2,676,625,091
Improvements other than buildings	1,859,972	-	-	1,859,972
Furniture, machinery and equipment	578,387,864	43,898,478	(11,686,899)	610,599,443
Infrastructure	612,044,961	36,139,370	(7,138,301)	641,046,030
Total capital assets, being depreciated	<u>4,914,127,412</u>	<u>653,487,717</u>	<u>(44,442,593)</u>	<u>5,523,172,536</u>
Less accumulated depreciation for:				
Utility plant in service	(636,388,000)	(60,796,000)	36,766,000	(660,418,000)
Buildings and improvements	(779,821,894)	(83,631,571)	4,382,824	(859,070,641)
Improvements other than buildings	(1,151,293)	(86,223)	-	(1,237,516)
Furniture, machinery and equipment	(318,582,529)	(42,945,011)	11,422,789	(350,104,751)
Infrastructure	(391,665,483)	(21,503,342)	7,131,526	(406,037,299)
Total accumulated depreciation	<u>(2,127,609,199)</u>	<u>(208,962,147)</u>	<u>59,703,139</u>	<u>(2,276,868,207)</u>
Total capital assets, being depreciated, net	<u>2,786,518,213</u>	<u>444,525,570</u>	<u>15,260,546</u>	<u>3,246,304,329</u>
Component units activities capital assets, net	<u>\$ 3,570,779,084</u>	<u>\$ 947,047,170</u>	<u>\$ (497,728,042)</u>	<u>\$ 4,020,098,212</u>

(1) Certain amounts previously reported as land and improvements other than buildings were reclassified to infrastructure.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 5 – BONDS, NOTES AND OTHER OBLIGATIONS**

**Primary Government**

**A. Transaction Summary**

Bonds, notes and other obligations activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds payable:					
General Services District	\$ 1,942,240,838	\$ -	\$ (110,709,716)	\$ 1,831,531,122	\$ 115,829,973
Schools	950,392,853	-	(58,559,145)	891,833,708	60,961,514
Urban Services District	169,478,987	-	(10,292,627)	159,186,360	11,037,818
Deferred premium (discount)	372,968,868	-	(36,619,085)	336,349,783	-
Total general obligation bonds payable	<u>3,435,081,546</u>	<u>-</u>	<u>(216,180,573)</u>	<u>3,218,900,973</u>	<u>187,829,305</u>
Qualified zone academy notes payable:					
Qualified Zone Academy Notes	829,130	-	(414,567)	414,563	414,563
Deferred premium (discount)	(15,548)	-	10,364	(5,184)	-
Total qualified zone academy notes payable	<u>813,582</u>	<u>-</u>	<u>(404,203)</u>	<u>409,379</u>	<u>414,563</u>
Qualified school construction bond loans payable	<u>27,655,121</u>	<u>-</u>	<u>(3,536,429)</u>	<u>24,118,692</u>	<u>3,536,429</u>
Other obligations payable:					
Net pension liability	209,545,107	308,632,261	(232,514,448)	285,662,920	-
Total OPEB liability	4,562,824,091	466,195,980	(767,975,475)	4,261,044,596	-
Compensated absences	90,827,698	66,967,701	(60,743,675)	97,051,724	55,985,338
Claims and judgments	11,743,618	2,209,422	(2,468,556)	11,484,484	-
Landfill closure costs	6,565,570	-	(24,430)	6,541,140	586,109
Fair value of derivative financial instruments	5,896,954	137,216	(128,170)	5,906,000	-
Total other obligations payable	<u>4,887,403,038</u>	<u>844,142,580</u>	<u>(1,063,854,754)</u>	<u>4,667,690,864</u>	<u>56,571,447</u>
Total governmental activities long-term liabilities	<u>\$ 8,350,953,287</u>	<u>\$ 844,142,580</u>	<u>\$ (1,283,975,959)</u>	<u>\$ 7,911,119,908</u>	<u>\$ 248,351,744</u>
<b>Business-type activities:</b>					
Department of Water and Sewerage Services:					
Revenue bonds payable	\$ 854,140,000	\$ 215,105,000	\$ (89,630,000)	\$ 979,615,000	\$ 25,080,000
Deferred premium (discount)	64,275,635	31,275,654	(8,134,938)	87,416,351	-
Net pension liability	9,626,991	20,266,835	(14,751,733)	15,142,093	-
Total Department of Water and Sewerage Services	<u>928,042,626</u>	<u>266,647,489</u>	<u>(112,516,671)</u>	<u>1,082,173,444</u>	<u>25,080,000</u>
District Energy System:					
General obligation bonds payable	50,062,322	-	(2,348,512)	47,713,810	2,205,695
Deferred premium (discount)	7,167,751	-	(539,647)	6,628,104	-
Net pension liability	39,607	85,448	(61,711)	63,344	-
Total District Energy System	<u>57,269,680</u>	<u>85,448</u>	<u>(2,949,870)</u>	<u>54,405,258</u>	<u>2,205,695</u>
Other business-type activities:					
Net pension liability	1,839,380	3,818,824	(2,792,159)	2,866,045	-
Total other business-type activities	<u>1,839,380</u>	<u>3,818,824</u>	<u>(2,792,159)</u>	<u>2,866,045</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 987,151,686</u>	<u>\$ 270,551,761</u>	<u>\$ (118,258,700)</u>	<u>\$ 1,139,444,747</u>	<u>\$ 27,285,695</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**B. Description of Amounts Payable**

	Interest Rate	Amount
<b>Governmental activities:</b>		
General obligation bonds payable from ad valorem taxes:		
General Services District - General Purposes, due in varying amounts to July 1, 2038	.30 - 5.71%	\$ 1,831,531,122
General Services District - School Purposes, due in varying amounts to July 1, 2038	.30 - 5.71%	891,833,708
Urban Services District - General Purposes, due in varying amounts to July 1, 2038	.30 - 5.71%	159,186,360
Deferred premium (discount) from ad valorem taxes		<u>336,349,783</u>
		<u>3,218,900,973</u>
Qualified zone academy notes payable:		
Qualified Zone Academy Notes, due in varying amounts to December 28, 2020	N/A	414,563
Deferred premium (discount)		<u>(5,184)</u>
Total qualified zone academy notes payable		<u>409,379</u>
Qualified school construction bond loans payable	1.515%	<u>24,118,692</u>
Other obligations payable:		
Net pension liability		285,662,920
Total OPEB liability		4,261,044,596
Compensated absences		97,051,724
Claims and judgments		11,484,484
Landfill closure		6,541,140
Fair value of derivative financial instruments		<u>5,906,000</u>
Total other obligations payable		<u>4,667,690,864</u>
Total governmental activities long-term liabilities		<u>\$ 7,911,119,908</u>
<b>Business-type activities:</b>		
Bonds payable:		
Department of Water and Sewerage Revenue Refunding Bonds, Series 2010A, due in varying amounts to July 1, 2027	3.00 - 5.00%	\$ 12,805,000
Department of Water and Sewerage Revenue Bonds, Federally Taxable (BAB's), Series 2010B, due in varying amounts to July 1, 2037	6.393 - 6.568%	135,000,000
Department of Water and Sewerage Revenue Bonds, Federally Taxable, Series 2010C, due in varying amounts to July 1, 2041	6.693%	75,000,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2012, due in varying amounts to July 1, 2023	1.00 - 5.00%	59,145,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2013, due in varying amounts to July 1, 2033	3.00 - 5.00%	237,930,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2017A (Green Bonds), due in varying amounts to July 1, 2046	3.00 - 5.00%	89,420,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2017B, due in varying amounts to July 1, 2046	5.0%	155,210,000
Department of Water and Sewerage Revenue Bonds, Series 2020A, due in varying amounts to July 1, 2040	4.00 - 5.00%	169,575,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2020B, due in varying amounts to July 1, 2027	5.0%	45,530,000
Deferred premium (discount)		<u>87,416,351</u>
Total Department of Water and Sewerage Services		<u>1,067,031,351</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Interest Rate	Amount
District Energy System G. O. Multi-purpose Bonds, Series 2010D, due in varying amounts to July 1, 2024	1.50 - 5.00%	487,752
District Energy System G. O. Refunding Bonds, Series 2011, due in varying amounts to July 1, 2023	2.00 - 5.00%	504,087
District Energy System Revenue Refunding Bonds, Series 2012A, due in varying amounts to October 1, 2033	2.00 - 5.00%	36,060,000
District Energy System G. O. Refunding Bonds, Series 2012B, due in varying amounts to July 1, 2024	.32 - 2.767%	1,632,293
District Energy System G. O. Refunding Bonds, Series 2013A, due in varying amounts to July 1, 2033	3.00 - 5.00%	841,686
District Energy System G. O. Improvement Bonds, Series 2015C, due in varying amounts to July 1, 2034	4.00 - 5.00%	609,065
District Energy System G. O. Refunding Bonds, Series 2016, due in varying amounts to January 1, 2033	2.00 - 5.00%	5,556,101
District Energy System G. O. Improvement Bonds, Series 2017, due in varying amounts to July 1, 2036	4.00 - 5.00%	510,742
District Energy System G. O. Improvement Bonds, Series 2018, due in varying amounts to July 1, 2038	4.00 - 5.00%	1,512,084
Deferred premium (discount)		6,628,104
Total District Energy System		54,341,914
Total bonds payable		1,121,373,265
Net pension liability:		
Department of Water and Sewerage Services		15,142,093
District Energy System		63,344
Other business-type activities		2,866,045
Total net pension liability		18,071,482
Total business-type activities long-term liabilities		\$ 1,139,444,747

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The bonds, notes and other obligations are classified in the Statement of Net Position as follows:

<b>Governmental activities:</b>	
Noncurrent liabilities:	
Due within one year	\$ 248,351,744
Due in more than one year	<u>7,662,768,164</u>
 Total governmental activities	 <u>\$ 7,911,119,908</u>
 <b>Business-type activities:</b>	
Liabilities payable from restricted assets:	
Current portion of long-term liabilities	\$ 27,285,695
Noncurrent liabilities:	
Due in more than one year	<u>1,112,159,052</u>
 Total business-type activities	 <u>\$ 1,139,444,747</u>

The general obligation bonds and notes payable are direct obligations of the Government for which its full faith and credit are pledged. These obligations are payable from the assessment of ad valorem taxes. In addition, the Government has additional sources of funds which are utilized to meet the annual principal and interest payments of certain general obligation bonds and notes.

For the governmental activities, the other obligations are generally liquidated from the following:

Net pension liability	Fund incurring the related employees' compensation, primarily the General Fund and General Purpose School Fund
Other postemployment benefits obligation	Fund incurring the related employees' compensation, primarily the General Fund, General Purpose School Fund
Compensated absences	Fund incurring the related employees' compensation, primarily the General Fund and the General Purpose School Fund
Claims and judgments	Fund to which the claim or judgment relates
Landfill closure costs	Solid Waste Operations Fund

For the business-type activities, the other obligations are generally liquidated from the funds reporting the liabilities.

**C. Collateral for Obligations of the Proprietary Funds**

All bonds of the Department of Water and Sewerage Services and the District Energy System are collateralized by the revenues of those entities.

**D. Bond Covenants**

The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of a flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. As of June 30, 2020, the Government believes it is in compliance with all financial limitations and restrictions.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**E. Annual Debt Service Requirements**

The annual requirements to amortize all general obligation bonds and revenue bonds outstanding as of June 30, 2020 are as follows:

Year Ending June 30	General Obligation Bonds		Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 190,035,000	\$ 131,223,219	\$ 25,080,000	\$ 46,911,772	\$ 215,115,000	\$ 178,134,991
2022	194,655,000	122,181,105	33,070,000	48,125,552	227,725,000	170,306,657
2023	205,025,000	112,816,044	39,815,000	46,435,928	244,840,000	159,251,972
2024	217,420,000	103,398,979	30,675,000	44,818,227	248,095,000	148,217,206
2025	218,550,000	93,661,462	24,820,000	43,471,027	243,370,000	137,132,489
2026-2030	874,980,000	332,421,932	145,355,000	196,671,609	1,020,335,000	529,093,541
2031-2035	762,810,000	142,007,285	186,260,000	152,066,610	949,070,000	294,073,895
2036-2040	266,790,000	19,054,599	235,440,000	95,175,314	502,230,000	114,229,913
2041-2045	-	-	216,110,000	31,727,593	216,110,000	31,727,593
2046-2047	-	-	42,990,000	1,838,025	42,990,000	1,838,025
Total	2,930,265,000	1,056,764,625	979,615,000	707,241,657	3,909,880,000	1,764,006,282
Deferred Premium (Discount)	342,977,887	-	87,416,351	-	430,394,238	-
Total	\$ <u>3,273,242,887</u>	\$ <u>1,056,764,625</u>	<u>1,067,031,351</u>	<u>707,241,657</u>	<u>4,340,274,238</u>	<u>1,764,006,282</u>

**F. Commercial Paper**

In July 2014, the Government began a \$200 million Extendable Commercial Paper (ECP) program. The ECP dealer issues commercial paper notes with original maturity of 1 to 90 days. If the ECP dealer was ever unable to market notes in the amount needed to pay the maturing notes, the Government could extend the original maturity date to 270 days from the original date of issue. During this period long-term financing would be arranged to pay the notes at maturity. In July 2017, the Extendable Commercial Paper (ECP) program increased the maximum par amount of notes to \$325 million.

In July 2017, the Government entered into Revolving Credit Agreements (RCA) with two banks to provide a \$375 million general obligation traditional commercial paper program. The program allows the Government to issue short-term notes to finance authorized capital projects, until long-term bonds can be issued to provide permanent project financing. As notes mature (prior to the issuance of the long-term bonds) new notes are issued to repay the maturing notes. If market conditions are such that new notes cannot be issued, the banks have agreed to pay the principal amount of any maturing commercial paper notes pursuant to a revolving credit agreement. If a bank advances funds pursuant to the revolving credit agreement, the Government has 180 days within which to reimburse the bank, either from the proceeds of a new commercial paper note issue, the proceeds of long-term bonds or funds of the Government. If the Government cannot reimburse the bank within 180 days, the bank advance converts to a term loan, payable in equal quarterly installments of principal over three years. The Government may at any time prepay the term loan from the proceeds of a new commercial paper note issue or long-term bonds.

General obligation commercial paper is issued as federally tax-exempt notes. The commercial paper is sold at par as interest-bearing obligations in minimum denominations of \$100,000 with interest payable at maturity. The commercial paper has varying maturities not to exceed 270 days, and all rollover commercial paper will not have a final maturity more than two years from the initial dates of issuance. The State has waived the two year final maturity limitation and approved a final maturity not to exceed six years. Interest rates vary depending on the market. At June 30, 2020, the amount of principal outstanding could not exceed \$700 million.

In July 2018 the Government established a \$183 million Water and Sewerage commercial paper program. Commercial paper notes are issued to provide interim or short-term financing of various water and sewer capital projects. The notes may be refunded with new notes (rollover notes) until the Government is prepared to issue long-term bonds and thereby provide permanent financing for the capital projects financed under the commercial paper

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

program. As notes mature (prior to the issuance of the long-term bonds) new notes are issued to repay the maturing notes. If market conditions are such that new notes cannot be issued, the bank has agreed to pay the principal amount of any maturing commercial paper notes pursuant to a Reimbursement Agreement. If the bank advances funds pursuant to the reimbursement agreement, the Government has 180 days within which to reimburse the bank, either from the proceeds of a new commercial paper note issue, the proceeds of long-term bonds or funds of the Government. If the Government cannot reimburse the bank within 180 days, the bank advance converts to a term loan, payable in equal quarterly installments of principal over three years. The Government may at any time prepay the term loan from the proceeds of a new commercial paper note issue or long-term bonds. In April 2015, the Government began a \$100 million Extendable Commercial Paper (ECP) program. The ECP dealer issues commercial paper notes with original maturities of 1 to 90 days. If the ECP dealer was ever unable to market notes in the amount needed to pay the maturing notes, the Government could extend the original maturity date to 270 days from the original date of issue. During this period long-term financing would be arranged to pay the notes at maturity. The combined programs total \$300 million of commercial paper notes available for short term capital financing.

Revenue commercial paper is issued as federally tax-exempt notes. The commercial paper is sold at par as interest-bearing obligations in minimum denominations of \$100,000 with interest payable at maturity. The commercial paper has varying maturities not to exceed 270 days, and all rollover commercial paper will not have a final maturity more than two years from the initial dates of issuance. The State has waived the two year final maturity limitation and approved a final maturity not to exceed six years. Interest rates vary depending on the market. At June 30, 2020, the amount of principal outstanding could not exceed \$300 million.

Commercial paper obligations of \$625,200,000 with interest rates ranging from .20% to .65% were outstanding at June 30, 2020. The obligations are considered short-term debt at June 30, 2020 and are recorded as a liability in the Capital Project Funds, Department of Water and Sewerage Services, and the District Energy System of the Government.

Commercial paper activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Commercial paper payable	\$ 450,000,000	\$ 360,000,000	\$ (184,800,000)	\$ 625,200,000

The commercial paper is classified in the Statement of Net Position as follows:

<b>Governmental activities:</b>	
Commercial paper payable	\$ 548,485,758
Total governmental activities	548,485,758
<b>Business-type activities:</b>	
Commercial paper payable	76,714,242
Total business-type activities	76,714,242
Total commercial paper payable	\$ 625,200,000

**G. Issuance of Bonds**

On April 6, 2020, the Government issued \$169,575,000 of Water and Sewer Revenue Bonds, Series 2020A, maturing on July 1, 2040, with interest rates ranging from 4% to 5%, and \$45,530,000 of Water and Sewer Revenue Bonds, Series 2020B, maturing on July 1, 2027, with an interest rate of 5%. The net proceeds of the Series 2020A Bonds totaled \$195,321,995 (including original issue premium of \$24,832,767 and a Government contribution of \$914,228 for commercial paper interest due). \$185,714,228 of the net proceeds were used to fund maturing commercial paper notes including interest, \$8,479,215 was used to establish a debt service reserve fund, and \$1,128,552 was used to cover underwriting fees and other costs of issuance. The net proceeds of the Series 2020B Bonds totaled \$51,972,887 (including original issue premium of \$6,442,887). \$51,747,350 of the net proceeds were used to refund a portion of the Water and Sewer Revenue Refunding Bonds, Series 2010A, and \$225,537 was used to cover underwriting fees and other costs of issuance. By issuing the Series 2020B Bonds, the Government obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of \$6,133,711. The refunding will reduce the Government's debt service payments over the next eight years by an estimated \$6,535,740.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**H. Defeased Bonds**

The Government has defeased certain other bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service requirements on the retired bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Government's financial statements. As of June 30, 2020, \$424,800,000 of general obligation bonds and \$81,415,000 of revenue bonds are considered defeased.

**I. Redemption Options**

Certain bonds are subject to redemption prior to maturity at the option of the Government. The stated payments of principal and interest on the Department of Water and Sewerage Services Series 1992 and Series 2010A, B, C and D are insured by municipal bond insurance policies which cannot be canceled.

**J. Qualified Zone Academy Notes**

Qualified Zone Academy Bonds (QZAB) are issued by the Tennessee State School Bond Authority (TSSBA) to finance improvement loans for qualifying primary and secondary schools in the State. The QZAB's are a part of a federal government program administered by the Tennessee Department of Education in which a federal tax credit is given to investors in lieu of interest on the bonds.

The Government entered into a loan agreement with the TSSBA in December 2005 whereby the Government would receive an amount not to exceed \$6,350,000 of the proceeds from the TSSBA QZAB, Series 2005. Actual proceeds totaled \$6,218,500. Under the provisions of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The TSSBA will hold and invest the proceeds from the Series 2005 Bonds, and as allowable expenditures are incurred, the Government will request reimbursement. The Government is required to make annual principal payments to TSSBA. An investment credit applied to the Government's portion of the bond proceeds will be used to reduce future payments.

QZAB note principal maturities at June 30, 2020 are summarized below:

Year Ending June 30	Principal	Investment Credit (1)
2021	\$ 414,563	\$ 97,031
Total qualified zone academy notes payable	<u>\$ 414,563</u>	<u>\$ 97,031</u>

(1) The investment tax credit is estimated and subject to adjustment based on investment earnings and other factors.

**K. Qualified School Construction Bond Loan**

Qualified School Construction Bonds (QSCB) are issued by the Tennessee State School Bond Authority (TSSBA) to finance improvement loans for qualifying primary and secondary schools in the State. The QSCB's are part of the federal government's American Recovery and Reinvestment Act of 2009 (ARRA).

The Government entered a loan agreement with the TSSBA in December 2009 whereby the Government received an amount not to exceed \$21,760,000 of the proceeds from the TSSBA QSCB, Series 2009. Actual proceeds totaled \$21,120,000. Interest on the loan is 1.515%, and the loan matures in 2027. Under the provisions of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The TSSBA will hold and invest the proceeds from the Series 2009 Bonds, and as allowable expenditures are incurred, the Government will request reimbursement. The Government is required to make annual principal payments to TSSBA. An investment credit applied to the Government's portion of the bond proceeds will be used to reduce future payments.

On October 7, 2010, the Government entered a loan agreement with the TSSBA whereby the Government received \$35,555,000 from the TSSBA's QSCB's issued on October 7, 2010. Interest on the loan is 4.848%, and the loan matures in 2028. The Government also receives a share of the TSSBA's interest subsidy payments received from the Federal government. The Government's share of the subsidy is estimated to offset its interest payments. Under the provisions of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The TSSBA will hold and invest the proceeds from the Series 2010 Bonds, and as allowable expenditures are incurred, the Government will request reimbursement. The Government is required to make annual principal payments to TSSBA. Interest earned by the TSSBA on the Government's portion of the bond proceeds will be used to reduce future payments.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

QSCB note principal maturities at June 30, 2020 are summarized below:

Year Ending June 30	Principal	Interest	Subsidy
2021	\$ 3,536,429	\$ 2,043,674	\$ 1,723,706
2022	3,536,429	2,043,674	1,723,706
2023	3,536,429	2,043,674	1,723,706
2024	3,536,429	2,043,674	1,723,706
2025	3,536,429	2,043,674	1,723,706
2026-2028	6,436,547	3,963,804	4,309,266
Total qualified school construction bond loan payable	<u>\$ 24,118,692</u>	<u>\$ 14,182,174</u>	<u>\$ 12,927,796</u>

**L. Derivative Financial Instruments**

In connection with outstanding variable rate debt, the Government competitively bid the sale of a pay-fixed receive-variable Securities Industry and Financial Market Association (SIFMA), formerly the Bond Market Association, swaption (Swaption). This transaction generated an upfront payment of \$3,800,000, which is deferred and being amortized over the term of the related interest rate swap in the government-wide statements. The Swaption was sold on a SIFMA floating to fixed interest rate swap and, when it was exercised by the winning bidder, SunTrust Bank (Counterparty), the Government was placed into a variable to fixed interest rate swap commencing on May 15, 2006. The interest rate swap is a hedging derivative instrument (cash flow hedge) maintained by the Government in order to manage its exposure to market risk from fluctuations in interest rates on its variable rate debt. On February 2, 2012, the Government refunded the Tennessee Municipal Bond Fund (TMBF) Loan, which was the debt previously associated with the hedging derivative instrument. Upon the refunding of the TMBF Loan, the Government terminated hedge accounting for the derivative instrument. The related deferral account totaled \$16,126,556 at the date of the refunding and has been included in the net carrying amount of the TMBF Loan for purposes of determining the deferred charge related to its refunding. The Government has subsequently employed the interest rate swap as a hedging derivative instrument maintained in order to manage its exposure to market risk from fluctuations in interest rates on its commercial paper program.

The swap agreement provides that the Government will pay a fixed rate of 5.4% to the Counterparty and will receive the SIFMA rate on the outstanding notional amount which reduces annually and was \$26,345,000 at June 30, 2020. The SIFMA rate at June 30, 2020 was .13%. All terms of the swap remain in effect and expire May 15, 2026. The credit rating of the Counterparty at June 30, 2020 is Baa1. The fair value of this swap contract was a liability of \$4,952,883 at June 30, 2020 and is recorded in noncurrent liabilities in the Statement of Net Position. The liability decreased by \$128,170 for the year ended June 30, 2020. This change in fair value is reported as a deferred inflow of resources in the Statement of Net Position.

The fair value of the interest rate swap was determined by the Counterparty using valuation models and assumptions and available market data. Arrangements made in the Government's interest rate swap agreement do not alter the Government's obligation to pay the principal and interest on the related debt. See Section F.

The net receipts/payments on the hedging derivative instrument at June 30, 2020 are summarized below. The amounts assume that the current reference rate (.13%) of the interest rate swap will remain the same for the term of the swap agreement. As this rate varies, the net receipts/payments will vary.

Year Ending June 30	Hedging Derivative, Net Payments
2021	\$ 1,388,382
2022	1,187,595
2023	975,477
2024	751,239
2025	514,616
2026	264,291
Total hedging derivative, net payments	<u>\$ 5,081,600</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*Credit risk* – The Government is exposed to credit risk on hedging derivative instruments that are in asset positions. There were no such instruments in asset positions at June 30, 2020. However, should interest rates change and the fair value of the swap becomes positive, the Government would be exposed to credit risk in the amount of the derivative's fair value. The Government relies primarily on the credit rating of the counterparty to assess credit risk.

*Interest rate risk* – The Government is exposed to interest rate risk on its interest rate swap. On its pay-fixed, receive-variable interest rate swap, as the variable swap index decreases, the Government's net payments on the swaps increase.

*Basis risk* – The Government is exposed to basis risk on its pay-fixed interest rate swaps because the variable rate payments received by the Government on this hedging derivative instrument is, in certain circumstances, based on a rate or index other than interest rates that the Government pays on its hedged debt.

*Termination risk* – The Government or the Counterparty may terminate the derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, the hedging derivative instrument is in a liability position, the Government would be liable to the Counterparty for a payment equal to the liability.

**M. Unissued Bonds or Notes**

At June 30, 2020, authorized but unissued general obligation bonds totaled \$1,291,497,523. Commercial paper borrowings are used to fund capital spending prior to the issuance of bonds.

**Component Units**

**A. Transaction Summary**

Bonds, notes and other liabilities activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
<b>Governmental types:</b>					
Revenue bonds payable:					
Sports Authority	\$ 124,312,926	\$ -	\$ (6,588,032)	\$ 117,724,894	\$ 6,005,000
Total revenue bonds payable - governmental types	124,312,926	-	(6,588,032)	117,724,894	6,005,000
<b>Proprietary types:</b>					
Revenue bonds payable:					
Electric Power Board	598,789,000	-	(44,726,000)	554,063,000	37,690,000
Metropolitan Nashville Airport Authority	278,039,806	1,110,883,153	(22,038,081)	1,366,884,878	8,175,000
Convention Center Authority	590,123,461	-	(13,505,494)	576,617,967	13,965,000
Total revenue bonds payable - proprietary types	1,466,952,267	1,110,883,153	(80,269,575)	2,497,565,845	59,830,000
Notes payable:					
Metropolitan Development and Housing Agency	140,641,150	62,833,973	(5,834,032)	197,641,091	8,889,615
Metropolitan Nashville Airport Authority	158,901,491	136,697,041	(282,121,852)	13,476,680	1,799,232
Total notes payable - proprietary types	299,542,641	199,531,014	(287,955,884)	211,117,771	10,688,847
Total revenue bonds and notes payable	1,890,807,834	1,310,414,167	(374,813,491)	2,826,408,510	76,523,847
<b>Governmental types:</b>					
Other liabilities payable:					
Sports Authority:					
Other liabilities	15,459,898	27,459	(5,339,211)	10,148,146	-
Total other liabilities payable - governmental types	15,459,898	27,459	(5,339,211)	10,148,146	-
<b>Proprietary types:</b>					
Other liabilities payable:					
Hospital Authority:					
Capitalized lease obligation	18,556,594	-	(2,814,696)	15,741,898	3,163,039
Net pension liability	2,200,840	4,153,292	(3,135,579)	3,218,553	-
Metropolitan Development and Housing Agency:					
Other liabilities	1,724,204	1,440,552	(1,545,116)	1,619,640	-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within One Year
<b>Electric Power Board:</b>					
TVA advances and other	\$ 7,379,000	\$ 12,202,000	\$ (11,054,000)	\$ 8,527,000	\$ -
Net pension liability	221,544,000	66,187,000	(78,031,000)	209,700,000	-
Net OPEB liability	195,098,000	38,721,000	(42,771,000)	191,048,000	-
<b>Metropolitan Transit Authority:</b>					
Advance lease receipts	7,967,457	-	(590,004)	7,377,453	-
Refundable grants	455,652	-	(23,989)	431,663	-
Net pension liability	12,994,684	7,363,139	(8,522,480)	11,835,343	-
Net OPEB liability	69,427,491	26,517,167	(3,369,643)	92,575,015	-
<b>Proprietary types:</b>					
<b>Metropolitan Nashville Airport Authority:</b>					
Fair value of derivative financial instruments	8,445	-	(8,445)	-	-
Unearned income	1,858,773	-	(1,858,773)	-	-
Net pension liability	1,278,902	8,591,445	(9,870,347)	-	-
Net OPEB liability	4,787,804	4,877,178	(9,664,982)	-	-
<b>Convention Center Authority:</b>					
Net pension liability	521,642	864,278	(683,911)	702,009	-
Total other liabilities payable - proprietary types	<u>545,803,488</u>	<u>170,917,051</u>	<u>(173,943,965)</u>	<u>542,776,574</u>	<u>3,163,039</u>
Total revenue bonds, notes and other liabilities payable - component units	<u>\$ 2,452,071,220</u>	<u>\$ 1,481,358,677</u>	<u>\$ (554,096,667)</u>	<u>\$ 3,379,333,230</u>	<u>\$ 79,686,886</u>

**B. Description of Amounts Payable**

Amounts payable at June 30, 2020 are as follows:

	Interest Rates	Amount
<b>Governmental types:</b>		
Revenue bonds payable:		
Taxable Public Facility Revenue Refunding Bonds, Series 2012A (Stadium Project), due in varying amounts to July 1, 2033	1.142 - 5.231%	\$ 17,225,000
Taxable Public Improvement Revenue Refunding Bonds, Series 2013A, due in varying amounts to July 1, 2033	.793 - 5.150%	10,945,000
Public Improvement Revenue Bonds (Ballpark Project), Series 2013B, due in varying amounts to July 1, 2025	.793 - 4.050%	11,810,000
Taxable Public Improvement Revenue Bonds (Ballpark Project), Series 2013A, due in varying amounts to August 1, 2043	3.00 - 5.250%	49,590,000
Public Improvement Revenue Refunding Bonds, Series 2013B, due in varying amounts to August 1, 2043	1.25 - 5.625%	10,335,000
Deferred premium (discount) Series 2014, due in varying amounts to July 1, 2026	4.00 - 5.000%	15,005,000
Total revenue bonds payable - governmental types		<u>2,814,894</u>
<b>Proprietary types:</b>		
Revenue bonds payable:		
Electric Power Board Electric System Revenue Bonds, 2008 Series B, due in varying amounts to May 15, 2023	3.25 - 5.00%	5,812,000
Electric Power Board Electric System Revenue Bonds, 2011 Series A, due in varying amounts to May 15, 2036	1.50 - 5.00%	37,485,000
Electric Power Board Electric System Revenue Bonds, 2011 Series B, due in varying amounts to May 15, 2026	2.00 - 5.00%	39,865,000
Electric Power Board Electric System Revenue Bonds, 2013 Series A, due in varying amounts to May 15, 2029	3.25 - 5.00%	59,405,000
Electric Power Board Electric System Revenue Bonds, 2014 Series A, due in varying amounts to May 15, 2039	2.00 - 5.00%	102,878,000
Electric Power Board Electric System Revenue Bonds, 2015 Series A, due in varying amounts to May 15, 2039	5.00%	106,378,000

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Interest Rates	Amount
Electric Power Board Electric System Revenue Bonds, 2017		
Series A, due in varying amounts to May 15, 2042	3.00 - 5.00%	\$ 115,404,000
Electric Power Board Electric System Revenue Bonds, 2017		
Series B, due in varying amounts to May 15, 2031	5.00%	86,836,000
Airport Improvement Revenue Bonds, Series 2003B,		
due in varying amounts to July 1, 2033	5.49 - 5.94%	13,235,000
due in varying amounts to July 1, 2029 (includes terms bonds at 6.79%)	2.25 - 6.19%	3,000,000
Airport Improvement Revenue Bonds, Series 2015A,		
due in varying amounts to July 1, 2045	4.00 - 5.00%	88,475,000
Airport Improvement Revenue Bonds, Series 2015B,		
due in varying amounts to July 1, 2045	4.00 - 5.00%	104,535,000
Special Facility Revenue Bonds, Series 2018,		
due in varying amounts to July 1, 2028 (includes terms bonds at 3.4%)	2.25 - 6.19%	27,358,295
Airport Improvement Revenue Bonds, Series 2019A,		
due in varying amounts to July 1, 2054	4.00 - 5.00%	254,435,000
Airport Improvement Revenue Bonds, Series 2019B,		
due in varying amounts to July 1, 2054	4.00 - 5.00%	665,150,000
Metropolitan Nashville Airport Authority:		
Deferred premium (discount)		210,696,583
Convention Center Authority Revenue Bonds, 2010A-1		
due in varying amounts to July 1, 2026	3.35 - 5.00%	33,935,000
Convention Center Authority Revenue Bonds, 2010A-2		
due in varying amounts to July 1, 2043	7.431%	152,395,000
Convention Center Authority Revenue Bonds, 2010B		
due in varying amounts to July 1, 2043	4.862 - 6.731%	389,805,000
Convention Center Authority:		
Deferred premium (discount)		482,967
Total revenue bonds payable - proprietary types		<u>2,497,565,845</u>
Notes payable:		
Metropolitan Development and Housing Agency		197,641,091
Metropolitan Nashville Airport Authority		13,476,680
Total notes payable - proprietary types		<u>211,117,771</u>
Total revenue bonds and notes payable		<u>2,826,408,510</u>
Other liabilities payable:		
Sports Authority:		
Other liabilities		10,148,146
Hospital Authority:		
Capitalized lease obligation		15,741,898
Net pension liability		3,218,553
Metropolitan Development and Housing Agency:		
Other liabilities		1,619,640
Electric Power Board:		
TVA advances		638,000
Other		7,889,000
Net pension liability		209,700,000
Net OPEB liability		191,048,000
Metropolitan Transit Authority:		
Advance lease receipts		7,377,453
Refundable grants		431,663
Net pension liability		11,835,343
Net OPEB liability		92,575,015
Convention Center Authority:		
Net pension liability		702,009
Total other liabilities payable - proprietary types		<u>552,924,720</u>
Total bonds, notes and other liabilities payable - component units		<u>\$ 3,379,333,230</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The bonds, notes and other liabilities of the component units are classified in the Statement of Net Position as follows:

Liabilities payable from restricted assets:	
Current portion of long-term liabilities	\$ 65,835,000
Noncurrent liabilities:	
Due within one year	13,851,886
Due in more than one year	<u>3,299,646,344</u>
 Total component units long-term liabilities	 <u>\$ 3,379,333,230</u>

**C. Collateral for Obligations of the Component Units**

Sports Authority

The Public Improvement Revenue Refunding Bonds, Series 2004, are limited obligations of the Sports Authority payable solely from the revenues and receipts pledged to the payment of these bonds and secured by the non-tax revenues of the General Fund of the Government. Neither the faith and credit of the Sports Authority nor the faith and credit or the taxing power of the Government is pledged to the payment of the principal or interest on the bonds.

**D. Description of Bonds**

Sports Authority

On December 19, 2013, the Sports Authority issued \$53,760,000 Public Improvement Revenue Bonds (Ballpark), Series 2013A, maturing on August 1, 2043, with interest rates ranging from 3.00% to 5.25%, and \$11,240,000 Public Improvement Revenue Bonds (Ballpark), Series 2013B (Federally Taxable), maturing on August 1, 2043, with interest rates ranging from 1.25% to 5.625%. The proceeds of the 2013A and 2013B Ballpark Bonds were used to pay costs to acquire land and construct a minor league baseball park and related public improvements, capitalized interest, and costs related to issuance. The net proceeds of the 2013A and 2013B Ballpark Bonds totaled \$66,397,938 (net of underwriting fees) and were deposited with the Sports Authority.

In conjunction with the issuance of the Series 2013 Ballpark Bonds, the Sports Authority entered into a loan and security agreement with the Metropolitan Development and Housing Agency (the Agency) whereby a tax increment revenue note was issued by the Agency to the Sports Authority in exchange for the loan of \$28,000,000 to the Agency from the Tax Increment Financing (TIF) Loan Account of the Construction Fund. The loan dated December 19, 2013, maturing July 1, 2043, with interest at a fixed rate of 4.55% per annum, was used to pay for certain TIF eligible expenses for the redevelopment project. Collateral for this loan is ninety-five percent (95%) of all ad valorem real property tax increment revenues for specific projects in the vicinity of the Ballpark and the ballpark development.

In addition to the aforementioned TIF payments from the Agency, state and local sales tax revenues generated at the ballpark, ballpark lease payments and – to the extent the foregoing revenues are insufficient – non-tax revenues collected in the General Fund of the Urban Services District of the Government are pledged for the payment of principal and interest on the Series 2013 Ballpark Bonds.

**E. Conduit Debt Obligations**

Industrial Development Board

The Government, through the Industrial Development Board, has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entities served by the bond issuances. Neither the Government nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities of the Government.

The aggregate principal amount as of June 30, 2020 for the Industrial Revenue Bonds issued after April 1, 1996 was approximately \$644,487,233. The aggregate principal amount payable for the Industrial Revenue Bonds issued prior to April 1, 1996 could not be determined; however, their original issue amount totaled \$1,414,846,369.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Health and Educational Facilities Board

The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee, (The Board) is a public, non-profit corporation and instrumentality of the Government organized in 1974 pursuant to Chapter 101, Part 3, Title 48 of the TCA as amended (the Act). The Board is not considered to be part of the Government's reporting entity. The Act empowers the Board, among other things, to acquire and furnish property suitable for use by educational institutions, hospital institutions, or multifamily housing facilities in connection with their operations, and to loan to such entities the proceeds from the sale of its bonds to finance such security for the payment of the principal and interest on bonds issued. The Government is not liable for the payment of the principal or any interest on any of the revenue bonds of the Board. Accordingly, the revenue bonds of the Board are not reported as liabilities of the Government.

The aggregate principal amount of revenue bonds issued by the Board on or after April 1, 1996 totals approximately \$6,687,156,865. The aggregate principal amount of revenue bonds which were issued by the Board and were still outstanding as of April 1, 1996 could not be determined; however, the total aggregate principal amount of revenue bonds issued by the Board prior to April 1, 1996 was \$1,367,025,500.

**F. Other Matters**

Sports Authority

The Authority has a \$15,000,000 non-revolving credit line with Pinnacle Bank (Administrative Agent), First Tennessee Bank and Fifth Third Bank for the purpose of financing capital improvements at the Nissan Stadium. The loan dated October 19, 2015 matures on October 1, 2027. Interest is due quarterly at a variable rate as set forth in the loan agreement based on the outstanding principal balance of the loan. Conditions of lending include that the Authority expend at least \$1,100,000 of its own funds toward project costs; set aside a cash reserve of \$1,900,000 held by the Authority; and maintain a minimum balance of \$1,000,000 in the revenue fund held by the Administrative Agent. Pledged revenues include ticket tax collections (excluding that which is allocated to prior bonds Series 2012A as specified in the agreement) and CMA Fest revenues. Collected revenues are remitted monthly by the Metropolitan Government to the revenue account held by Pinnacle Bank. Remittances are applied toward principal; quarterly the Administrative Agent transfers the amount due for accrued interest. The total outstanding balance as of June 30, 2020 is \$10,106,386.

**G. Annual Debt Service Requirements**

The annual principal maturities of all bonds and notes payable as of June 30, 2020 for the component units are as follows:

Year Ending June 30	Revenue Bonds		Notes Payable		Total Revenue Bonds and Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 65,835,000	\$ 123,867,485	\$ 10,576,356	\$ 6,658,934	\$ 76,411,356	\$ 130,526,419
2022	67,978,385	120,620,029	15,735,711	6,229,218	83,714,096	126,849,247
2023	71,192,780	117,106,537	8,245,701	6,012,390	79,438,481	123,118,927
2024	63,215,774	113,662,587	5,319,863	5,850,456	68,535,637	119,513,043
2025	77,280,795	110,312,777	5,441,499	5,905,997	82,722,294	116,218,774
2026-2030	375,355,561	493,407,605	41,793,314	22,641,298	417,148,875	516,048,903
2031-2035	359,750,000	394,341,302	29,630,572	17,675,351	389,380,572	412,016,653
2036-2040	366,220,000	290,214,367	26,946,467	13,003,301	393,166,467	303,217,668
2041-2045	327,280,000	176,549,563	33,929,685	7,213,224	361,209,685	183,762,787
2046-2050	269,655,000	96,534,334	13,526,114	3,241,089	283,181,114	99,775,423
2051-2055	305,170,000	30,085,350	12,896,155	1,520,681	318,066,155	31,606,031
2056-2060	-	-	7,076,336	343,890	7,076,336	343,890
Total	2,348,933,295	2,066,701,936	211,117,771	96,295,829	2,560,051,066	2,162,997,765
Deferred charges	266,357,444	-	-	-	266,357,444	-
Total	\$ 2,615,290,739	\$ 2,066,701,936	\$ 211,117,771	\$ 96,295,829	\$ 2,826,408,510	\$ 2,162,997,765

Deferred amounts for the Electric Power Board are netted with principal.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**H. Additional Information**

Additional information regarding the bonds, notes and other obligations of the component units can be found in their separately issued financial statements.

**NOTE 6 – PENSION PLANS**

The Government has the following single-employer pension plans:

<u>Name</u>	<u>Type</u>	<u>Status</u>	<u>Administering Fund</u>
<b><u>Primary Government</u></b>			
Fiduciary Fund Types:			
County	Defined Benefit	Closed 1963	Davidson County Employees' Retirement
Metro - Division A	Defined Benefit	Closed 1995	Metropolitan Employees Benefit Trust
Metro - Division B	Defined Benefit	Open	Metropolitan Employees Benefit Trust
County Education	Defined Benefit	Closed 1963	Employees' Pension and Insurance
Metro Education	Defined Benefit	Closed 1969	Teachers' Retirement Plan
City	Defined Benefit	Closed 1963	Closed City Plan
City Education	Defined Benefit	Closed 1963	Teachers' Civil Service and Pension

The City, County, Metro Education, City Education, and County Education plans are participants in the Guaranteed Payment Program (GPP), an umbrella program created by the Metropolitan Council to ensure actuarially sound funding for the five closed plans. Under the GPP, unfunded liabilities of the aggregate program are amortized over a period of no more than thirty years. Contributions on behalf of the five individual plans move to a payment account from which distributions are paid to the constituent plans of the GPP as necessary to satisfy current benefit needs and to satisfy long-term funding objectives of the GPP.

No separate financial reports are issued for these plans.

The Government also participates in cost-sharing, multiple-employer plans administered by the Tennessee Consolidated Retirement System (TCRS).

**Component Units**

Sports Authority, Hospital Authority, and Convention Center Authority	Included in primary government plans (1)		
Hospital Authority	Defined Contribution	Open	N/A
Convention Center Authority	Defined Contribution	Open	N/A
Metropolitan Development and Housing Agency	Defined Contribution	Open	N/A
Electric Power Board	Defined Benefit	Open	N/A
Metropolitan Transit Authority	Defined Benefit	Open	N/A
Metropolitan Nashville Airport Authority	Defined Benefit	Closed	N/A
Metropolitan Nashville Airport Authority	Defined Contribution	Open	N/A

(1) Employees of the Sports Authority are eligible to participate in the plans of the Government. Employees of Hospital Authority and Convention Center Authority hired before certain dates are eligible to participate in the plans of the Government. Employees hired subsequent to those dates are only eligible to participate in the plans administered by those Authorities. The allocation of the primary government plans to the component units is not material for disclosure.

The Metropolitan Transit Authority guarantees the plan sponsored by the Davidson Transit Organization (DTO), which provides Metropolitan Transit Authority labor.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Additional information regarding the pension plans of the component units can be found in their separately issued financial statements

**Plans Administered by the Government**

**A. Summary of Significant Accounting Policies**

***Measurement Focus, Basis of Account and Financial Statement Presentation***

The pension funds are reported using the accrual basis of accounting. Employer and employee contributions are recognized in the period due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. The net pension liability (asset) is reported in the applicable governmental and business-type activities in the Statements of Net Position and Activities.

***Method Used to Value Investments***

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Real estate plan assets are reported at fair value utilizing an income approach to valuation. An independent appraisal is obtained once every year to determine the fair market value of the real estate assets. Accounts receivable include amounts due from investment brokers for pending trades.

**B. Plan Descriptions**

***Plan Administration***

All plans of the primary government were established or continue under the authority of the Metropolitan Charter, Article XIII, effective April 1, 1963. Approval of the Metropolitan Council is required to establish and amend benefit provisions. Article XIII also requires that all pension plans be actuarially sound. Administrative costs of the plans are financed through plan assets. The plans are managed and administered by the Metropolitan Employee Benefit Board (the Board), an independent board created by the Metropolitan Charter. The Board is composed of ten members, as follows: Finance Director, Human Resources Director, three members appointed by the Mayor, and five members selected by employees and retirees of the Metropolitan Government.

***Plan Membership***

Plan membership is summarized on the Selected Pension Information Schedules on pages B-78 to B-79.

***Benefits Provided***

Metro Plan

***Division A***

This plan (The Metropolitan Employees' Benefit Trust Fund) was established at the inception of the Government on April 1, 1963 and implemented on November 4, 1964. At that time, all employees of the former city and county governments were given the option of continuing as participants of the pension plans of those organizations or transferring to the Metro Plan. Division A of the Metro Plan was closed to new members on July 1, 1995.

Normal retirement for employees other than police officers and fire fighters occurs at age 65 and entitles employees to a lifetime monthly benefit of 1/12 of the sum of 1% of average base earnings, as defined by the Social Security Administration, plus 1.75% of average excess earnings as defined in the Plan, multiplied by the years of credited service, plus cost-of-living adjustments. Average earnings are the average earnings for the last 60 consecutive months in which earnings were highest. Benefits fully vest on completing 10 years of service.

Normal retirement for police officers and fire fighters occurs upon reaching age 55 and completing 20 years of service. The lifetime monthly benefit is calculated as 1/12 of the sum of 2% of average earnings up to 25 years of credited service plus 1.75% of average earnings for all years of credited service in excess of 25, reduced by the amount of primary social security benefits at age 65 and increased by cost-of-living adjustments. In no event shall police and fire pensions be less than that due to employees who are not policemen or firemen. Benefits fully vest on completing 10 years of service.

Any employee who terminates after the completion of at least 10 years of service and before eligibility for normal retirement shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following the attainment of age 65, computed and payable in accordance with the Metro Plan.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Division B**

As of July 1, 1995, Division B of the Metro Plan was established for all non-certificated employees of the Metropolitan Nashville Public Schools and all other Government employees. Employees with an effective hire date of July 1, 1995 or later are only eligible to participate in Division B of the Metro Plan. Also, Government employees as of June 30, 1995 who were qualified members of Division A were given the option to transfer to Division B as of January 1, 1996, subject to written application approved by the Benefit Board. Substantially all employees transferred to Division B of the Metro Plan.

Normal retirement for employees other than police officers and fire fighters occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus the completed years of credited employee service equals 85, but not before age 60; or (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime monthly benefit is calculated as 1/12 of the sum of 1.75% of average earnings based upon the previous 60 consecutive months of credited service which produce the highest earnings. Benefits fully vest on completing 5 years of service for employees employed on or between October 1, 2001 and December 31, 2012 who vest before leaving employment. Benefits fully vest on completing 10 years of service for employees and non-vested employees hired or rehired on or after January 1, 2013.

Normal retirement for police officers and fire fighters occurs any time after attaining the unreduced retirement age which is the date when the employee's age plus the completed years of credited police and fire service equals 75, but not before age 53 nor after age 60. The lifetime monthly benefit is 1/12 of the sum of 2% of average earnings for each year of credited fire and police service not in excess of 25 years; plus 1.75% of average earnings for each year that the credited police or fire service exceeds 25 years. Benefits fully vest on completing 5 years of service for employees employed on or between October 1, 2001 and December 31, 2012 who vest before leaving employment. Benefits fully vest on completing 10 years of service for employees and non-vested employees hired or rehired on or after January 1, 2013.

An early retirement pension is available for retired employees if the termination occurs prior to the eligibility under normal retirement but after age 50 (45 for police and fire) and after the completion of 10 years of credited employee service. Such shall be payable as either a monthly deferred early employee service pension beginning the month after the attainment of the normal retirement age or an immediate monthly early employee service pension beginning on the first day of the month following termination. The lifetime monthly benefit for the immediate monthly early employee service pension is reduced by 4% for each of the first 5 years by which the retirement date precedes the normal retirement age, and by 8% for each additional year by which the retirement date precedes the normal retirement age; provided, however, that the immediate monthly benefit shall not be less than the actuarial equivalent of the deferred pension provided by the Metro Plan.

Any employee who terminates after the completion of at least 10 years of service (or 5 years of service if hired before January 1, 2013) and before eligibility for normal retirement or early retirement shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following the attainment of unreduced retirement age, computed and payable in accordance with the Metro Plan.

Any employee with unused sick leave time at service retirement shall receive 100% credit for the time, subject to an affirmative election at the time of retirement.

Any employee who terminates and is rehired is eligible to reconnect prior service after being regularly employed continuously for one year.

Dependent children of vested employees are eligible for a survivor benefit if the employee should die leaving no surviving spouse.

All assets of the Metropolitan Employees' Benefit Trust Fund may legally be used to pay benefits to any plan members or beneficiaries, regardless of whether the members participate in Division A or Division B of the Metro Plan.

City Plan

This plan (the Closed City Plan Fund) covers certain employees of the former city of Nashville who have elected to remain under this plan and not transfer to the Metro Plan. This plan was closed to new members on April 1, 1963. Normal retirement for police officers and fire fighters occurs upon completing 25 years of service; for other participants, age 60 must be reached in addition to completing 25 years of service. The monthly lifetime benefit of all participants is 50% of the final monthly salary. All participants in the City Plan are fully vested.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

County Plan

This plan (the Davidson County Employees' Retirement Fund) covers employees of the former government of Davidson County who have elected to remain under this plan and not transfer to the Metro Plan. This plan was closed to new members on April 1, 1963.

Participants elected coverage under Division A or B. Normal retirement under Division A occurs at age 65; lifetime monthly benefits are the years of credited service multiplied by 0.75% of defined average base earnings per month plus 1.5% of average excess earnings as defined in the Plan per month. Average earnings are the average earnings for the 10 full consecutive calendar years in which earnings were highest. Normal retirement under Division B occurs after 30 years of service or after 24 years of service and reaching age 60; lifetime monthly benefits are 1/12 of 50% of the highest calendar year earnings. All participants in the County Plan are fully vested.

Metro Education Plan

This plan (the Teachers' Retirement Plan Fund) covers participants who elected to transfer from the City Education Plan and County Education Plan and professional employees of Metropolitan Nashville Public Schools hired between April 1, 1963 and July 1, 1969. Normal retirement occurs upon reaching age 60 with 20 years of service, completing 25 years of service, or reaching age 65. The lifetime monthly benefit is determined as 1/12 of 2% of the highest average earnings multiplied by the years of service, plus cost-of-living adjustments. Highest average earnings are the average earnings for the 36 consecutive months in which earnings were highest. All participants in the Metro Education Plan are fully vested.

After July 1, 1969 professional employees hired became members of the State Employees, Teachers, and Higher Education Employees Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS) that provides retirement, death, and disability benefits.

City Education Plan

This plan (the Teachers' Civil Service and Pension Fund) covers employees who were teachers of the former City of Nashville who elected to remain under this plan and not transfer to the Metro Education Plan. This plan was closed to new members on April 1, 1963.

Normal retirement occurs upon reaching age 60 and completing 15 years of service, or completing 25 years of service before reaching age 60. With 15 years of service, the lifetime monthly benefit is 1/12 of 2.5% of the highest annual salary multiplied by the years of service up to 24. With 25 years of service, the lifetime monthly benefit is 1/12 of 2% of the highest annual salary multiplied by the years of service up to 30. Benefits are adjusted for cost-of-living increases. All participants in the City Education Plan are fully vested.

County Education Plan

This plan (the Employees' Pension and Insurance Fund) covers teachers and classified employees of the former Davidson County Board of Education who have elected to remain under this plan and not transfer to the Metro Education Plan. This plan was closed to new members on April 1, 1963.

Normal retirement occurs upon reaching age 60 and completing 15 years of service, or completing 25 years of service before reaching age 60. With 15 years of service, the lifetime monthly benefit is 1/12 of 2.5% of the highest annual salary multiplied by the years of service up to 24. With 25 years of service, the lifetime monthly benefit is 1/12 of 2% of the highest annual salary multiplied by the years of service up to 30. Benefits are adjusted for cost-of-living increases. All participants in the County Education Plan are fully vested.

**Contributions**

Metro Plan

The funding policy is to provide for periodic contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. All other funding is provided by the Government with an actuarially recommended employer contribution rate of 12.340% for the non-certificated employees of Metropolitan Nashville Public Schools and all other Metro employees.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

City Plan

Funding is on a pay-as-you-go basis whereby contributions are made in amounts sufficient to cover benefits paid during the year.

County Plan

Funding is on a pay-as-you-go basis whereby contributions are made in amounts sufficient to cover benefits paid during the year.

Metro Education Plan

The Metro Education Plan is financed by contributions from Metropolitan Nashville Public Schools, participating employees and the State of Tennessee. Employees contribute a specified percentage of their earnings, the State of Tennessee contributes an amount to reimburse current benefits paid equivalent to the benefits which would have been earned under the Tennessee Consolidated Retirement System (TCRS) and Metropolitan Nashville Public Schools contributes an additional amount to provide for periodic contributions as actuarially determined to accumulate sufficient assets to pay benefits when due.

City Education Plan

The plan is financed by contributions from the Government, participating employees and the State of Tennessee. Employees contribute a specified percentage of their earnings, the State of Tennessee contributes an amount to reimburse current benefits paid equivalent to the benefits which would have been earned under TCRS and the Government contributes an additional amount to cover current benefits (pay-as-you-go).

County Education Plan

The plan is financed by contributions from the Government, participating employees and the State of Tennessee. Employees contribute a specified percentage of their earnings, the State of Tennessee contributes an amount to reimburse current benefits paid equivalent to the benefits which would have been earned under TCRS and the Government contributes an additional amount to cover current benefits (pay-as-you-go).

**C. Investments**

***Investment Policy***

The investments of the Metro Plan and Metro Education Plans are administered in accordance with the Statement of Investment Policy of the Government's Employee Benefit System. The Investment Committee of the Government's Employee Benefit System has been given the authority under Section 13.04 of the Metropolitan Charter to regulate and determine all matters dealing with the investments of the Plans.

The policy emphasizes a long-term investment strategy. Short-term fluctuations in the market value of the portfolio should not influence the investment structure under normal circumstances. In November 2018, the Investment Committee adopted asset allocation ranges or targets for the System. The policy outlines asset allocation targets as follows:

Asset Class	Target Range
Domestic Equity	10-25 %
International Equity	10-25
Fixed Income	10-30
Fixed income Alternatives	5-25
Real Assets	5-15
Equity L/S	0-10
Cash Equivalents	0-3
Private Equity	5-15

The System will maintain a target allocation within the ranges above while considering outstanding commitments, drawn capital, the System's long-term allocation goals and relevant market conditions.

***Concentrations***

There are no individual investments in the Metro Plan or the Metro Education Plan that exceed 5% of plan assets at June 30, 2020.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on investments of the Metro Plan and Metro Education Plan, net of investment expense, was 1.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net Pension Liability**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2019. Actuarial assumptions are summarized on the Selected Pension Information Schedules on pages B-78 to B-79.

Mortality rates were based on the 115% RP-2014 Blue Collar Table (projected to 2023 using Scale MP-17) and the 130% RP-2014 Disabled Mortality, as determined by the periodic actuarial experience study.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period 2012 to 2017.

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 from historical returns and consensus expectations of future returns. 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. Best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation are summarized in the following table:

Asset Class	Long-Term Historical Real Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equity	7.30 %	5.10 %
International Equity	7.10	5.30
Equity Hedge	8.00	7.90
Fixed Income	4.40	2.30
Fixed Income Alternatives	2.80	2.70
Real Estate	4.80	4.90
Private Equity	10.70	7.90

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. Based on the Plan assumptions and funding policy, the fiduciary net position for each Plan was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County	\$ 5,513,866	\$ 5,301,313	\$ 5,092,154
Metro	604,306,605	216,800,701	(133,172,898)
County Education	18,419,455	17,595,078	16,837,972
Metro Education	46,265,678	41,015,831	36,328,085
City	25,712,963	24,670,532	23,646,167
City Education	8,300,318	7,956,709	7,638,365
Total net pension liability (asset)	\$ 708,518,885	\$ 313,340,164	\$ (43,630,155)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**E. Pension Expense**

For the year ended June 30, 2020, the Government recognized pension expense for each of the plans as follows:

	Pension Expense
County	\$ 890,137
Metro	93,637,439
County Education	3,361,145
Metro Education	10,024,160
City	2,371,500
City Education	1,668,250
Total pension expense	\$ 111,952,631

Pension expense is comprised of various elements including service cost, interest, changes in benefit terms, investment experience, and the amortization of deferred outflows and inflows of resources, which are all factors used by the actuaries in the calculation of the net pension liability (asset).

**F. Special Funding Situations**

The County Education, Metro Education, and City Education Plans are funded by the State of Tennessee as well as the Government. The determination of proportionate shares has been made in a manner consistent with the actual provision of benefits by each contributor.

	County Education Plan	Metro Education Plan	City Education Plan
Employer's proportionate share	72.33 %	36.84 %	71.34 %
Collective pension expense	\$ 4,646,958	\$ 27,209,989	\$ 2,338,449
Proportionate share of pension expense	3,361,145	10,024,160	1,668,250
Support of State of Tennessee	(1,285,813)	(17,185,829)	(670,199)
Collective net pension liability	24,326,035	111,348,270	11,152,595
Proportionate share of net pension liability	17,595,078	41,015,831	7,956,709
Proportionate share of deferred outflows of resources	101,214	1,149,129	82,453

**G. Additional Pension Information**

Additional information regarding the changes in the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions for the plans of the primary government is summarized on the Selected Pension Information Schedules on pages B-80 to B-83.

The significant actuarial assumptions underlying the plans of the primary government and plan membership are summarized on the Selected Pension Information Schedules on pages B-78 to B-79. The assumptions used to calculate the actuarially determined contribution requirements are the same as those used to compute the net pension liability except where indicated.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	<u>County</u>	<u>Metro</u>	<u>Education</u>
<b>ACTUARIAL VALUATION INFORMATION</b>			
Valuation date	July 1, 2019	July 1, 2019	July 1, 2019
Measurement date	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial cost method	entry age normal	entry age normal	entry age normal
Amortization method	level dollar open	level dollar closed	level dollar open
Amortization period	8 years	30 years closed	8 years
Asset valuation method	market	5 year smoothed market	market
Actuarial assumptions:			
Investment rate of return*	7.25%	7.25%	7.25%
Projected salary increases*	N/A	4.00%	N/A
Inflation	2.50%	2.50%	2.60%
Postretirement benefit increase adjustments	2.50%	2.50% Division A 1.25% Division B	3.00%
* Includes inflation			
<b>PLAN MEMBERSHIP</b>			
Active:			
Fully vested	-	7,720	-
Non-vested and partially vested	-	4,108	-
Total active	-	11,828	-
Retirees and beneficiaries receiving benefits	55	9,363	143
Terminated vested	-	3,450	-
Total	<u>55</u>	<u>24,641</u>	<u>143</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

Metro Education	City	City Education
July 1, 2019	July 1, 2019	July 1, 2019
June 30, 2020	June 30, 2020	June 30, 2020
entry age normal	entry age normal	entry age normal
level dollar closed	level dollar open	level dollar open
30 years from July 1, 2000	8 years	7 years
5 year smoothed market	market	market
7.25%	7.25%	7.25%
N/A	N/A	N/A
2.60%	2.50%	2.60%
3.00%	2.50%	3.00%
-	-	-
-	-	-
-	-	-
824	273	73
1	-	-
<u>825</u>	<u>273</u>	<u>73</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

CHANGES IN THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2020

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>County Plan (Closed)</u>			
Balance at June 30, 2019	\$ 5,338,143	\$ -	\$ 5,338,143
Changes for the year:			
Interest	389,696	-	389,696
Difference between expected and actual experience	500,471	-	500,471
Contributions - employer	-	927,421	(927,421)
Net investment income(loss)	-	(424)	424
Benefit payments, including refunds of member contributions	(926,997)	(926,997)	-
Net changes	(36,830)	-	(36,830)
Balance at June 30, 2020	<u>\$ 5,301,313</u>	<u>\$ -</u>	<u>\$ 5,301,313</u>
Plan fiduciary net position as a percentage of the total pension liability		-	%
<u>Metro Plan (Open)</u>			
Balance at June 30, 2019	\$ 3,377,508,896	\$ 3,254,983,820	\$ 122,525,076
Changes for the year:			
Service cost	56,611,963	-	56,611,963
Interest	241,868,898	-	241,868,898
Difference between expected and actual experience	(9,333,101)	-	(9,333,101)
Contributions - employer	-	78,632,924	(78,632,924)
Contributions - members	-	2,005	(2,005)
Transfers in	-	180,056	(180,056)
Net investment income	-	119,808,852	(119,808,852)
Benefit payments, including refunds of member contributions	(177,326,037)	(177,326,037)	-
Administrative expenses	-	(3,751,702)	3,751,702
Net changes	111,821,723	17,546,098	94,275,625
Balance at June 30, 2020	<u>\$ 3,489,330,619</u>	<u>\$ 3,272,529,918</u>	<u>\$ 216,800,701</u>
Plan fiduciary net position as a percentage of the total pension liability		93.79	%
<u>County Education Plan (Closed)</u>			
Balance at June 30, 2019	\$ 25,491,309	\$ 1,177,152	\$ 24,314,157
Changes for the year:			
Interest	1,881,239	-	1,881,239
Difference between expected and actual experience	1,031,767	-	1,031,767
Changes in assumptions	1,750,707	-	1,750,707
Contributions – employer	-	2,572,411	(2,572,411)
Contributions – State of Tennessee	-	2,071,338	(2,071,338)
Net investment income	-	8,086	(8,086)
Benefit payments, including refunds of member contributions	(4,651,310)	(4,651,310)	-
Net changes	12,403	525	11,878
Balance at June 30, 2020	<u>\$ 25,503,712</u>	<u>\$ 1,177,677</u>	<u>\$ 24,326,035</u>
Plan fiduciary net position as a percentage of the total pension liability		4.62	%
Proportionate share of collective net pension liability:			
Employer			\$ 17,595,078
State of Tennessee			6,730,957



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

CHANGES IN THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2019

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Metro Education Plan (Closed)</b>			
Balance at June 30, 2019	\$ 224,477,695	\$ 109,009,174	\$ 115,468,521
Changes for the year:			
Interest	16,456,126	-	16,456,126
Difference between expected and actual experience	1,017,573	-	1,017,573
Changes in assumptions	16,124,107		16,124,107
Contributions - employer	-	24,342,682	(24,342,682)
Contributions - State of Tennessee	-	9,903,430	(9,903,430)
Net investment income	-	3,631,787	(3,631,787)
Benefit payments, including refunds of member contributions	(29,276,667)	(29,276,667)	-
Administrative expenses	-	(159,842)	159,842
Net changes	4,321,139	8,441,390	(4,120,251)
Balance at June 30, 2020	<u>\$ 228,798,834</u>	<u>\$ 117,450,564</u>	<u>\$ 111,348,270</u>
Plan fiduciary net position as a percentage of the total pension liability		51.33	%
Proportionate share of collective net pension liability:			
Employer			\$ 41,015,831
State of Tennessee			70,332,439
<b>City Plan (Closed)</b>			
Balance at June 30, 2019	\$ 27,002,223	\$ -	\$ 27,002,223
Changes for the year:			
Interest	1,826,689	-	1,826,689
Difference between expected and actual experience	545,353	-	545,353
Contributions - employer	-	4,705,843	(4,705,843)
Net investment income (loss)	-	(2,110)	2,110
Benefit payments, including refunds of member contributions	(4,703,733)	(4,703,733)	-
Net changes	(2,331,691)	-	(2,331,691)
Balance at June 30, 2020	<u>\$ 24,670,532</u>	<u>\$ -</u>	<u>\$ 24,670,532</u>
Plan fiduciary net position as a percentage of the total pension liability		-	%
<b>City Education Plan (Closed)</b>			
Balance at June 30, 2019	\$ 12,161,533	\$ 962,501	\$ 11,199,032
Changes for the year:			
Interest	900,067	-	900,067
Difference between expected and actual experience	743,529	-	743,529
Changes in assumptions	708,890		708,890
Contributions - employer	-	1,029,043	(1,029,043)
Contributions - State of Tennessee	-	1,366,564	(1,366,564)
Net investment income	-	3,316	(3,316)
Benefit payments, including refunds of member contributions	(2,398,459)	(2,398,459)	-
Net changes	(45,973)	464	(46,437)
Balance at June 30, 2020	<u>\$ 12,115,560</u>	<u>\$ 962,965</u>	<u>\$ 11,152,595</u>
Plan fiduciary net position as a percentage of the total pension liability		7.95	%
Proportionate share of collective net pension liability:			
Employer			\$ 7,956,709
State of Tennessee			3,195,886

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED  
INFLOWS OF RESOURCES RELATED TO PENSIONS

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>County Plan</u>		
Net difference between projected and actual earnings on pension plan investments	\$ 426	\$ -
Balance at June 30, 2020	\$ 426	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2021	\$ 122	
2022	112	
2023	105	
2024	87	
2025	-	
Thereafter	-	

Metro Plan

Changes of assumptions	\$ 64,966,452	\$ -
Difference between expected and actual experience	49,722,861	(50,704,758)
Net difference between projected and actual earnings on pension plan investments	-	(54,693,750)
Balance at June 30, 2020	\$ 114,689,313	\$ (105,398,508)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2021	\$ (51,190,504)	
2022	(8,869,052)	
2023	14,248,096	
2024	31,752,091	
2025	17,396,301	
Thereafter	5,953,873	

County Education Plan

Net difference between projected and actual earnings on pension plan investments	\$ 101,214	\$ -
Balance at June 30, 2020	\$ 101,214	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2021	\$ 40,775	
2022	29,904	
2023	19,400	
2024	11,135	
2025	-	
Thereafter	-	

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED  
INFLOWS OF RESOURCES RELATED TO PENSIONS

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Metro Education Plan</u>		
Net difference between projected and actual earnings on pension plan investments	\$ 1,149,129	\$ -
Balance at June 30, 2020	\$ 1,149,129	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2021	\$ 138,157	
2022	357,141	
2023	326,269	
2024	327,562	
2025	-	
Thereafter	-	

City Plan

Net difference between projected and actual earnings on pension plan investments	\$ 2,127	\$ -
Balance at June 30, 2020	\$ 2,127	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2021	\$ 598	
2022	565	
2023	526	
2024	438	
2025	-	
Thereafter	-	

City Education Plan

Net difference between projected and actual earnings on pension plan investments	\$ 82,453	\$ -
Balance at June 30, 2020	\$ 82,453	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2021	\$ 32,712	
2022	24,202	
2023	16,069	
2024	9,470	
2025	-	
Thereafter	-	

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Plans Administered by the Tennessee Consolidated Retirement System (TCRS)**

**H. Summary of Significant Accounting Policies**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Legacy Pension Plan and Teacher Retirement Plan (TCRS Plans) in the TCRS and additions to/deductions from each of the TCRS Plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the TCRS Plans. Investments are reported at fair value.

**I. General Information about the Pension Plan**

***Plan Description***

Teachers of the Government with membership in the TCRS before July 1, 2014 of Davidson County Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEA's) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov](http://www.treasury.tn.gov).

***Benefits Provided***

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly.

Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan and the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Contributions**

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The LEA's make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the TCRS Plans are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Davidson County Schools for the year ended June 30, 2020 to the Teacher Legacy Pension Plan were \$26,170,227 which is 10.60% of covered payroll. Employer contributions for the year ended June 30, 2020 to the Teacher Retirement Plan were \$2,660,029 which is 2.03% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability of the TCRS Plans.

**J. Pension Liability (Asset), Pension Expense, and Deferred Outflows and Deferred Inflows of Resources**

**Pension Liability (Asset)**

At June 30, 2020, the Government reported an asset of (\$79,016,852) for its proportionate share of net pension asset of the Teacher Legacy Pension Plan. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Government's proportion of the net pension asset was based on its employer contributions to the pension plan relative to the contributions of all LEA's. At the June 30, 2019 measurement date, the Government's proportion was 7.68%. The proportion measured as of June 30, 2018 was 7.98%.

At June 30, 2020, the Government reported an asset of (\$6,010,487) for its proportionate share of the net pension asset of Teacher Retirement Plan. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Government's proportion of the net pension asset was based on its employer contributions to the pension plan during the year ended June 30, 2019 relative to the contributions of all LEA's for the year ended June 30, 2019. At the June 30, 2019 measurement date, the Government's proportion was 10.65%. The proportion measured as of June 30, 2018 was 11.58%.

**Pension Income and Expense**

For the year ended June 30, 2020, the Government recognized a pension expense of \$8,935,334 in the Teacher Legacy Pension Plan.

For the year ended June 30, 2020, the Government recognized a pension expense of \$1,939,236 in the Teacher Retirement Plan.

**Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2020, the Government reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Teacher Legacy Pension Plan</u>		
Difference between expected and actual experience	\$ 3,847,129	\$ 48,265,062
Net difference between projected and actual earnings on pension plan investments	-	22,576,636
Changes in assumptions	10,647,928	-
Change in proportion of net pension liability (asset)	187,180	2,221,527
Contributions subsequent to the measurement date of June 30, 2019	26,170,227	-
Total	\$ 40,852,464	\$ 73,063,225

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Teacher Retirement Plan</u>		
Difference between expected and actual experience	\$ 249,219	\$ 1,049,261
Net difference between projected and actual earnings on pension plan investments	-	254,114
Changes in assumptions	208,834	-
Change in proportion of net pension liability (asset)	613,750	-
Contributions subsequent to the measurement date of June 30, 2019	2,660,029	-
<b>Total</b>	<b>\$ 3,731,832</b>	<b>\$ 1,303,375</b>

The Government's employer contributions of \$26,170,227 reported as pension related deferred outflows of resources, made subsequent to the measurement date but before June 30, 2020, will be recognized as an increase in net pension asset in the year ended June 30, 2020 for the Teacher Legacy Pension Plan. The Government's employer contributions of \$2,660,029 reported as pension related deferred outflows of resources, made subsequent to the measurement date but before June 30, 2020, will be recognized as an increase in net pension asset in the year ended June 30, 2020 for the Teacher Retirement Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Teacher Legacy Pension Plan</u>	<u>Teacher Retirement Plan</u>
2021	\$ (17,732,376)	\$ (74,464)
2022	(23,139,792)	(113,344)
2023	(10,060,527)	(42,066)
2024	(7,448,293)	(5,726)
2025	-	4,629
Thereafter	-	(601)

Positive amounts will increase pension expense, while negative amounts will decrease pension expense.

**Actuarial Assumptions**

The total pension liability (asset) in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.5%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Historical Real Rate of Return	Target Allocation
U.S. Equity	5.69 %	31.00 %
Developing Market International Equity	5.29	14.00
Emerging Market International Equity	6.36	4.00
Private Equity and Strategic Lending	5.79	20.00
U.S. Fixed Income	2.01	20.00
Real Estate	4.32	10.00
Short-term Securities	-	1.00
		100.00 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25% based on a blending of the three factors described above.

**Discount Rate**

The discount rate used to measure the total pension liability (asset) was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEA's will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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 (asset).

**Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the Government's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the Government's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Teacher Legacy Pension Plan	\$ 161,566,634	\$ (79,016,852)	\$ (270,394,344)
Teacher Retirement Plan	1,904,356	(6,010,487)	(11,861,027)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

**K. Payable to the Pension Plan**

At June 30, 2020, the Government reported a payable of \$829,950 for the outstanding amount of contributions to the pension plans required at the year ended June 30, 2020.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**L. Defined Contribution Component to the Teacher Retirement Plan**

The Teacher Retirement Plan is a hybrid plan that consists of a defined benefit plan plus a defined contribution plan. Employers contribute 4% of payroll to the defined benefit component and 5% of payroll to the defined contribution component, for an aggregate employer contribution of 9%. Employees may elect to defer a percentage of their salary into the defined contribution plan. Defined contribution plan amounts are deposited into the State's 401 (k) plan with Great West Financial, where the employee manages the investments. Employees immediately vest in both the employee and employer contributions to the defined contribution plan. Future employer contributions may be decreased as part of the cost controls for the defined benefit portion of the plan. Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can only be amended by the Tennessee General Assembly. The Government contributed \$6,098,892 to the defined contribution plan for the fiscal year ended June 30, 2020, equal to 5% of the covered payroll of \$121,977,836.

**Classification in the Statement of Net Position**

The total net pension liability (asset) and deferred outflows and inflows of resources related to pensions are allocated between governmental activities, business-type activities, and component units. The following reconciles the total net pension liability (asset), deferred outflows of resources, and deferred inflows of resources by plan to the classification in the Statement of Net Position:

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
Plans:			
County	\$ 5,301,313	\$ 426	\$ -
Metro	216,800,701	114,689,313	105,398,508
County Education	17,595,078	101,214	-
Metro Education	41,015,831	1,149,129	-
City	24,670,532	2,127	-
City Education	7,956,709	82,453	-
Teacher Legacy (TCRS)	(79,016,852)	40,852,464	73,063,225
Teacher Retirement (TCRS)	(6,010,487)	3,731,832	1,303,375
Total by plan	<u>\$ 228,312,825</u>	<u>\$ 160,608,958</u>	<u>\$ 179,765,108</u>
Reconciliation:			
Statement of Net Position:			
Primary government:			
Governmental activities	\$ 285,662,920	\$ 147,745,474	167,943,935
Business-type activities	18,071,482	8,399,038	7,718,474
Total primary government	<u>303,734,402</u>	<u>156,144,512</u>	<u>175,662,409</u>
Component units:			
Hospital Authority	3,218,553	1,495,879	1,374,669
Convention Center Authority	702,009	326,271	299,834
Total component units	<u>3,920,562</u>	<u>1,822,150</u>	<u>1,674,503</u>
Total Statement of Net Position	<u>307,654,964</u>	<u>157,966,662</u>	<u>177,336,912</u>
Add Charter Schools (1)	5,685,200	2,642,296	2,428,196
Less Statement of Net Position other assets	(85,027,339)	-	-
Total allocation	<u>\$ 228,312,825</u>	<u>\$ 160,608,958</u>	<u>\$ 179,765,108</u>

(1) State statutes allow support employees of charter schools to participate in Metro pension plans similar to Metro school support employees. Therefore, a portion of the pension related balances are allocated to the various charter schools.

Since the internal service functions primarily support governmental activities, the portion of the net pension liability (asset) applicable to internal service functions is considered an obligation of the governmental activities and is not allocated to the internal service funds, as the obligation will not be funded through the internal service rate structure.



**NOTE 7 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**

**Primary Government**

**A. General Information about the OPEB Plans**

***Plan Descriptions***

Metropolitan Government

Retirees in the Metro, City or County Plans may elect to participate in the Metro Employees' Medical Benefit Plan, a single-employer defined benefit healthcare plan. The Metro Plan is administered by the Employee Benefit Board and provides medical, dental and life insurance. The other postemployment benefits for Government employees were authorized by the Government's Charter and Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The Metro Plan does not issue a stand-alone financial report.

Metropolitan Nashville Public Schools

Retirees in the Metro, City or County Education Plans may elect to participate in the School Professional Employees' Insurance Plan, a single-employer defined benefit healthcare plan. The School Plan is administered by the Metro Nashville Board of Education and provides medical and dental insurance. The other postemployment benefits for teachers of Metropolitan Nashville Public Schools were authorized by the Government's charter and code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The School Plan does not issue a stand-alone financial report.

***Benefits Provided***

Metropolitan Government

The Government provides medical, dental and life insurance to retirees. For medical insurance, the Government contributes 75% of all premium payments, and the retirees contribute 25%. The Government also provides a 50% matching contribution on dental insurance for any retiree who elects to participate. Finally, the Government provides life insurance at no charge to the retirees. The contribution requirements of Metro Employees' Medical Benefit Plan members and the Government are established and may be amended by the Employee Benefit Board. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs and anticipated inflationary increases.

Metropolitan Nashville Public Schools

The Government provides medical and dental insurance to retirees. The contribution requirements of the School Professional Employees' Insurance Plan members and the Government are established and may be amended by the Metro Nashville Board of Education. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid. The Government contributes 75% of all premium payments, and the retirees contribute 25%.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Employees Covered by Benefit Terms**

At June 30, 2020, the following employees were covered by the benefit terms:

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan	Total
Active employees	13,535	15,321	28,856
Retired employees	11,394	6,735	18,129
Beneficiaries	1,415	120	1,535
Deferred vested employees	1,924	44	1,968
Retired employees receiving IOD benefits	860	-	860
Total participants	29,128	22,220	51,348

**B. Total OPEB Liability**

The Government's total OPEB liability of \$4,261,044,596 (\$3,064,106,607 for the Metropolitan Government and \$1,196,937,989 for Metropolitan Nashville Public Schools) was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan
Valuation date	June 30, 2020	June 30, 2020
Measurement date	June 30, 2020	June 30, 2020
Actuarial valuation method	entry age normal	entry age normal
Healthcare cost trends:		
Medical and Rx prescription drugs	7.5% graded down to 6.75% over 3 years and following Getzen model thereafter	7.5% graded down to 6.75% over 3 years and following Getzen model thereafter
Dental and vision	4% per annum	4% per annum
Administrative fees	5% per annum	5% per annum
Discount rate	2.66%	2.66%
Salary increases	age weighted, approximately 4% at average age	age weighted, approximately 4% at average age
Asset valuation method	Not applicable	Not applicable
Investment rate of return	Not applicable	Not applicable
Amortization period	20 years (closed) beginning July 1, 2017	20 years (closed) beginning July 1, 2017
Funding policy	Pay-as-you-go	Pay-as-you-go

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020.

For the Metropolitan Government, mortality rates were based on RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate. For Metropolitan Nashville Public Schools, the mortality rates were based on the decrement rate study completed for the State of Tennessee Teacher Plans.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**C. Changes in the Total OPEB Liability**

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan	Total
<b>Balance at June 30, 2019</b>	\$ 3,478,753,908	\$ 1,084,070,183	\$ 4,562,824,091
<b>Changes for the year:</b>			
Service cost	109,903,288	51,087,548	160,990,836
Interest	98,173,111	30,820,535	128,993,646
Difference between expected and actual experience	(667,588,719)	14,524,888	(653,063,831)
Changes in assumptions	114,772,720	46,913,890	161,686,610
Benefit payments	<u>(69,907,701)</u>	<u>(30,479,055)</u>	<u>(100,386,756)</u>
Net changes	<u>(414,647,301)</u>	<u>112,867,806</u>	<u>(301,779,495)</u>
<b>Balance at June 30, 2020</b>	<u>\$ 3,064,106,607</u>	<u>\$ 1,196,937,989</u>	<u>\$ 4,261,044,596</u>

There are no changes in the benefit terms for the Metro Employee's Medical Benefits Plan and the School Professional Employee' Insurance Plan.

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

The following presents the total OPEB liability of the Government, as well as what the Government's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Metro Employees' Medical Benefit Plan	\$ 3,563,743,171	\$ 3,064,106,607	\$ 2,661,694,456
School Professional Employees' Insurance Plan	<u>1,395,935,474</u>	<u>1,196,937,989</u>	<u>1,036,867,174</u>
Total OPEB liability	<u>\$ 4,959,678,645</u>	<u>\$ 4,261,044,596</u>	<u>\$ 3,698,561,630</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the Government, as well as what the Government's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Metro Employees' Medical Benefit Plan	\$ 2,622,645,406	\$ 3,064,106,607	\$ 3,625,798,786
School Professional Employees' Insurance Plan	<u>1,012,684,522</u>	<u>1,196,937,989</u>	<u>1,436,042,172</u>
Total OPEB liability	<u>\$ 3,635,329,928</u>	<u>\$ 4,261,044,596</u>	<u>\$ 5,061,840,958</u>

**D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the Government recognized OPEB expense of \$182,422,512 for the Metro Employee's Medical Benefits Plan and \$112,999,845 for the School Professional Employee' Insurance Plan. For

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

the year ended June 30, 2020, the Government reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Metro Employees' Medical Benefit Plan</u>		
Experience losses (gains)	\$ -	\$ (599,888,535)
Changes in assumptions	346,008,553	-
Total	<u>\$ 346,008,553</u>	<u>\$ (599,888,535)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30,

2021	\$ (25,653,887)
2022	(25,653,887)
2023	(25,653,887)
2024	(25,653,884)
2025	(79,015,839)
Thereafter	(72,248,598)

School Professional Employees' Insurance Plan

Experience losses (gains)	\$ 12,449,904	\$ (1,770,591)
Changes in assumptions	198,186,060	-
Total	<u>\$ 210,635,964</u>	<u>\$ (1,770,591)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30,

2021	\$ 31,091,762
2022	31,091,762
2023	31,091,762
2024	31,091,762
2025	31,091,762
Thereafter	53,406,563

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Component Units**

Information regarding the other postemployment benefits provided by component units can be found in their separately issued financial statements.

**NOTE 8 – DEFERRED COMPENSATION AND PROFIT SHARING PLANS**

**Primary Government**

Metro Plan

The Government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits deferral of a portion of salary until future years.

The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Because the assets are not held in a trustee capacity by the Government, they are not included in the Government's financial statements. No contributions are made to this plan by the Government.

**Component Units**

Information regarding deferred compensation and profit sharing plans provided by component units can be found in their separately issued financial statements.

**NOTE 9 – LEASES**

**Primary Government**

The Government entered a lease agreement commencing November 2005, for additional office space. The terms of the agreement call for a base annual rent of \$600,191 before a 50% credit for tenant improvements. Thereafter, rent will be adjusted upward based on either the consumer price index or 3.5% annually, whichever is less. The credit for tenant improvements is capped at \$5 million; the Government has incurred in excess of that amount through June 30, 2020. There is an additional credit in excess of \$1 million available for roof replacement. The roof replacement was completed in fiscal 2009. The lease agreement expired February 2016; however, the Government exercised the first of six renewal options for five additional years. As part of the renewal, the base annual rent increased to \$656,609. Rent expense for the year ended June 30, 2020 was \$656,609.

The Government entered into operating lease agreements in 2008 and 2013 for downtown office space. These leases were amended during the year ended June 30, 2014 to provide for additional space through 2024. Rent expense for the year ended June 30, 2020 totaled \$1,572,685. Future minimum rental payments are as follows:

<u>Year Ending June 30,</u>		
2021	\$	2,209,164
2022		2,253,111
2023		2,297,895
2024		727,156
Total future minimum lease payments	\$	<u>7,487,327</u>

The Government entered into an operating lease agreement during the year ended June 30, 2014 for space to be used as a clinic for employees who are injured in the line of duty. The lease expires September 30, 2023 with the option to extend an additional two terms of five years each. Rent expense for the year ended June 30, 2020 was \$119,262. Future minimum rental payments are as follows:

<u>Year Ending June 30</u>		
2021	\$	122,840
2022		124,333
2023		130,707
2024		134,603
2025		33,804
Total future minimum lease payments	\$	<u>546,246</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Government entered into a lease agreement in 2016 for classroom space. This lease expires on July 31, 2024 with the option to extend an additional two terms of five years each. Rent expense for the year ended June 30, 2020 was \$309,517. Future minimum rental payments are as follows:

<u>Year Ending June 30</u>		
2021	\$	310,764
2022		310,764
2023		326,076
2024		326,076
2025		27,173
Total future minimum lease payments	<u>\$</u>	<u>1,300,853</u>

The Government entered into a lease agreement in 2017 for temporary office space for employees of the Sheriff's Office during the construction of a new jail facility. The lease ran on a month to month basis ending on July 31, 2020, with the Government having the right to cancel the lease upon a 90-day written notice after the end of the second lease year. Rent expense for the year ended June 30, 2020 was \$344,100.

The Government leases certain other facilities from various lessors under operating lease agreements. Total rental expenditures under these leases are nominal for the year ended June 30, 2020.

The Government leases certain warehouse and office space and various other places for periodic use to various lessees. Such leases are accounted for as operating leases and range in duration from less than one year to five years. The lease agreements provide for fixed rental payments. Annual rental income under these operating leases is nominal.

**Component Units**

Nashville District Management Corporation

The Corporation leases office space under a noncancelable operating lease which expires December 31, 2027. The space is paid for and used by Nashville Downtown Partnership, Inc., a related nonprofit organization. The lease provides for additional rent to be payable in the event property taxes and/or building operating costs increase from base year amounts. Rent expense totaled \$107,399 for the year ended December 31, 2019.

Future minimum lease payments at December 31, 2019 are as follows:

<u>Years Ending December 31,</u>		<u>Annual Rent</u>
2020	\$	109,870
2021		112,397
2022		114,982
2023		117,627
2024		120,322
Thereafter		377,859
Total	<u>\$</u>	<u>953,067</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

General Hospital

The Government, on behalf of General Hospital, entered into a capital lease agreement with Meharry Medical College for the use of the Hubbard Hospital site on the Meharry campus. Under the terms of the agreement, the Government will lease the building for 30 years at \$4 million per year, including imputed interest at 7.5% per annum. Lease payments began in December 1994 after Meharry Medical College and the Board of Hospitals agreed on a program of renovations by Meharry Medical College to the property. This lease has been subleased to the Hospital Authority. At June 30, 2020, the leased building is carried in the proprietary type component units at the present value of minimum future lease payments of \$48,000,000, less accumulated depreciation.

A summary of future minimum lease payments required under the agreements as of June 30, 2020 follows:

<u>Year Ending June 30</u>	
2021	\$ 4,218,694
2022	4,185,462
2023	4,169,740
2024	4,147,728
2025	1,769,999
Thereafter	-
Total future minimum lease payments	<u>18,491,623</u>
Less:	
Amount representing interest	2,749,725
Current portion of capital lease	<u>3,163,039</u>
Long-term capitalized lease obligation	<u>\$ 12,578,859</u>

Convention Center Authority

On December 30, 2010 the Convention Center Authority (the Authority) entered into a Development Agreement for the Country Music Hall of Fame and Museum Expansion with Omni and into a Development, Lease and Operating Agreement with the County Music Foundation, Inc. (Hall of Fame). Under the terms of the agreements, Omni constructed a connector (expansion project) between its headquarters hotel and the Hall of Fame with funding from tax increment financing provided by the Metropolitan Development and Housing Agency. Upon completion of construction, the connector was transferred to the Authority on June 20, 2014 and is now leased to the Hall of Fame for an initial term of 60 years. Future minimum lease payments to the Authority will be as follows:

<u>Years Ending June 30,</u>	<u>Annual Rent</u>
2021-2024	\$ 350,000
2025-2064	500,000
2065-2069	650,000
2070-2074	750,000

The Hall of Fame is responsible for all interior and exterior operating costs, insurance, maintenance and repairs. As required by the agreements, the Authority has established a reserve fund for the majority of the rental income received from the Hall of Fame to cover future capital costs related to the connector. The cost and carrying amount of the connector on the Authority's statement of net position at June 30, 2020 is \$31,621,346.

Information regarding the lease transactions of the other component units can be found in their separately issued financial reports.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables at June 30, 2020, are attributable to unsettled balances at year-end, primarily for internal service billings, transfers between funds, and uncleared grant repayment transactions.

Balances at June 30, 2020 are as follows:

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES

For the Year Ended June 30, 2020

Due To	Due From						
	General Fund	General Purpose School Fund	Education Services Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund	GSD Capital Projects Fund
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Purpose School Fund	2,958,788	-	18,000,000	-	-	-	-
Education Services Fund	2,719,359	11,178,131	-	-	-	-	-
GSD General Purposes Debt Service Fund	60,637	-	-	-	-	-	-
Schools General Purposes Debt Service Fund	2,459	-	-	-	-	-	-
USD General Purposes Debt Service Fund	1,099	-	-	-	-	-	-
GSD Capital Projects Fund	221,172	-	-	-	-	-	-
Education Capital Projects Fund	-	373,855	403	-	-	-	-
Nonmajor Governmental Funds	2,207,552	1,307,462	5,600	3,000	6,000,000	1,000,000	12,812
Department of Water and Sewerage Services	241,118	88,050	-	-	-	-	-
Stormwater Operations	34,938	42,805	-	-	-	-	-
Nonmajor Enterprise Funds	10,703	-	-	-	-	-	364,101
Internal Service Funds	4,056,636	1,411,480	30,952	19,724	9,652	2,230	-
Fiduciary Funds	10,022,165	1,457,499	-	-	-	-	-
<b>Total Due to Other Funds of the Primary Government</b>	<b>\$ 22,536,626</b>	<b>\$ 15,859,282</b>	<b>\$ 18,036,955</b>	<b>\$ 22,724</b>	<b>\$ 6,009,652</b>	<b>\$ 1,002,230</b>	<b>\$ 376,913</b>



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

For the Year Ended June 30, 2020

Due From								
Education Capital Projects Fund	Nonmajor Governmental Funds	Department of Water and Sewerage Services	District Energy System	Stormwater Operations	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Due from Other Funds of the Primary Government
\$ -	\$ 5,634,220	\$ 69,726	\$ -	\$ 27,682	\$ 20,255	\$ 262,914	\$ 144,555	\$ 6,159,352
3,291	369,258	-	-	-	197	-	-	21,331,534
-	-	-	-	-	-	-	-	13,897,490
-	202,055	-	-	-	-	-	-	262,692
-	-	-	-	-	-	-	-	2,459
-	-	-	246,730	-	-	-	-	247,829
-	-	-	-	-	-	97,244	-	318,416
-	-	-	-	-	-	-	-	374,258
-	257,446	1,989,463	-	-	218	-	-	12,783,553
-	19,378,286	-	28,939	4,227	10,252	178	-	19,751,050
-	1,197,387	1,582,960	300	-	1,600	-	-	2,859,990
-	32,416	-	-	-	-	-	-	407,220
-	87,998	-	-	-	762	86,745	2,765,382	8,471,561
-	4,975	-	-	-	-	-	-	11,484,639
<u>\$ 3,291</u>	<u>\$ 27,164,041</u>	<u>\$ 3,642,149</u>	<u>\$ 275,969</u>	<u>\$ 31,909</u>	<u>\$ 33,284</u>	<u>\$ 447,081</u>	<u>\$ 2,909,937</u>	<u>\$ 98,352,043</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 11 – INTERFUND TRANSFERS**

Interfund transfers are attributable to the budgeted allocation of resources from one fund to another, primarily for debt service requirements, operating subsidies and the funding of capital items.

Transfers from fiduciary funds represent unused employee contributions to the flexible benefit plans, which reverted to the Government.

Interfund transfers for the year ended June 30, 2020 consist of the following:

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 2020

Transferred From	Transferred To					
	General Fund	General Purpose School Fund	Education Services Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund
General Fund	\$ -	\$ -	\$ -	\$ 35,942,900	\$ -	\$ -
General Purpose School Fund	192,000	-	139,960,015	-	-	-
Education Services Fund	-	1,174,669	-	-	1,619,422	-
GSD Capital Projects Fund	30,000	-	-	-	-	-
Nonmajor Governmental Funds	14,012,266	-	-	9,674,501	-	583,400
Department of Water and Sewerage Services	6,479,400	-	-	-	-	-
District Energy System	-	-	-	-	-	1,192,300
Stormwater Operations	899,500	-	-	4,700,000	-	-
Nonmajor Enterprise Funds	2,390,700	-	-	-	-	-
Internal Service Funds	1,933,000	-	-	-	-	-
Fiduciary Funds	-	-	-	-	-	-
<b>Total Transfers In</b>	<b>\$ 25,936,866</b>	<b>\$ 1,174,669</b>	<b>\$ 139,960,015</b>	<b>\$ 50,317,401</b>	<b>\$ 1,619,422</b>	<b>\$ 1,775,700</b>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SCHEDULE OF INTERFUND TRANSFERS (CONTINUED)

For the Year Ended June 30, 2020

Transferred To				
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Transfers Out
\$ 66,401,397	\$ 1,374,200	\$ 232,104	\$ 24,319	\$ 103,974,920
4,915,600	-	1,250,000	135,732	146,453,347
-	-	-	-	2,794,091
155,316	13,088,755	13,643,113	-	26,917,184
-	547,447	1,580,043	20,005	26,417,662
4,028,887	-	3,507,654	-	14,015,941
-	-	-	-	1,192,300
-	-	-	-	5,599,500
300,000	-	912,045	-	3,602,745
-	-	-	-	1,933,000
-	-	2,725,680	-	2,725,680
\$ 75,801,200	\$ 15,010,402	\$ 23,850,639	\$ 180,056	\$ 335,626,370

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The Metropolitan Department of Law estimated a potential liability for claims, suits and judgments filed for damages to persons and property and for other alleged claims arising out of matters incidental to the operation of the Government. The estimated liability is not expected to be liquidated with expendable available resources and is recorded in the applicable governmental activities in the Statements of Net Position and Activities. Any estimated liabilities attributable to proprietary funds and component units are recorded in those funds and units.

**B. Insurance and Benefits**

The Government and its component units are subject to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to employees; and natural disasters.

**Primary Government**

The Government is self-insured with respect to liability claims. Liabilities for all accidents are generally limited under the Governmental Tort Liability Act of the Tennessee Code as follows:

	Accidents	
Bodily injury	\$ 300,000	per person
	700,000	per accident
Property damage	100,000	per accident

The Government is also self-insured with respect to casualty losses on real and personal property. Each loss is subject to a per occurrence deductible of \$10,000 to a maximum of \$1,000,000 per occurrence and a \$3,000,000 annual aggregate. If a single loss reaches \$1,000,000, the property insurance policy will respond. After the \$3,000,000 annual aggregate has been exhausted, a \$50,000 per occurrence deductible will apply to each and every loss and the property insurance policy will respond. Losses from the perils of flood and earth movement will not erode the aggregate. Settled claims have not exceeded the self-insured retention in any of the past three fiscal years. The Government is also self-insured with respect to medical benefits and employee blanket bond coverage. Estimated losses for all self-insured risks of \$36,703,373 are recorded as liabilities in internal service funds.

The following summarizes the changes in the estimated claims payable in the respective internal service funds for the years ended June 30, 2019 and 2020.

	School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured on Duty	Total Internal Service Fund Types
Claims payable June 30, 2018	\$ 3,050,213	\$ 6,006,231	\$ 8,587,854	\$ 16,697,000	\$ 4,070,000	\$ 38,411,298
Add: Provision for events of the current fiscal year	1,280,795	4,702,109	118,245,916	242,950,029	13,369,547	380,548,396
Deduct: Payments on claims during the fiscal year	689,751	3,418,011	119,743,928	243,923,029	12,386,547	380,161,266
Claims payable June 30, 2019	3,641,257	7,290,329	7,089,842	15,724,000	5,053,000	38,798,428
Add: Provision for events of the current fiscal year	675,997	2,435,872	125,629,015	256,629,707	14,275,358	399,645,949
Deduct: Payments on claims during the fiscal year	1,638,270	2,849,729	125,216,940	257,000,707	15,035,358	401,741,004
Claims payable June 30, 2020	<u>\$ 2,678,984</u>	<u>\$ 6,876,472</u>	<u>\$ 7,501,917</u>	<u>\$ 15,353,000</u>	<u>\$ 4,293,000</u>	<u>\$ 36,703,373</u>

**Component Units**

The Hospital Authority participates in the Government's insurance programs.

The Convention Center Authority is exposed to various risks of loss incidental to its operations and has obtained several insurance policies after performing risk assessment analyses. The Convention Center Authority retains risk up to a maximum deductible of \$100,000 for each covered claim and has obtained excess insurance for any claims above that amount. These policies provide insurance for property, builder's risk, workers' compensation, automobile, general liability and other exposures. There have been no settlements exceeding insurance coverage since the inception of the Convention Center Authority.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Information regarding the insurance and benefits of the other component units can be found in their separately issued financial reports.

**C. Federal and State Financial Assistance**

The Government and its component units have received federal and state financial assistance for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the programs, the Government believes that any required reimbursements would not be material to the basic financial and individual fund and component unit financial statements. Accordingly, no provision has been made for any potential reimbursements to the grantor agencies.

Prior to the issuance of the Water and Sewer Revenue Refunding Bonds, Series 2010A, on December 16, 2010, the full faith and credit of the Government was pledged for possible deficiencies in the collection of required state sewer user fees established in connection with certain grants received from the State Funding Board (TCA 68-221-202 through 68-221-214). The Department of Water and Sewerage Services acted as a conduit with respect to sewer user fees imposed by the state. These user fees were set at an amount sufficient to recover the project costs, including related interest expense. A portion of the proceeds from the Series 2010A Bonds was used to fully prepay the Tennessee Local Development Authority (TLDA) loans. Subsequent to the issuance of the Bonds, the user fees are considered a general sewer charge and reflected as revenue. The amount of prepayment is \$31,846,034 at June 30, 2020 and is reported as other noncurrent assets. The amounts received were recorded as capital grants and contributions by the Department of Water and Sewerage Services.

**D. Construction Commitments**

**Primary Government**

At June 30, 2020, the governmental activities of the Government had commitments of \$132,511,353 for construction contracts.

At June 30, 2020, the Department of Water and Sewerage Services had commitments of \$28,817,096 for construction contracts.

The Department of Water and Sewerage Services (the Department), the Metropolitan Council, the State of Tennessee Department of Environment and Conservation (TDEC), the United States Department of Justice (DOJ) and the United States Environmental Protection Agency (EPA), have agreed on a consent decree to address and correct deficiencies within the Department's sewer system that have caused violations of the Clean Water Act (CWA). The consent decree was approved by the Federal Court in March 2009. Per the original decree, the Department was required to fully develop, in two years, a Corrective Action Plan/Engineering Report (CAP/ER) for its sanitary sewer system and a Long-term Control Plan (LTCP) for its combined sewer system to achieve the goals of the CWA and meet water quality requirements in the Cumberland River. Upon submittal and approval of the Plans, the Department would have an additional nine years to complete the work as developed by the Plans.

Due to the historic floods that occurred in Nashville in May 2010, the Department petitioned EPA and TDEC for a six-month extension for developing the CAP/ER and LTCP and a two year extension for completing the work (final compliance) under the force majeure clause of the consent decree. Approval has been granted for both extensions. The due date for the CAP/ER and LTCP was September 11, 2011, and the due date for all work coming out of those two Plans (final compliance) is eleven years after approval of the Plans by EPA and TDEC. The Department submitted both Plans on September 9, 2011. On August 10, 2017, the EPA approved the CAP/ER and the timeline of eleven years to complete the work. Negotiation for approval of the LTCP continues with EPA and TDEC.

The Department is proceeding with the work under both Plans. The Department has hired an internal program director as well as an external program management team composed of engineering consultants to manage planning, design and oversight of the program. The Department has also contracted for a construction management team to protect the investment in construction projects. A group of five small business project set designers have been selected to assist with the design of rehabilitation projects. Designers for other types of projects have been selected on a case by case basis.

The future related capital expenditures are expected to be between \$1 billion and \$1.65 billion. Continuing to have sewer overflows along with failure to comply with the mandate and meet future established deadlines could result in stipulated penalties of up to \$3,000 per occurrence for sanitary sewer overflows, and up to \$5,000 per day for failure to implement the improvements on a timely basis. EPA sent a demand letter for \$147,000 in stipulated penalties for sanitary overflow on September 9, 2011. This was for a negotiated 147 violations for 2010 and the first quarter of 2011. The Department and the EPA have discussed recent stipulated penalties and expect a demand letter in fiscal year 2020. No penalties have been demanded for any delays in submitting reports and

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

deliverables nor from the failure to timely implement work. Proposed plans to fund capital expenditures for the next few years include internally generated cash and borrowings.

**E. Liquidity**

**Component Units**

The Hospital Authority operates General Hospital, and the Government has budgeted and legally approved an appropriation of \$43.1 million to the Hospital Authority for the year ended June 30, 2021. The Government has also not committed to provide additional funding to the Hospital Authority should such funding become necessary.

General Hospital experienced an operating loss of \$48.9 million for the year ended June 30, 2020 and reflected a net surplus of \$6.3 million at June 30, 2020. The operating loss was funded primarily by the Government in the form of revenue or capital contributions reflected in the financial statements. General Hospital will continue to be dependent upon the Government to subsidize current and future operations.

**F. Financial Pledges**

The Government has pledged certain nontax revenues in conjunction with various revenue bonds and other agreements of component units as approved by the Metropolitan Council and in accordance with the Sports Authorities Act of 1993 and the Convention Center Authorities Act of 2009, as applicable, under Title 7 of the Tennessee Code Annotated, and the Amended and Restated Intergovernmental Project Agreement dated October 22, 2014, between the Government and the Metropolitan Development and Housing Agency. The issuers, the Government's pledges, the length of time of the pledges, and the amount of the pledges outstanding at June 30, 2020 (including total future interest of \$452,261,729) are as follows:

<u>Component Unit Revenue Bonds or Agreements</u>	<u>Pledged Non-Tax Revenues of:</u>	<u>Date of Final Maturity/Payment</u>	<u>Outstanding at June 30, 2020</u>
Sports Authority Refunding Series 2013B Taxable Revenue Bonds (Refunded 2004 Revenue Stadium)	GSD General Fund	Jul. 1, 2025	\$ 13,191,658
Sports Authority Refunding Series 2014 Bonds (Refunded 2004 Revenue Stadium)	GSD General Fund	Jul. 1, 2026	17,926,150
Sports Authority Taxable Revenue Bonds Series 2013A (Hockey Facility)	GSD General Fund	Jul. 1, 2033	15,163,973
Sports Authority Series 2012A Taxable Revenue Bonds (Upgrade to LP Field)	GSD General Fund	Jul. 1, 2033	23,980,956
Development and Funding Agreement Between Omni Nashville, LLC, and the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County	GSD General Fund	Oct. 31, 2032	177,000,000
Sports Authority Series 2013B Taxable Revenue Bonds (Ballpark)	USD General Fund	Jul. 1, 2043	18,506,085
Sports Authority Series 2013A Revenue Bonds (Ballpark)	USD General Fund	Jul. 1, 2043	84,385,253
Convention Center Authority Tourism Tax Taxable Revenue Bonds Series 2010B	GSD General Fund	Jul. 1, 2043	754,812,853
Public Finance Authority Taxable Parking Revenue Bonds Series 2014	USD General Fund	Nov. 1, 2044	69,154,801
Total Guarantees Extended			<u>\$ 1,174,121,729</u>

No payments related to these pledges have been made and the Government has not recognized a liability related to any pledges. Should any payments be required in the future, each of the agreements provide for recovering any such payments from the issuer – generally from the issuer's revenues after the subsequent year's annual principal and interest payments and certain other obligations are met.

**G. Other Commitments**

**Primary Government**

The Government has entered into several economic and community development incentive grant agreements. These grants are available to large successful companies that are moving international, national or regional headquarters into Davidson County or expanding headquarters within Davidson County and are expected to create at least five hundred additional jobs during the first five years of operations or the expansion of operations. The amount of the annual grant is determined by multiplying the average number of incremental full-time equivalent employees at the end of each grant year by an amount up to five hundred dollars. The total amount of each grant

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

and the period of each grant can vary based on the number of jobs created, the amount of revenue that is anticipated to be received by the Government and other economic and community development opportunities that the company is expected to create. Unless otherwise noted, none of the grants in place have a maximum annual amount. Each grant is to be used to reimburse the company for all or part of the documented expenditures related to the acquisition, preparation or occupancy of facilities, costs of moving to or relocating within Davidson County, and costs associated with employee training.

The following is a summary of economic and community development incentive grant agreements in place at June 30, 2020:

<u>Company</u>	<u>Grant Approval Date</u>	<u>Grant Commencement Date</u>	<u>Grant Period</u>	<u>Additional Grant Terms</u>	<u>Amount Payable for June 30, 2020</u>	<u>Amount Budgeted for 2020-2021</u>
Dell Computer Corporation	August 1999	October 1, 1999	40 years	None	\$ 500,000	\$ 250,000
UBS AG, New York Branch	October 2013	January 1, 2015	5 years	Base jobs of 240, minimum of 500 incremental jobs with annual salaries over published average required for grant.	407,000	210,000
Bridgestone Americas, Inc.	December 2014 Amended November 2016	January 1, 2018	7 years	Minimum of 500 incremental jobs with annual salaries over published average required for grant. Amendment extends to an additional location, relocating more jobs.	381,000	215,300
WCP Properties, LLC - affiliate of HCA Holdings, Inc.	July 2015 Amended August 2015	January 1, 2016	7 years	Minimum of 500 incremental jobs required for grant for headquarters. Amendment extends to two locations relocating more jobs.	762,833	648,500
Warner Music	February 2016	January 1, 2017	7 years	Base jobs of 100. If less than 500 additional jobs as of December 31, 2020 or any subsequent grant year through the grant term, grant payment for such grant year will be zero. Annual salaries over published average required for grant.	60,500	34,700
Philips Holding USA, Inc.	April 2018	January 1, 2019	7 years	Minimum of 500 incremental jobs with annual salaries over published average required for grant. Excludes any individuals in functions previously filled by an individual based at another Philips Entity in Davidson County.	-	158,800

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Company	Grant Approval Date	Grant Commencement Date	Grant Period	Additional Grant Terms	Amount Payable for June 30, 2020	Amount Budgeted for 2020-2021
AllianceBernstein LP	March 2019	Company to specify by written notice not later than 30 days before commencement date. Must begin on a January 1.	7 years	Minimum of 500 incremental jobs relocated to Davidson County with annual salaries over published average required for grant. Excludes any individuals in functions previously filled by an individual based at another AllianceBernstein Entity in Davidson County.	-	-
Amazon.com Services, Inc	May 2019	Company to specify by written notice not later than 30 days before commencement date. Must begin on a January 1.	7 years	Minimum of 500 incremental jobs with annual salaries over published average required for grant. Excludes any individual in a position previously filled by such individual at a non-Project location operated by an Amazon Entity in Davidson County as of November 2, 2018. Maximum of 5,000 jobs, \$2.5M per grant year.	-	-

In February 2016, the Government entered into a participation agreement with LifeWay wherein the Government would fund infrastructure development for LifeWay's planned new headquarters at Capitol View development site as an economic incentive to retain LifeWay and its 1,100 employees. The approved incentive for the benefit of LifeWay was provided as a reduction of \$2.5 million in the sales price of the land to LifeWay by Capitol View in exchange for the Government agreeing to reimburse Capitol View \$2.5 million for public infrastructure improvements related to the LifeWay project. Furthermore, the Government agreed to pay \$990,000 to Capitol View for additional public infrastructure improvements needed at the development site but not related to the LifeWay project with Capitol View agreeing to convey 1.26 acres in the development site to the Government for the purpose of creating a public park to be connected to the Music City Greenway. In total the Government agreed to pay \$3,490,000 to Capitol View as a contribution in aid for the infrastructure. The first installment of \$990,000 was paid in May 2016 with the remaining \$2.5 million due after final inspection and approval by the Government at completion of the public infrastructure improvements and conveyance to the Government. The remaining balance was paid in May 2020.

In October 2016, the Government entered into an operating lease and transfer agreement with Signature Healthcare, LLC (Signature) to lease the property and operations of the Bordeaux Long Term Care (Bordeaux) to Signature. As Bordeaux is currently operating at a loss, Signature is obligated to pay rent of \$10 annually. The Government will submit quarterly payments to Signature in the amount of \$750,000 as reimbursement for the operating loss. To the extent the annual operating loss exceeds \$3 million, the Government will reimburse for the excess not to exceed a total of \$3.5 million annually. If the annual operating loss is less than \$3 million, Signature will remit the difference back to the Government. Under the terms of the agreement, Signature will identify and purchase a site (Relocation Site) for the purpose of constructing a new nursing home facility with a capacity of at least 120 skilled nursing home beds to replace Bordeaux. Once the replacement facility is constructed, approved for occupancy, and licensed by the required regulatory agencies, Signature will transfer the appraised value of all rights related to the relocated skilled nursing home beds less fifty percent of the outstanding amount owed to Signature for providing ancillary services at Bordeaux to the Government (the Purchase Price). The term of the agreement began on May 1, 2016 and would have expired on June 30, 2020 but was extended for six months on an emergency basis. During that time, the Metropolitan Government solicited but did not receive any proposals to operate the facility going forward. In accordance with contract terms, the Metropolitan Government directed Signature to wind down operations. All patients were transferred to other licensed nursing homes, and the Bordeaux facility has now been closed. The total paid to Signature during the year ended June 30, 2020 was \$3,500,000.

In January 2017, the Government entered into a management agreement with AnthemCare to management the operations of the J.B. Knowles Home (Knowles) with an initial term beginning January 31, 2017 to January 30, 2018. The contract was subsequently extended with a new end date of June 30, 2021. In accordance with the agreement, the Government will pay a management fee to AnthemCare of \$35,000 per month for the first two months and \$30,000 per month for the remainder of the term. As Knowles is currently operating at a loss, the Government also agreed to reimburse AnthemCare for losses incurred in the operation of Knowles with advances



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

of \$40,000 per month to cover the operational losses for that period. At the end of the term, the net facility operating loss will be calculated, and the Government will remit the difference between the calculation and advances if additional funds are due, or AnthemCare will remit the difference if the advances exceed the calculation. The total paid to AnthemCare in management fees and advances during the year ended June 30, 2020 was \$2,120,661.

**Component Units**

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse and patient records privacy. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statues and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

In March 2010, Congress adopted comprehensive healthcare insurance legislation, Patient Care Protection and Affordable Care Act and Healthcare and Education Reconciliation Act. The legislation, among other matters, is designated to expand access to coverage to substantively all citizens by 2019 through a combination of public program expansion and private industry health insurance. Changes to existing TennCare and Medicaid coverage and payments are also expected to occur as a result of this legislation. Implementing regulations are generally required for these legislative acts, which are to be adopted over a period of years and, accordingly, the specific impact of any future regulations is not determinable.

The Nashville District Management Corporation has an agreement with the Government to provide program administration of the Nashville Central Business Improvement District (the District) in accordance with Tennessee law. The Corporation's duties and responsibilities under the agreement include but are not limited to providing services for improvement and operation of the District through security enhancement, downtown marketing, and improving downtown beautification, sanitation and maintenance. The agreement may be terminated upon written petition filed by either (a) the owners of 75% of the assessed value of the taxable real property in the District, or (b) 50% of the owners of record within the District.

The Nashville District Management Corporation has entered into an agreement with Nashville Downtown Partnership, a related nonprofit organization, to perform all the duties and responsibilities for day-to-day management and implementation of services and improvements for the Nashville Central Business Improvement District (CBID), as defined in the Memorandum of Agreement with the Government, in exchange for substantially all revenues received from CBID assessments. The agreement expires December 31, 2022. During the year ended December 31, 2019, the Corporation recognized expense of \$2,739,770 related to the agreement.

On December 19, 2018 the Nashville District Management Corporation entered into a short-term promissory note with Nashville Downtown Partnership, Inc. whereby the Nashville District Management Corporation borrowed \$103,949 to provide funding for increased services to the CBID. The charges interest at 5.25%. During 2019, the note was repaid in full along with accrued interest.

The Gulch Business Improvement District, Inc. has an agreement with the Government in accordance with Tennessee law to provide services for improvement and operation of the Gulch Business Improvement District (the District) through security enhancement, marketing, and improving beautification, sanitation, and maintenance. The term of the agreement extends to December 31, 2026, and may be terminated upon receipt of written petition filed by either (a) the owners of 75% of the assessed value of the taxable property in the District, or (b) 50% of the owners of record within the District.

The Gulch Business Improvement District, Inc. has entered into an agreement with Nashville Downtown Partnership, a related nonprofit organization, to provide cleaning and safety services for the Gulch Business Improvement District, as defined in the Memorandum of Agreement with the Government, in exchange for a monthly fee. Under the terms of the new agreement, the Gulch Business Improvement District will pay Nashville Downtown Partnership an amount equal to 10% of annual expenditures. The agreement expires December 31, 2024. During the year ended December 31, 2019, \$37,655 was recognized as expense related to the agreement.

On October 19, 2010 the Convention Center Authority (the Authority) entered into a Development and Funding Agreement with Omni Nashville, LLC (Omni) to facilitate the development of a premier headquarters hotel adjacent to the Music City Center. Under the terms of the development and funding agreement, the Authority will pay Omni annual economic development payments and incentives from excess tourism tax revenues collected. These payments are additionally secured by a pledge of the Government's nontax revenues of the General Fund of the General Services District, subject to prior pledge and application of certain requirements related to bonds issued by the Sports Authority. No payments related to this financial guarantee have been made by the Government. Should any payments be made by the Government in the future, the agreements provide for recovering any such payments

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

from the Authority's revenues after operating expenses are covered and annual principal and interest payments and certain other obligations are met. These payments began after the hotel opened for business, including the renting of rooms. The amount remitted to Omni during the year ended June 30, 2020 was \$12,000,000. The schedule of future annual payments is expected to be as follows:

<u>Year Ending June 30</u>	<u>Annual Payment</u>
2021-2026	\$ 12,000,000
2027-2033	15,000,000

In May 2015 the Metropolitan Council approved a redevelopment agreement related to the sale and development of the old Nashville Convention Center site that was under the management of the Authority. The sale of the Nashville Convention Center property closed in December 2016. Under the redevelopment agreement, the Authority agreed to contribute \$38.5 million to partially fund the parking garage and conference center space at the new complex. Contributions continue to be made upon verification of completed work.

In March 2017 the Authority entered into a room block agreement with the Joseph Hotel that would require the Authority to make a one-time payment of \$2,500,000 upon successful opening of the hotel. The hotel opened in the fall of 2020 and the Authority expects to remit the required one-time payment in November 2020.

In May 2018 the Government and the Authority entered into an agreement under which the Authority would transfer a total of \$10 million to the Government. Such transfers consisted of \$7.5 million by September 30, 2018 related to fiscal 2017 and 2018 revenues and \$2.5 million by August 31, 2019 related to fiscal 2019 revenues, both of which were remitted to the Government during the year ended June 30, 2019. In addition, the agreement outlined a formula to calculate future payments contingent on the Authority's ability to fully fund its operating expenses, debt service and debt service reserve requirements. In March 2019 the agreement was amended and restated to replace calculated future payments with a one-time additional \$10 million payment to the Government related to fiscal 2020 revenues that was paid in May 2020.

In November 2019, the Government and the Authority entered into a payment in lieu of taxes (PILOT) agreement whereby the Authority will make yearly payments to the Government based on the property tax rate and value of the Music City Center. The amount was \$12.6 million in fiscal year 2020.

In November 2019, the Authority entered into an agreement with the National Museum of African American Music to provide a total of \$6 million to the Museum in exchange for the naming rights of their theater in honor of the Authority's late board member, Francis S. Guess. In accordance with the payment installment schedule, \$2 million was paid in fiscal year 2020 and the remaining \$4 million will be paid in full in fiscal year 2021.

In May 2020, the Government and the Authority executed another agreement to transfer revenues generated from campus sales tax and/or Music City Center operating revenues to the Government in the amounts of \$5 million in fiscal year 2020 and \$35 million in fiscal year 2021. These amounts were transferred in May 2020 and July 2020, respectively.

Information regarding the other commitments of the other component units can be found in their separately issued financial reports.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 13 - FUND BALANCES**

Certain categories of fund balance are presented on the Balance Sheets for Governmental Funds in the aggregate. The detail components of the nonspendable, restricted, committed, and assigned fund balances are as follows:

FUND BALANCES

For the Year Ended June 30, 2020

	General Fund	General Purpose School Fund	Education Services Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund
<b>FUND BALANCES (DEFICITS):</b>					
<b>Nonspendable:</b>					
Inventories of supplies	\$ 344,534	\$ 2,141,115	\$ 2,298,671	\$ -	\$ -
Prepaid expenditures	363,372	-	-	-	-
Permanent fund principal	-	-	-	-	-
Total nonspendable	<u>707,906</u>	<u>2,141,115</u>	<u>2,298,671</u>	<u>-</u>	<u>-</u>
<b>Restricted for:</b>					
Public welfare	-	-	-	-	-
Convention center and tourism promotion	-	-	-	-	-
Education	-	-	5,020,254	-	-
Tennessee Consolidated Retirement System pension contributions	-	-	4,617,896	-	-
Solid waste	-	-	-	-	-
Flood recovery	-	-	-	-	-
General government	-	-	-	-	-
Public health	-	-	-	-	-
Public works, highways and streets	-	-	-	-	-
Administration of justice	-	-	-	-	-
Law enforcement and care of prisoners	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Public library system	-	-	-	-	-
Total restricted	<u>-</u>	<u>-</u>	<u>9,638,150</u>	<u>-</u>	<u>-</u>
<b>Committed for:</b>					
Education	-	27,722,378	-	-	-
Debt service	-	-	-	17,048,874	16,355,178
Equipment acquisitions (appropriated)	-	-	-	-	-
Equipment acquisitions (unappropriated)	-	-	-	-	-
Solid waste	-	-	-	-	-
General government	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Total committed	<u>-</u>	<u>27,722,378</u>	<u>-</u>	<u>27,048,874</u>	<u>16,355,178</u>
<b>Assigned for:</b>					
Subsequent year budgetary appropriation	-	-	-	-	-
Specific projects	11,994,500	-	-	-	-
Total assigned	<u>11,994,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	61,072,639	-	-	-	-
Total fund balances (deficits)	<u>\$ 73,775,045</u>	<u>\$ 29,863,493</u>	<u>\$ 11,936,821</u>	<u>\$ 17,048,874</u>	<u>\$ 16,355,178</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2020

USD General Purposes Debt Service Fund	GSD Capital Projects Fund	Education Capital Projects Fund	USD Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 256,160	\$ 5,040,480
-	-	-	-	10	363,382
-	-	-	-	185,112	185,112
-	-	-	-	441,282	5,588,974
-	-	-	-	3,113,546	3,113,546
-	-	-	-	12,535,392	12,535,392
-	-	-	-	116,028	5,136,282
-	-	-	-	-	4,617,896
-	-	-	-	886,562	886,562
-	-	-	-	12,220,042	12,220,042
-	-	-	-	1,680,554	1,680,554
-	-	-	-	2,717,759	2,717,759
-	-	-	-	7,026,571	7,026,571
-	-	-	-	578,007	578,007
-	-	-	-	4,290,468	4,290,468
-	-	-	-	57,192	57,192
-	-	-	-	1,193,052	1,193,052
-	-	-	-	46,415,173	56,053,323
-	-	-	-	-	27,722,378
911,699	-	-	-	-	34,315,751
-	-	-	-	41,427,423	41,427,423
-	-	-	-	15,854,689	15,854,689
-	-	-	-	229,916	229,916
-	-	-	-	19,377,274	19,377,274
-	-	-	-	818,404	818,404
911,699	-	-	-	77,707,706	139,745,835
-	-	-	-	-	-
-	-	-	-	-	11,994,500
-	-	-	-	-	11,994,500
-	(413,280,009)	(114,360,724)	(9,864,944)	(22,981,317)	(499,414,355)
\$ 911,699	\$ (413,280,009)	\$ (114,360,724)	\$ (9,864,944)	\$ 101,582,844	\$ (286,031,723)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 14 – FUEL HEDGING PROGRAM**

The Metropolitan Government maintains a fuel hedging program, the objective of which is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of diesel and gasoline fuel. Details of the Metropolitan Government's participation in the fuel hedging program at June 30, 2020 are as follows:

<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
63,000 gallons, diesel	July 1, 2020	June 30, 2021	Pay \$1.8000 per gallon; Settlement based on NYMEX HO	A3
42,000 gallons, diesel	July 1, 2020	June 30, 2021	Pay \$1.8150 per gallon; Settlement based on NYMEX HO	A3
35,600 gallons, diesel	July 1, 2020	June 30, 2021	Pay \$1.8520 per gallon; Settlement based on NYMEX HO	A3
59,678 gallons, gasoline	July 1, 2020	June 30, 2021	Pay \$1.5200 per gallon; Settlement based on NYMEX NYH RBOB	A3
29,839 gallons, gasoline	July 1, 2020	June 30, 2021	Pay \$1.5400 per gallon; Settlement based on NYMEX NYH RBOB	A3
29,484 gallons, gasoline	July 1, 2020	June 30, 2021	Pay \$1.6100 per gallon; Settlement based on NYMEX NYH RBOB	A3
42,000 gallons, diesel	July 1, 2021	June 30, 2022	Pay \$1.2290 per gallon; Settlement based on NYMEX HO	A3
29,839 gallons, gasoline	July 1, 2021	June 30, 2022	Pay \$1.0090 per gallon; Settlement based on NYMEX NYH RBOB	A3
42,000 gallons, diesel	August 1, 2021	May 31, 2022	Pay \$1.2300 per gallon; Settlement based on NYMEX HO	Aa2
59,678 gallons, gasoline	July 1, 2021	June 30, 2022	Pay \$0.9490 per gallon; Settlement based on NYMEX NYH RBOB	Aa2
29,484 gallons, gasoline	December 1, 2021	September 30, 2022	Pay \$1.0315 per gallon; Settlement based on NYMEX NYH RBOB	Aa2
56,600 gallons, diesel	July 1, 2021	February 28, 2022	Pay \$1.2220 per gallon; Settlement based on NYMEX HO	Aa2

The fair value of the fuel hedging instruments was a liability of \$953,117 at June 30, 2020, which has been recorded in noncurrent liabilities in the Statement of Net Position. The fair value was estimated based on the present value of the estimated future cash flows. The fuel hedges were determined to be effective hedges; accordingly, the change in fair value of the hedges is a deferred outflow or inflow of resources.

The Metropolitan Government is exposed to credit risk on hedging derivative instruments that are in asset positions. This represents the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. The Metropolitan Government is exposed to basis risk on its fuel hedging contracts because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the forward contract is expected to settle (NYMEX). The Metropolitan Government or its counterparty may terminate the contracts if the other party fails to perform under the terms of the contract. If at the

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

time of termination a hedging derivative instrument is in a liability position, the Metropolitan Government would be liable to the counterparty for a payment equal to the liability.

**NOTE 15 – TAX ABATEMENTS**

The Industrial Development Board (Board) is authorized by Tennessee Code Annotated (TCA) Section 7-53-305, a provision of the Tennessee Industrial Development Corporations Act, and by Ordinance of the Metropolitan Government to negotiate and accept payments in lieu of ad valorem taxes in furtherance of the Board's public purposes of economic welfare to maintain and increase employment opportunities and household income as set forth in TCA Section 7-53-102. As such, the Board acts as a conduit organization for property tax abatements through payment in lieu of taxes (PILOT) agreements. The Director of the Mayor's Office of Economic and Community Development serves as the Executive Director of the Board and negotiates PILOT agreements, presents to the Metropolitan Council for approval, and if approved, presents the agreements to the Board for approval. The abatements, which may be as much as 100% of the standard real and/or personal property taxes, may be granted to any qualified business located within or relocating to property within the boundaries of the Metropolitan Government, making significant capital investments and retaining or increasing a significant number of full-time employees. Consideration is given on a case-by-case basis and includes analyses of job creation, economic impact, capital investment and wage rates.

During the fiscal year ended June 30, 2020 there were eleven PILOT agreements in force with tax abatements totaling \$9,743,729. Each of these tax abatement agreements is described below with the terms in effect for the fiscal year reported. None of these agreements include a provision for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. The following is a description of each PILOT agreement:

- Dell Computer Corporation – The abatement commenced September 28, 1999 with Dell committing to locate computer manufacturing, assembly and distribution facilities and technological support operations within the boundaries of the Metropolitan Government. Dell will remit the lesser of (1) 2% of the standard tax for each 15 employees (determined as set forth in the agreement) less than 1,500 employees that are employed during the immediately preceding year; or (2) 100% of the standard tax. The agreement is applicable to real property subleased and used by Dell and personal property acquired and used by Dell at the aforementioned real property.
- HealthSpring, Inc. – The abatement commenced August 16, 2011 with the construction (in two phases) of a new consolidated campus for use by HealthSpring. HealthSpring will remit 40% and 0% of the standard tax in Phase I and Phase II, respectively, for real property.
- Omni Nashville, LLC – The abatement commenced September 20, 2011 with the construction of a hotel adjacent to the Music City Center. Omni will remit 37.5% of the standard tax for real property and personal property included in the equipment lease. If Omni defaults on or assigns, transfers or conveys (except to an affiliate) the facility lease or equipment lease, the PILOT period will terminate as of the day of such action.
- LifePoint Hospitals, Inc. – The abatement commenced December 1, 2013 with the relocation and consolidation of headquarters and certain central corporate operations to a location within the boundaries of the Metropolitan Government. LifePoint will remit 0% of the standard tax for real property excluding 15% of a garage which is not subleased by LifePoint) and 0% of the standard tax for personal property only on personal property of and related to their IT center.
- HCA Information and Technology Services, Inc. – The abatement commenced on December 31, 2013 with the construction of a new regional data center. HCA will remit 40% of the standard tax for real property applicable to the new regional data center and 40% of the standard tax for personal property acquired for the new regional data center and used in connection with the existing facilities expansion.
- AmSurg Corp. – The abatement commenced January 23, 2015 with the construction of new consolidated headquarters. AmSurg will remit 0% of the standard tax for real property.
- Asurion, LLC – The abatement commenced January 1, 2016 with the rehabilitation of an existing office building and construction of a parking lot in Antioch. Asurion will remit tax for real property for the building equal to \$126,448 (tax year 2013 standard tax) plus 0% of the increase in standard tax; and for the parking

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

lot, \$10,000 (tax year 2013 standard tax) plus 0% of the increase in the standard tax. Personal property tax abatement began tax year 2017.

- WCP Properties, LLC, a subsidiary of HCA Holdings, Inc. – The abatement commenced on December 28, 2016 with the relocation and consolidation of headquarters for HCA subsidiaries Parallon Business Solutions, HealthTrust Purchasing Group and Sarah Cannon Holdings to a newly constructed facility. WCP will remit 100% of the standard tax minus a PILOT deduction of \$3,000,000 (deduction subject to any adjustment required if there is a shortfall of projected incremental positions for the calendar year). If the deduction is greater than the standard tax in any given year, the remainder will be accrued and carried forward to the following year.
- RHP Hotels, LLC (Ryman) – The abatement commenced on June 15, 2017 with construction of an indoor/outdoor waterpark attraction located in Gaylord Opryland Resort & Convention Center. Ryman will remit the lesser of the standard tax or the 2017 property tax payment for such year.
- Bridgestone Americas, Inc. – The abatement commenced on August 7, 2017 with the relocation and consolidation of its headquarters and the headquarters of certain of its subsidiaries to a newly constructed facility. Subsidiaries include but are not limited to Bridgestone Americas Retail Operations, LLC, Firestone Industrial Products Company, LLC and Firestone Building Products Company, LLC. Bridgestone will remit 0% of the standard tax for real property (excluding office building space not subleased by Bridgestone and garage parking spaces not subleased or otherwise made available to Bridgestone).
- Keystone Automotive Industries, Inc. – The abatement commenced January 3, 2019 with expansion of its operations with construction of a new North American support headquarters on Crossings Boulevard. Keystone will remit 100% of the 2015 standard real property taxes (base) plus 40% of the increase in real property taxes resulting from the new construction; Keystone must meet the target jobs count as specified in the agreement or the abatement will be adjusted according to calculations provided in the agreement. Keystone is expected to occupy the entire space, if not, the abatement will be reduced based upon square footage used by other entities. Personal property tax abatement will begin in tax year 2020.

The following is a summary of the property tax abatements for the fiscal year ended June 30, 2020:

<u>PILOT Agreement</u>	<u>Start Date</u>	<u>End Date</u>	<u>Abatement</u>
Dell Computer Corporation	September 28, 1999	December 31, 2039	\$ 385,264
HealthSpring, Inc.	August 16, 2011	August 15, 2021	147,606
Omni Nashville, LLC	September 20, 2011	December 31, 2030	2,232,649
LifePoint Hospitals, Inc.	December 1, 2013	November 30, 2028	388,014
HCA Information and Technology Services, Inc.	December 31, 2013	December 30, 2020	577,950
AmSurg Corp.	January 23, 2015	December 31, 2023	323,425
Asurion, LLC	January 1, 2016	December 31, 2019	37,704
WCP Properties, LLC - affiliate of HCA Holdings, Inc.	December 28, 2016	December 27, 2031	3,000,000
RHP Hotels, LLC (Ryman)	June 15, 2017	December 31, 2025	417,176
Bridgestone Americas, Inc.	August 7, 2017	August 6, 2037	2,097,009
Keystone Automotive Industries, Inc.	January 3, 2019	December 31, 2023	136,933
Total Abatement			<u>\$ 9,743,729</u>

**NOTE 16 – RISKS AND UNCERTAINTIES**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus, COVID-19. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in global exposure.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The full impact of the pandemic continues to evolve as of the date of this report and has significantly affected the operational and financial performance of the Government and its component units. While expected to be temporary, the Government cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time. If the pandemic continues, it may have a significant impact on future operating results, financial position, and liquidity of the Government and/or its component units.

**NOTE 17 – SUBSEQUENT EVENTS**

**Primary Government**

On July 1, 2020, the Government issued tax anticipation notes (TAN's) in the amount of \$285,000,000 maturing on June 30, 2021 at an interest rate of 1.65%. The TAN's were used to fund operating expenditures prior to the collection of property taxes and are intended to be repaid in full prior to June 30, 2021.

On August 31, 2020, the Government issued general obligation commercial paper notes in the amount of \$50,000,000 maturing on November 12, 2020 at an interest rate of .33%. These obligations were or will be refunded with rollover notes at their maturity dates.

Subsequent to June 30, 2020, the company that managed the detention facility housing state felons for the Sheriff's Office canceled its contract, and the Sheriff's Office assumed direct management of the facility.

**Component Units**

In July 2020, the Electric Power Board approved a sale of excess land to a third party for \$17 million. The closing is expected to occur after the site is decommissioned in calendar year 2021 when the replacement substation is completed.

The Metropolitan Development and Housing Agency (MDHA) assisted in the financing of the new construction of 100 mixed income affordable and market rate housing in the form of Metro Capital Spending Plan funds, HUD Public Housing Capital Funds, bond funds and equity contributions to Randee Rogers, L.P. The project received an allocation of tax-exempt multi-family bond authority and the accompanying 4% Low-Income Housing Tax Credits from the Tennessee Housing and Development Agency. On December 11, 2019, the bond issuance of approximately \$16 million closed for the project. The Partnership intends to enter into an Amended and Restated Agreement of Limited Partnership to facilitate an equity investment for the project. MDHA will enter into a Ground Lease and Loan Agreement with the Partnership for the HUD and Metro funding.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

CONDITION RATING OF TRANSPORTATION NETWORK

Unaudited – See Accompanying Accountants’ Report

The transportation network of the Government is segregated into two subsystems: roads and streets, and bridges and underpasses. Information regarding condition and needed, budgeted and actual maintenance costs is presented below.

**ROADS AND STREETS PAVING**

<u>Percentage of Lane Miles in Fair or Better Condition</u>				
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
74.1 %	71.3 %	71.6 %	71.6 %	66.2 %

The Overall Condition Index (OCI) for the pavement of each roadway segment is measured using a vehicle called the South Dakota Road Profiler and calculated using the OMS Cartegraph Pavement Management System (OMS System). The OCI is calculated based on data collected from lasers located beneath the Profiler. The lasers collect roughness (IRI), weathering (Rn), and some distress data (PCI). The remaining pavement distress data is collected from roadway images taken from cameras mounted on the Profiler. The data collected is imputed into the OMS System, and the OCI is calculated using the following formula:  $OCI = (0.75PCI) + (0.10IRI) + (0.15Rn)$ . Other roadway and pavement data stored in the OMS System are functional class, street length, area and location. The OMS System uses a measurement scale that is based on a condition index ranging from zero for a pavement in very poor condition to 100 for a pavement in excellent condition. The condition index is used to classify roads and streets as excellent (100-85), good (84-80), fair (79-70) and below standard (less than 69). It is the policy of the Government to maintain at least 70 percent of its road and street system at a fair or better condition.

Condition assessments are collected on an annual basis for half of the county. For assessment purposes, the county is divided into 5 groups with groups 1, 3 and 4 assessed in one year and groups 2 and 5 assessed in the alternate year. The condition of groups 1, 3 and 4 was assessed and reported in fiscal year 2020. The condition of groups 2 and 5 were assessed and reported in fiscal year 2019.

In May 2010, the Government experienced a major, historic flood which had a significant negative impact on the condition of roads and streets, and the percentage of roads and streets in fair or better condition decreased from 70.0% in the 2010 assessment to 52.7% in the 2011 assessment. Several winters of more snow, ice and salt usage than normal continued to provide challenges to improving road and street condition. Also, the Government has experienced population growth, increased tourism, and significant construction which have added more vehicles and equipment on the roadways causing additional deterioration. While there were lower than historical condition levels in the years subsequent to the flood, the condition of roads and streets continued a steady recovery through the Government’s efforts as evidenced by the improvement in the condition since the flood and the return to a condition level in 2017 that exceeds the policy level.

There were 23 lane miles of roads added in 2020, bringing the total to 5,953 lane miles of roads and streets in the transportation network. The majority of the growth is due to additions of two-lane roads from new developments.

Comparison of Needed and Budgeted to Actual Maintenance

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Needed	<u>\$ 6,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 32,000,000</u>
Budgeted	\$ 6,000,000	\$ 30,000,000	\$ 35,000,000	\$ 35,000,000	\$ 20,000,000	\$ 30,000,000
Cumulative Spent	<u>-</u>	<u>29,198,565</u>	<u>30,703,175</u>	<u>35,000,000</u>	<u>19,997,146</u>	<u>29,262,110</u>
Difference	<u>\$ 6,000,000</u>	<u>\$ 801,435</u>	<u>\$ 4,296,825</u>	<u>\$ -</u>	<u>\$ 2,854</u>	<u>\$ 737,890</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 CONDITION RATING OF TRANSPORTATION NETWORK (CONTINUED)

Unaudited – See Accompanying Accountants’ Report

The **needed** amount represents the estimated amount that would need to be spent annually to maintain 70% of the roads and streets at a fair or better condition. The **budgeted** amount is the amount approved in each year’s capital spending plan. The **cumulative spent** is total actual expenditures across all fiscal years for each capital spending plan.

Maintaining the condition of the roads and streets in accordance with the policy referenced above continues to be a priority as evidenced by the continual funding in the capital plans and the improving condition ratings.

**BRIDGES AND UNDERPASSES**

<u>Percentage of Deck Area in Fair or Better Condition</u>				
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
99.0 %	98.0 %	98.0 %	97.0 %	97.1 %

Condition assessments are determined by the State every two years. Results are released by the State late in the calendar year. Thus, the most recent assessment results were provided in calendar year 2020 and reported for fiscal 2020. Due to this timing, condition assessments reported above for each even year are the results provided by the State. The condition for each odd year is reported at the previous year’s value unless the Public Works Department of the Government has a basis for recalculation internally.

The condition of bridges and underpasses is measured using the Federal Aid Bridge Inspection System supervised by the Tennessee Department of Transportation (TDOT), which is based on a two-year cycle of inspections of structures designated in two categories: Non-Federal Aid and Federal Aid Urban. The inspection system uses a measurement that classifies the condition as good, fair, poor or critical. The Public Works Department of the Government reviews all findings on all inspections. It is the policy of the Government to maintain at least 75 percent of its bridges and underpasses in fair or better condition.

There are currently 216 Non-Federal Aid and 107 Federal Aid Urban bridges and underpasses in the transportation network determined from the final analysis of the 2019 inspection. Total square feet of deck area is estimated to be 1,342,726. Deck area is calculated based on TDOT inspection reports for bridges conveying vehicular traffic only.

Comparison of Needed and Budgeted to Actual Maintenance

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Needed	\$ -	\$ 4,000,000	\$ -	\$ 15,000,000	\$ 10,000,000	\$ 6,000,000
Budgeted	\$ -	\$ 4,000,000	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 6,000,000
Cumulative Spent	-	4,000,000	-	9,909,499	10,000,000	5,986,092
Difference	\$ -	\$ -	\$ -	\$ 90,501	\$ -	\$ 13,908

The **needed** amount represents the estimated amount that would need to be spent annually to maintain 75% of the bridges, underpasses culverts and guardrails at a fair or better condition. The **budgeted** amount is the amount approved in each year’s capital spending plan. The **cumulative spent** is total actual expenditures across all fiscal years for each capital spending plan.

In 2020, funds previously designated for a Gulch connector bridge in the 2014 capital spending plan were redirected for general bridge maintenance. The budgeted amount is \$13,630,000, and the cumulative spent at June 30, 2020 was \$4,538,649, for an available amount of \$9,091,351.

Maintaining the condition of bridges and underpasses in accordance with the Government’s policy referenced above continues to be a priority as evidenced by the consistently high condition ratings.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2020	2019	2018
<u>County Plan</u>			
Actuarially determined contribution	\$ 927,421	\$ 1,023,934	\$ 1,098,462
Contributions	927,421	1,023,934	1,098,462
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	- %	- %	- %
<u>Metro Plan</u>			
Actuarially determined contribution	\$ 72,319,584	\$ 70,638,794	\$ 66,281,669
Contributions	78,632,924	77,242,171	76,539,373
Contribution deficiency (excess)	<u>\$ (6,313,340)</u>	<u>\$ (6,603,377)</u>	<u>\$ (10,257,704)</u>
Covered payroll	<u>\$ 638,020,539</u>	<u>\$ 623,435,266</u>	<u>\$ 577,129,309</u>
Contributions as a percentage of covered payroll	12.32 %	12.39 %	13.26 %
<u>County Education Plan</u>			
Actuarially determined contribution	\$ 2,572,411	\$ 2,729,955	\$ 2,932,320
Contributions	2,572,411	2,729,955	2,932,320
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	- %	- %	- %
<u>Metro Education Plan</u>			
Actuarially determined contribution	\$ 7,438,048	\$ 7,900,193	\$ 9,424,805
Contributions	24,342,682	23,525,080	22,681,681
Contribution deficiency (excess)	<u>\$ (16,904,634)</u>	<u>\$ (15,624,887)</u>	<u>\$ (13,256,876)</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	- %	- %	- %
<u>City Plan</u>			
Actuarially determined contribution	\$ 4,705,843	\$ 5,060,376	\$ 5,466,526
Contributions	4,705,843	5,060,376	5,466,526
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	- %	- %	- %
<u>City Education Plan</u>			
Actuarially determined contribution	\$ 1,029,043	\$ 1,238,054	\$ 1,307,430
Contributions	1,029,043	1,238,054	1,307,430
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	- %	- %	- %

(1) Information regarding contributions is only available for the last seven fiscal years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2017	2016	2015	2014
\$ 1,226,793	\$ 1,376,864	\$ 1,473,420	\$ 1,413,489
1,226,793	1,376,864	1,473,442	1,571,769
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22)</u>	<u>\$ (158,280)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %	- %
\$ 58,957,156	\$ 60,266,986	\$ 79,682,979	\$ 87,643,045
73,868,818	85,676,490	94,045,896	87,643,045
<u>\$ (14,911,662)</u>	<u>\$ (25,409,504)</u>	<u>\$ (14,362,917)</u>	<u>\$ -</u>
<u>\$ 538,698,977</u>	<u>\$ 531,266,978</u>	<u>\$ 513,759,048</u>	<u>\$ 556,220,289</u>
13.71 %	16.13 %	18.31 %	15.76 %
\$ 3,451,079	\$ 3,760,411	\$ 4,594,448	\$ 4,570,592
3,451,079	3,760,411	4,594,448	3,975,666
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,926</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %	- %
\$ 10,943,447	\$ 12,289,725	\$ 13,593,369	\$ 14,708,257
21,539,285	20,620,889	18,340,834	18,808,832
<u>\$ (10,595,838)</u>	<u>\$ (8,331,164)</u>	<u>\$ (4,747,465)</u>	<u>\$ (4,100,575)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %	- %
\$ 5,760,814	\$ 6,134,921	\$ 6,688,724	\$ 6,650,683
5,760,814	6,134,921	6,688,827	7,223,872
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (103)</u>	<u>\$ (573,189)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %	- %
\$ 1,512,381	\$ 1,600,371	\$ 2,427,465	\$ 2,190,063
1,512,381	1,600,371	2,427,465	1,932,219
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,844</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %	- %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST SEVEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<b>Notes to Schedule</b>	<u>County Plan</u>	<u>Metro Plan</u>	<u>County Education Plan</u>	<u>Metro Education Plan</u>
Valuation date:				
Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.				
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	entry age normal	entry age normal	entry age normal	entry age normal
Amortization method	level dollar open	level dollar closed	level dollar open	level dollar closed
Amortization period	8 years	30 years closed	8 years	30 years from July 1, 2000
Asset valuation method	market	5 year smoothed market	market	5 year smoothed market
Investment rate of return	7.25%	7.25%	7.25%	7.25%
Projected salary increases	N/A	4.00%	N/A	N/A
Inflation	2.50%	2.50%	2.60%	2.60%
Postretirement benefit increase adjustments	2.50%	2.50% Division A 1.25% Division B	3.00%	3.00%

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST SEVEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<u>City Plan</u>	<u>City Education Plan</u>
entry age normal	entry age normal
level dollar open	level dollar open
8 years	7 years
market	market
7.25%	7.25%
N/A	N/A
2.50%	2.60%
2.50%	3.00%

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

<u>County Plan</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total pension liability</b>			
Interest	\$ 389,696	\$ 395,459	\$ 438,808
Difference between expected and actual experience	500,471	24,411	(352,447)
Changes in assumptions	-	-	342,520
Benefit payments, including refunds of member contributions	<u>(926,997)</u>	<u>(1,023,848)</u>	<u>(1,098,425)</u>
Net change in total pension liability	(36,830)	(603,978)	(669,544)
Total pension liability - beginning	<u>5,338,143</u>	<u>5,942,121</u>	<u>6,611,665</u>
Total pension liability - ending (a)	<u><u>\$ 5,301,313</u></u>	<u><u>\$ 5,338,143</u></u>	<u><u>\$ 5,942,121</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 927,421	\$ 1,023,934	\$ 1,098,462
Net investment income (loss)	(424)	(86)	(37)
Benefit payments, including refunds of member contributions	<u>(926,997)</u>	<u>(1,023,848)</u>	<u>(1,098,425)</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 5,301,313</u></u>	<u><u>\$ 5,338,143</u></u>	<u><u>\$ 5,942,121</u></u>
Plan fiduciary net position as a percentage of the total pension liability	-	-	-
	%	%	%
Covered payroll	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A

(1) Information regarding the change in the net pension liability is only available for the last seven fiscal years.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 504,073	\$ 570,348	\$ 638,093	\$ 695,032
(151,873)	(115,892)	68,376	-
-	-	-	-
<u>(1,226,758)</u>	<u>(1,377,519)</u>	<u>(1,473,420)</u>	<u>(1,571,769)</u>
(874,558)	(923,063)	(766,951)	(876,737)
<u>7,486,223</u>	<u>8,409,286</u>	<u>9,176,237</u>	<u>10,052,974</u>
<u>\$ 6,611,665</u>	<u>\$ 7,486,223</u>	<u>\$ 8,409,286</u>	<u>\$ 9,176,237</u>
\$ 1,226,793	\$ 1,376,864	\$ 1,473,442	\$ 1,571,769
(35)	655	(22)	(39)
<u>(1,226,758)</u>	<u>(1,377,519)</u>	<u>(1,473,420)</u>	<u>(1,571,730)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,611,665</u>	<u>\$ 7,486,223</u>	<u>\$ 8,409,286</u>	<u>\$ 9,176,237</u>
-	-	-	-
%	%	%	%
\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	N/A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

<u>Metro Plan</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total pension liability</b>			
Service cost	\$ 56,611,963	\$ 55,009,556	\$ 51,260,915
Interest	241,868,898	234,271,280	221,805,983
Difference between expected and actual experience	(9,333,101)	66,297,147	(21,739,996)
Changes in assumptions	-	-	103,946,322
Benefit payments, including refunds of member contributions	<u>(177,326,037)</u>	<u>(176,248,788)</u>	<u>(166,196,565)</u>
Net change in total pension liability	111,821,723	179,329,195	189,076,659
Total pension liability - beginning	<u>3,377,508,896</u>	<u>3,198,179,701</u>	<u>3,009,103,042</u>
Total pension liability - ending (a)	<u>\$ 3,489,330,619</u>	<u>\$ 3,377,508,896</u>	<u>\$ 3,198,179,701</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 78,632,924	\$ 77,242,171	\$ 76,539,373
Contributions - members	2,005	34,011	79,136
Net investment income	119,808,852	240,858,276	242,164,720
Transfers in	180,056	317,040	316,543
Benefit payments, including refunds of member contributions	(177,326,037)	(176,248,788)	(166,196,565)
Administrative expense	<u>(3,751,702)</u>	<u>(3,790,632)</u>	<u>(4,590,257)</u>
Net change in plan fiduciary net position	17,546,098	138,412,078	148,312,950
Plan fiduciary net position - beginning	<u>3,254,983,820</u>	<u>3,116,571,742</u>	<u>2,968,258,792</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,272,529,918</u>	<u>\$ 3,254,983,820</u>	<u>\$ 3,116,571,742</u>
Net pension liability - ending (a) - (b)	<u>\$ 216,800,701</u>	<u>\$ 122,525,076</u>	<u>\$ 81,607,959</u>
Plan fiduciary net position as a percentage of the total pension liability	93.79 %	96.37 %	97.45 %
Covered payroll	\$ 638,020,539	\$ 623,435,266	\$ 577,129,309
Net pension liability as a percentage of covered payroll	33.98 %	19.65 %	14.14 %

(1) Information regarding the change in the net pension liability is only available for the last seven fiscal years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2017	2016	2015	2014
\$ 47,633,085	\$ 47,248,901	\$ 45,995,228	\$ 49,413,232
215,468,983	208,309,697	202,724,640	200,086,120
(4,850,344)	(25,817,354)	(67,376,484)	-
-	-	-	-
<u>(158,693,272)</u>	<u>(152,601,796)</u>	<u>(146,745,385)</u>	<u>(140,187,828)</u>
99,558,452	77,139,448	34,597,999	109,311,524
<u>2,909,544,590</u>	<u>2,832,405,142</u>	<u>2,797,807,144</u>	<u>2,688,495,620</u>
<u>\$ 3,009,103,042</u>	<u>\$ 2,909,544,590</u>	<u>\$ 2,832,405,143</u>	<u>\$ 2,797,807,144</u>
\$ 73,868,818	\$ 85,676,490	\$ 94,045,896	\$ 87,643,045
60,916	73,171	57,996	73,973
369,032,095	6,343,038	124,578,432	410,309,219
281,871	244,632	169,363	132,383
(158,693,272)	(152,601,796)	(146,745,385)	(140,187,828)
<u>(4,518,466)</u>	<u>(15,004,614)</u>	<u>(5,974,504)</u>	<u>(2,888,963)</u>
280,031,962	(75,269,079)	66,131,798	355,081,829
<u>2,688,226,830</u>	<u>2,763,495,909</u>	<u>2,697,364,111</u>	<u>2,342,282,282</u>
<u>\$ 2,968,258,792</u>	<u>\$ 2,688,226,830</u>	<u>\$ 2,763,495,909</u>	<u>\$ 2,697,364,111</u>
<u>\$ 40,844,250</u>	<u>\$ 221,317,760</u>	<u>\$ 68,909,234</u>	<u>\$ 100,443,033</u>
98.64 %	92.39 %	97.57 %	96.41 %
\$ 538,698,977	\$ 531,266,978	\$ 513,759,048	\$ 556,220,289
7.58 %	41.66 %	13.41 %	18.06 %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2020	2019	2018
<u>County Education Plan</u>			
<b>Total pension liability</b>			
Interest	\$ 1,881,239	\$ 1,889,633	\$ 2,094,216
Difference between expected and actual experience	1,031,767	161,058	(526,214)
Changes in assumptions	1,750,707	-	349,762
Benefit payments, including refunds of member contributions	<u>(4,651,310)</u>	<u>(4,924,449)</u>	<u>(5,229,770)</u>
Net change in total pension liability	12,403	(2,873,758)	(3,312,006)
Total pension liability - beginning	<u>25,491,309</u>	<u>28,365,067</u>	<u>31,677,073</u>
Total pension liability - ending (a)	<u>\$ 25,503,712</u>	<u>\$ 25,491,309</u>	<u>\$ 28,365,067</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,572,411	\$ 2,729,955	\$ 2,932,320
Contributions - State of Tennessee	2,071,338	2,170,140	2,286,856
Net investment income	8,086	27,134	12,047
Benefit payments, including refunds of member contributions	<u>(4,651,310)</u>	<u>(4,924,449)</u>	<u>(5,229,770)</u>
Net change in plan fiduciary net position	525	2,780	1,453
Plan fiduciary net position - beginning	<u>1,177,152</u>	<u>1,174,372</u>	<u>1,172,919</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,177,677</u>	<u>\$ 1,177,152</u>	<u>\$ 1,174,372</u>
Net pension liability - ending (a) - (b)	<u>\$ 24,326,035</u>	<u>\$ 24,314,157</u>	<u>\$ 27,190,695</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	4.62 %	4.62 %	4.14 %
<b>Covered payroll</b>	\$ -	\$ -	\$ -
<b>Net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A
<b>Proportionate share of collective net pension liability:</b>			
Employer	\$ 17,595,078	\$ 17,514,607	\$ 19,479,165
State of Tennessee	6,730,957	6,799,550	7,711,530
<b>Employer's share of net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A

(1) Information regarding the change in the net pension liability is only available for the last seven fiscal years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2017	2016	2015	2014
\$ 2,410,942	\$ 2,679,861	\$ 2,944,102	\$ 3,138,071
(270,339)	(16,830)	1,090,757	-
-	-	-	-
<u>(5,759,535)</u>	<u>(6,230,661)</u>	<u>(6,670,328)</u>	<u>(6,959,832)</u>
(3,618,932)	(3,567,630)	(2,635,469)	(3,821,761)
<u>35,296,005</u>	<u>38,863,635</u>	<u>41,499,104</u>	<u>45,320,865</u>
<u>\$ 31,677,073</u>	<u>\$ 35,296,005</u>	<u>\$ 38,863,635</u>	<u>\$ 41,499,104</u>
\$ 3,451,079	\$ 3,760,411	\$ 4,594,448	\$ 3,975,666
2,502,109	2,683,194	2,831,644	2,983,251
5,177	4,979	402	915
<u>(5,759,535)</u>	<u>(6,230,661)</u>	<u>(6,670,328)</u>	<u>(6,959,832)</u>
198,830	217,923	756,166	-
<u>974,089</u>	<u>756,166</u>	<u>-</u>	<u>-</u>
<u>\$ 1,172,919</u>	<u>\$ 974,089</u>	<u>\$ 756,166</u>	<u>\$ -</u>
<u>\$ 30,504,154</u>	<u>\$ 34,321,916</u>	<u>\$ 38,107,469</u>	<u>\$ 41,499,104</u>
3.70 %	2.76 %	1.95 %	-
\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	N/A
\$ 21,856,380	\$ 25,230,145	\$ 28,119,171	\$ 30,819,136
8,647,774	9,091,771	9,988,298	10,679,968
N/A	N/A	N/A	N/A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Metro Education Plan</u>			
<b>Total pension liability</b>			
Interest	\$ 16,456,126	\$ 16,197,740	\$ 17,166,802
Difference between expected and actual experience	1,017,573	147,505	(1,192,513)
Changes in assumptions	16,124,107	-	3,758,964
Benefit payments, including refunds of member contributions	<u>(29,276,667)</u>	<u>(30,274,284)</u>	<u>(31,087,074)</u>
Net change in total pension liability	4,321,139	(13,929,039)	(11,353,821)
Total pension liability - beginning	<u>224,477,695</u>	<u>238,406,734</u>	<u>249,760,555</u>
Total pension liability - ending (a)	<u>\$ 228,798,834</u>	<u>\$ 224,477,695</u>	<u>\$ 238,406,734</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 24,342,682	\$ 23,525,080	\$ 22,681,681
Contributions - State of Tennessee	9,903,430	10,482,030	10,935,092
Net investment income	3,631,787	7,262,507	6,156,974
Benefit payments, including refunds of member contributions	(29,276,667)	(30,274,284)	(31,087,074)
Administrative expense	<u>(159,842)</u>	<u>(100,913)</u>	<u>(20,154)</u>
Net change in plan fiduciary net position	8,441,390	10,894,420	8,666,519
Plan fiduciary net position - beginning	<u>109,009,174</u>	<u>98,114,754</u>	<u>89,448,235</u>
Plan fiduciary net position - ending (b)	<u>\$ 117,450,564</u>	<u>\$ 109,009,174</u>	<u>\$ 98,114,754</u>
Net pension liability - ending (a) - (b)	<u>\$ 111,348,270</u>	<u>\$ 115,468,521</u>	<u>\$ 140,291,980</u>
Plan fiduciary net position as a percentage of the total pension liability	51.33 %	48.56 %	41.15 %
Covered payroll	-	-	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A
<b>Proportionate share of collective net pension liability:</b>			
Employer	41,015,831	46,089,960	\$ 65,572,138
State of Tennessee	70,332,439	69,378,561	74,719,842
Employer's share of net pension liability as a percentage of covered payroll	N/A	N/A	N/A

(1) Information regarding the change in the net pension liability is only available for the last seven fiscal years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	18,530,511	\$ 19,702,025	\$ 20,961,496	\$ 22,092,743
	(3,102,795)	(4,470,482)	(2,986,289)	-
	-	-	-	-
	<u>(31,686,860)</u>	<u>(32,751,992)</u>	<u>(33,815,913)</u>	<u>(34,563,595)</u>
	(16,259,144)	(17,520,449)	(15,840,706)	(12,470,852)
	<u>266,019,699</u>	<u>283,540,148</u>	<u>299,380,854</u>	<u>311,851,706</u>
\$	<u><u>249,760,555</u></u>	<u><u>266,019,699</u></u>	<u><u>283,540,148</u></u>	<u><u>299,380,854</u></u>
\$	21,539,285	\$ 20,620,889	\$ 18,340,834	\$ 18,808,832
	11,315,146	11,713,047	12,196,548	12,635,252
	8,965,201	180,416	3,663,454	12,453,816
	(31,686,860)	(32,751,992)	(33,815,913)	(34,563,595)
	<u>(17,914)</u>	<u>(64,951)</u>	<u>(29,951)</u>	<u>(30,318)</u>
	10,114,858	(302,591)	354,972	9,303,987
	<u>79,333,377</u>	<u>79,635,968</u>	<u>79,280,996</u>	<u>69,977,009</u>
\$	<u><u>89,448,235</u></u>	<u><u>79,333,377</u></u>	<u><u>79,635,968</u></u>	<u><u>79,280,996</u></u>
\$	<u><u>160,312,320</u></u>	<u><u>186,686,322</u></u>	<u><u>203,904,180</u></u>	<u><u>220,099,858</u></u>
	35.81 %	29.82 %	28.09 %	26.48 %
\$	-	\$ -	\$ -	-
	N/A	N/A	N/A	N/A
\$	80,651,942	\$ 101,574,332	\$ 112,853,583	123,003,473
	79,660,378	85,111,990	91,050,597	97,096,385
	N/A	N/A	N/A	N/A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2020	2019	2018
<u>City Plan</u>			
<b>Total pension liability</b>			
Interest	\$ 1,826,689	\$ 1,996,349	\$ 2,213,373
Difference between expected and actual experience	545,353	56,340	(2,051,468)
Changes in assumptions	-	-	1,957,960
Benefit payments, including refunds of member contributions	<u>(4,703,733)</u>	<u>(5,059,950)</u>	<u>(5,466,337)</u>
Net change in total pension liability	(2,331,691)	(3,007,261)	(3,346,472)
Total pension liability - beginning	<u>27,002,223</u>	<u>30,009,484</u>	<u>33,355,956</u>
Total pension liability - ending (a) hard coded - should be per formula	<u>\$ 24,670,532</u>	<u>\$ 27,002,223</u>	<u>\$ 30,009,484</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,705,843	\$ 5,060,376	\$ 5,466,526
Net investment income (loss)	(2,110)	(426)	(189)
Benefit payments, including refunds of member contributions	<u>(4,703,733)</u>	<u>(5,059,950)</u>	<u>(5,466,337)</u>
<b>Net change in plan fiduciary net position</b>	-	-	-
<b>Plan fiduciary net position - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 24,670,532</u>	<u>\$ 27,002,223</u>	<u>\$ 30,009,484</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	-	-	-
	%	%	%
<b>Covered payroll</b>	\$ -	\$ -	\$ -
<b>Net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A

(1) Information regarding the change in the net pension liability is only available for the last seven fiscal years.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2017	2016	2015	2014
\$ 2,528,113	\$ 2,603,078	\$ 2,946,519	\$ 3,276,664
2,347,731	(1,111,344)	(722,290)	-
-	-	-	-
<u>(5,760,650)</u>	<u>(6,140,053)</u>	<u>(6,688,724)</u>	<u>(7,223,872)</u>
(884,806)	(4,648,319)	(4,464,495)	(3,947,208)
<u>34,240,762</u>	<u>38,889,081</u>	<u>43,353,576</u>	<u>47,300,784</u>
<u>\$ 33,355,956</u>	<u>\$ 34,240,762</u>	<u>\$ 38,889,081</u>	<u>\$ 43,353,576</u>
\$ 5,760,814	\$ 6,134,921	\$ 6,688,827	\$ 7,223,872
(164)	5,132	(103)	(186)
<u>(5,760,650)</u>	<u>(6,140,053)</u>	<u>(6,688,724)</u>	<u>(7,223,686)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 33,355,956</u>	<u>\$ 34,240,762</u>	<u>\$ 38,889,081</u>	<u>\$ 43,353,576</u>
-	-	-	-
%	%	%	%
\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	N/A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2020	2019	2018
<u>City Education Plan</u>			
<b>Total pension liability</b>			
Interest	\$ 900,067	\$ 912,142	\$ 1,027,350
Difference between expected and actual experience	743,529	153,472	1,129,389
Changes in assumptions	708,890	-	158,057
Benefit payments, including refunds of member contributions	<u>(2,398,459)</u>	<u>(2,663,768)</u>	<u>(2,876,029)</u>
Net change in total pension liability	(45,973)	(1,598,154)	(561,233)
Total pension liability - beginning	<u>12,161,533</u>	<u>13,759,687</u>	<u>14,320,920</u>
Total pension liability - ending (a)	<u>\$ 12,115,560</u>	<u>\$ 12,161,533</u>	<u>\$ 13,759,687</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,029,043	\$ 1,238,054	\$ 1,307,430
Contributions - State of Tennessee	1,366,564	1,444,804	1,560,512
Net investment income	3,316	21,285	9,464
Benefit payments, including refunds of member contributions	<u>(2,398,459)</u>	<u>(2,663,768)</u>	<u>(2,876,029)</u>
Net change in plan fiduciary net position	464	40,375	1,377
Plan fiduciary net position - beginning	<u>962,501</u>	<u>922,126</u>	<u>920,749</u>
Plan fiduciary net position - ending (b)	<u>\$ 962,965</u>	<u>\$ 962,501</u>	<u>\$ 922,126</u>
Net pension liability - ending (a) - (b)	<u>\$ 11,152,595</u>	<u>\$ 11,199,032</u>	<u>\$ 12,837,561</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	7.95 %	7.91 %	6.70 %
<b>Covered payroll</b>	\$ -	\$ -	\$ -
<b>Net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A
<b>Proportionate share of collective net pension liability:</b>			
Employer	\$ 7,956,709	\$ 7,948,842	\$ 9,125,373
State of Tennessee	3,195,886	3,250,190	3,712,188
<b>Employer's share of net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A

(1) Information regarding the change in the net pension liability is only available for the last seven fiscal years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2017	2016	2015	2014
\$ 1,105,404	\$ 1,305,770	\$ 1,463,455	\$ 1,567,660
(823,677)	(102,207)	830,248	-
-	-	-	-
<u>(3,046,404)</u>	<u>(3,260,870)</u>	<u>(3,666,567)</u>	<u>(3,908,042)</u>
(2,764,677)	(2,057,307)	(1,372,864)	(2,340,382)
<u>17,085,597</u>	<u>19,142,904</u>	<u>20,515,768</u>	<u>22,856,150</u>
<u>\$ 14,320,920</u>	<u>\$ 17,085,597</u>	<u>\$ 19,142,904</u>	<u>\$ 20,515,768</u>
\$ 1,512,381	\$ 1,600,371	\$ 2,427,465	\$ 1,932,219
1,667,091	1,804,508	1,874,231	1,975,167
4,096	4,141	306	656
<u>(3,046,404)</u>	<u>(3,260,870)</u>	<u>(3,666,567)</u>	<u>(3,908,042)</u>
137,164	148,150	635,435	-
<u>783,585</u>	<u>635,435</u>	<u>-</u>	<u>-</u>
<u>\$ 920,749</u>	<u>\$ 783,585</u>	<u>\$ 635,435</u>	<u>\$ -</u>
<u>\$ 13,400,171</u>	<u>\$ 16,302,012</u>	<u>\$ 18,507,469</u>	<u>\$ 20,515,768</u>
6.43 %	4.59 %	3.32 %	-
\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	N/A
\$ 9,431,053	\$ 11,599,369	\$ 13,104,977	\$ 14,738,952
3,969,118	4,702,643	5,402,492	5,776,816
N/A	N/A	N/A	N/A

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF INVESTMENT RETURNS - PENSION PLANS

LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Annual Money-Weighted  
Rate of Return, Net of  
Investment Expense

For the year ended June 30,

2020	1.92 %
2019	6.14
2018	6.79
2017	12.87
2016	0.64
2015	4.87
2014	17.83
2013	13.72
2012	1.07
2011	20.93



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE GOVERNMENT'S CONTRIBUTIONS  
TEACHER PENSION PLANS OF THE TCRS

LAST SEVEN FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	<u>2020 (3)</u>	<u>2019 (3)</u>	<u>2018</u>
<u>Teacher Legacy Pension Plan</u>			
Contractually required contribution	\$ 26,170,227	\$ 26,954,693	\$ 25,370,355
Contributions	<u>26,170,227</u>	<u>26,954,693</u>	<u>25,370,355</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 246,901,474	\$ 257,691,123	\$ 279,409,159
Contributions as a percentage of covered payroll	10.60 %	10.46 %	9.08 %
<u>Teacher Retirement Plan (2)</u>			
Contractually required contribution	\$ 2,660,029	\$ 2,185,885	\$ 1,650,658
Contributions	<u>2,660,029</u>	<u>2,185,885</u>	<u>4,048,842</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,398,184)</u>
Covered payroll	\$ 131,016,917	\$ 112,675,025	\$ 101,721,173
Contributions as a percentage of covered payroll	2.03 %	1.94 %	3.98 %

(1) Information regarding contributions is only available for the last seven fiscal years.

(2) The Teacher Retirement Plan was established July 1, 2014. Information for 2014 is not applicable.

(3) In FY2019, the Government placed the actuarially determined contribution rate (1.94%) of covered payroll in the pension plan and 2.06% in the TCRS Stabilization Reserve Trust. In FY2020, the Government placed the actuarially determined contribution rate (2.03%) of covered payroll in the pension plan and 1.97% in the TCRS Stabilization Reserve Trust.

Changes in assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE GOVERNMENT'S CONTRIBUTIONS  
TEACHER PENSION PLANS OF THE TCRS

LAST SEVEN YEARS (1)

Unaudited - See Accompanying Accountants' Report

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 26,023,655	\$ 27,095,828	\$ 28,722,365	\$ 30,470,761
<u>26,023,655</u>	<u>27,095,828</u>	<u>28,722,365</u>	<u>30,470,761</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 288,101,769	\$ 299,732,644	\$ 317,726,673	\$ 343,139,202
9.03 %	9.04 %	9.04 %	8.88 %
\$ 3,222,337	\$ 1,401,866	\$ 29,367	\$ N/A
<u>3,222,337</u>	<u>2,240,133</u>	<u>1,174,675</u>	<u>N/A</u>
<u>\$ -</u>	<u>\$ (838,267)</u>	<u>\$ (1,145,308)</u>	<u>\$ N/A</u>
\$ 80,335,323	\$ 56,002,899	\$ 29,366,650	\$ N/A
4.01 %	4.00 %	4.00 %	N/A %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
TEACHER PENSION PLANS OF THE TCRS

For the Year Ended June 30, (1)

Unaudited - See Accompanying Accountants' Report

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Teacher Legacy Pension Plan</u>			
The Government's proportion of the net pension liability (asset)	(7.68) %	(7.98) %	(8.14) %
The Government's proportionate share of the net pension liability (asset)	\$ (79,016,852)	\$ (28,078,491)	\$ (2,664,452)
The Government's covered payroll	\$ 257,691,223	\$ 279,409,159	\$ 288,101,769
The Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(30.66) %	(10.05) %	(0.92) %
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.28 %	101.49 %	100.14 %
<u>Teacher Retirement Plan (2)</u>			
The Government's proportion of the net pension liability (asset)	(10.65) %	(11.58) %	(12.27) %
The Government's proportionate share of the net pension liability (asset)	\$ (6,010,487)	\$ (5,253,192)	\$ (3,238,283)
The Government's covered payroll	\$ 112,675,025	\$ 101,221,173	\$ 80,335,323
The Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(5.33) %	(5.19) %	(4.03) %
Plan fiduciary net position as a percentage of the total pension liability (asset)	123.07 %	126.97 %	126.81 %

(1) The amount presented were determined as of June 30 of the prior fiscal year.

(2) The Teacher Retirement Plan was established July 1, 2014. Information for 2014 is not applicable.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
TEACHER PENSION PLANS OF THE TCRS

For the Year Ended June 30, (1)

Unaudited - See Accompanying Accountants' Report

<u>2016</u>	<u>2015</u>	<u>2014</u>
8.30 %	8.49 %	(8.74) %
\$ 51,891,059	\$ 3,476,720	\$ (1,420,602)
\$ 299,732,644	\$ 317,726,673	\$ 343,139,202
17.31 %	1.09 %	(0.41) %
97.14 %	99.81 %	(100.08) %
(12.73) %	(14.13) %	N/A %
\$ (1,325,015)	\$ 568,609.00	\$ N/A
\$ 56,002,899	\$ 29,366,650	\$ N/A
(2.37) %	(1.94) %	N/A %
121.88 %	127.46 %	N/A %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - OPEB PLANS

LAST THREE YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2020	2019	2018
<u>Metro Employees Medical Benefit Plan</u>			
<b>Total OPEB liability</b>			
Service cost	\$ 109,903,288	\$ 102,953,900	\$ 89,976,557
Interest	98,173,111	85,537,309	88,163,614
Differences between expected and actual experience	(667,588,719)	(38,208,225)	-
Changes in assumptions	114,772,720	365,571,459	-
Benefit payments	(69,907,701)	(83,774,695)	(75,805,562)
Net change in total OPEB liability	(414,647,301)	432,079,748	102,334,609
Total OPEB liability - beginning	<u>3,478,753,908</u>	<u>3,046,674,160</u>	<u>2,944,339,551</u>
Total OPEB liability - ending	<u>\$ 3,064,106,607</u>	<u>\$ 3,478,753,908</u>	<u>\$ 3,046,674,160</u>
<b>Covered-employee payroll</b>	\$ 567,220,085	\$ 563,034,083	\$ 551,057,810
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	540.20 %	617.86 %	552.88 %

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

There were no changes of benefit terms.

Changes in assumptions. Effective July 1, 2020, the following changes were made: The discount rate is 2.66% based on the S&P Municipal Bond 20 year High Grade Rate Index as of June 30, 2020; the assumed trend rate for the medical claims was reset to 7.50% grading uniformly to 6.75% over 3 years, and following the 2020 Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

(1) Information regarding the change in the total OPEB liability is only available for the last three years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - OPEB PLANS

LAST THREE YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2020	2019	2018
<u>School Professional Employees' Insurance Plan</u>			
<b>Total OPEB liability</b>			
Service cost	\$ 51,087,548	\$ 47,857,188	\$ 40,017,730
Interest	30,820,535	23,973,454	24,376,739
Differences between expected and actual experience	14,524,888	(2,276,475)	-
Changes in assumptions	46,913,890	203,109,626	-
Benefit payments	(30,479,055)	(30,981,714)	(32,370,649)
Net change in total OPEB liability	112,867,806	241,682,079	32,023,820
Total OPEB liability - beginning	1,084,070,183	842,388,104	810,364,284
Total OPEB liability - ending	<u>\$ 1,196,937,989</u>	<u>\$ 1,084,070,183</u>	<u>\$ 842,388,104</u>
<b>Covered-employee payroll</b>	\$ 314,457,532	\$ 317,261,633	\$ 327,042,788
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	380.64 %	341.70 %	257.58 %

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

There were no changes of benefit terms.

Changes in assumptions. Effective July 1, 2020, the following changes were made: The discount rate is 2.66% based on the S&P Municipal Bond 20 year High Grade Rate Index as of June 30, 2020, compared to the prior discount rate of 2.98%; the assumed trend rate for the medical claims was reset to 7.50% grading uniformly to 6.75% over 3 years, and following the 2020 Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

(1) Information regarding the change in the total OPEB liability is only available for the last three years.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue Funds		
	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,560,281	\$ 50,088,139	\$ 4,290,070
Investments	-	-	-
Accounts receivable	3,029,870	-	552,898
Accrued interest receivable	1,196	30,856	2,673
Due from other funds of the primary government	137,405	8,105,742	185,491
Inventories of supplies	-	-	-
Other assets	-	-	-
Total assets	<u>\$ 4,728,752</u>	<u>\$ 58,224,737</u>	<u>\$ 5,031,132</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 733,346	\$ 910,527	\$ 3,510,318
Accrued payroll	791,624	-	385,294
Due to other funds of the primary government	644,555	32,098	19,042
Due to component units	-	-	-
Commercial paper payable	-	-	-
Unearned revenue	-	-	-
Other liabilities	-	-	-
Total liabilities	<u>2,169,525</u>	<u>942,625</u>	<u>3,914,654</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>			
Nonspendable	-	-	-
Restricted for other purposes	2,559,227	-	886,562
Committed for:			
Equipment acquisitions (appropriated)	-	41,427,423	-
Equipment acquisitions (unappropriated)	-	15,854,689	-
Other purposes	-	-	229,916
Unassigned	-	-	-
Total fund balances (deficits)	<u>2,559,227</u>	<u>57,282,112</u>	<u>1,116,478</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 4,728,752</u>	<u>\$ 58,224,737</u>	<u>\$ 5,031,132</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2020

Special Revenue Funds

Flood 2010 Recovery	COVID-19 Recovery	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	CBID Events And Marketing
\$ 31,597,450	\$ 113,860,607	\$ 3,838,695	\$ 405,934	\$ 1,427,543	\$ 6,590,012
-	-	-	-	-	-
8,421,413	-	1,841,799	685,652	143,487	55,717
35,540	-	1,980	136	752	3,596
304	-	3,000	-	-	-
-	-	-	-	-	-
-	-	500,000	-	-	-
<u>\$ 40,054,707</u>	<u>\$ 113,860,607</u>	<u>\$ 6,185,474</u>	<u>\$ 1,091,722</u>	<u>\$ 1,571,782</u>	<u>\$ 6,649,325</u>
\$ 96,976	\$ 5,220,550	\$ 4,534	\$ -	\$ 9,000	\$ -
-	307,122	-	-	-	-
19,316,275	4,026,422	471,743	-	-	-
-	-	1,385,912	1,091,722	-	-
-	-	-	-	-	-
-	104,297,772	-	-	-	-
-	-	-	-	-	-
<u>19,413,251</u>	<u>113,851,866</u>	<u>1,862,189</u>	<u>1,091,722</u>	<u>9,000</u>	<u>-</u>
<u>8,421,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,421,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
12,220,042	8,741	4,323,285	-	1,562,782	6,649,325
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,220,042</u>	<u>8,741</u>	<u>4,323,285</u>	<u>-</u>	<u>1,562,782</u>	<u>6,649,325</u>
<u>\$ 40,054,707</u>	<u>\$ 113,860,607</u>	<u>\$ 6,185,474</u>	<u>\$ 1,091,722</u>	<u>\$ 1,571,782</u>	<u>\$ 6,649,325</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2020

	Special Revenue Funds	Permanent Funds		Total Nonmajor Governmental Funds
	Other Government Services	General Government	Education	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 19,547,589	\$ 173,029	\$ 195,039	\$ 233,574,388
Investments	-	-	-	-
Accounts receivable	30,483,073	95	-	45,214,004
Accrued interest receivable	20,102	-	107	96,938
Due from other funds of the primary government	4,351,611	-	-	12,783,553
Inventories of supplies	256,160	-	-	256,160
Other assets	1,027	-	-	501,027
<b>Total assets</b>	<b>\$ 54,659,562</b>	<b>\$ 173,124</b>	<b>\$ 195,146</b>	<b>\$ 292,426,070</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 14,093,361	\$ -	\$ -	\$ 24,578,612
Accrued payroll	1,701,753	-	-	3,185,793
Due to other funds of the primary government	2,653,906	-	-	27,164,041
Due to component units	-	-	-	2,477,634
Commercial paper payable	392,136	-	-	392,136
Unearned revenue	-	-	-	104,297,772
Other liabilities	1,462,265	-	-	1,462,265
<b>Total liabilities</b>	<b>20,303,421</b>	<b>-</b>	<b>-</b>	<b>163,558,253</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - grants	18,863,559	-	-	27,284,973
<b>Total deferred inflows of resources</b>	<b>18,863,559</b>	<b>-</b>	<b>-</b>	<b>27,284,973</b>
<b>FUND BALANCES (DEFICITS):</b>				
Nonspendable	256,170	105,994	79,118	441,282
Restricted for other purposes	18,022,051	67,130	116,028	46,415,173
Committed for:				
Equipment acquisitions (appropriated)	-	-	-	41,427,423
Equipment acquisitions (unappropriated)	-	-	-	15,854,689
Other purposes	20,195,678	-	-	20,425,594
Unassigned	(22,981,317)	-	-	(22,981,317)
<b>Total fund balances (deficits)</b>	<b>15,492,582</b>	<b>173,124</b>	<b>195,146</b>	<b>101,582,844</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 54,659,562</b>	<b>\$ 173,124</b>	<b>\$ 195,146</b>	<b>\$ 292,426,070</b>

The accompanying notes are an integral part of this financial statement.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	Special Revenue Funds		
	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Other taxes, licenses and permits	-	-	-
Fines, forfeits and penalties	-	-	-
Revenues from the use of money or property	26,037	795,376	52,663
Revenues from other governmental agencies	23,350,159	-	112,733
Commissions and fees	-	-	-
Charges for current services	144,138	-	6,662,521
Compensation for loss, sale or damage to property	5,153	-	-
Contributions and gifts	281,150	-	-
Miscellaneous	-	1,325	49,745
Total revenues	<u>23,806,637</u>	<u>796,701</u>	<u>6,877,662</u>
EXPENDITURES:			
Current:			
General government	-	-	-
Fiscal administration	-	-	-
Administration of justice	-	-	-
Law enforcement and care of prisoners	-	-	-
Fire prevention and control	-	-	-
Regulation and inspection	-	-	-
Public welfare	27,926,615	-	-
Public health and hospitals	-	-	-
Public library system	-	-	-
Public works, highways and streets	-	-	30,106,594
Recreational and cultural	-	-	-
Capital outlay	822,990	22,807,413	-
Total expenditures	<u>28,749,605</u>	<u>22,807,413</u>	<u>30,106,594</u>
Excess (deficiency) of revenues over expenditures	<u>(4,942,968)</u>	<u>(22,010,712)</u>	<u>(23,228,932)</u>
OTHER FINANCING SOURCES (USES):			
Insurance recovery	-	-	-
Transfers in	5,580,971	32,408,498	21,474,700
Transfers out	<u>(20,005)</u>	<u>(1,668,480)</u>	<u>(636,800)</u>
Total other financing sources (uses)	<u>5,560,966</u>	<u>30,740,018</u>	<u>20,837,900</u>
Net change in fund balances (deficits)	617,998	8,729,306	(2,391,032)
FUND BALANCES (DEFICITS), beginning of year	<u>1,941,229</u>	<u>48,552,806</u>	<u>3,507,510</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 2,559,227</u>	<u>\$ 57,282,112</u>	<u>\$ 1,116,478</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2020

Special Revenue Funds

Flood 2010 Recovery	COVID-19 Recovery	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	CBID Events And Marketing
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	64,521,947	16,987,485	3,228,538	-
-	-	-	-	-	-
1,007,237	9,101	198,282	19,169	21,463	95,651
532,914	16,825,003	-	-	-	1,921,916
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
304	-	-	-	-	-
<u>1,540,455</u>	<u>16,834,104</u>	<u>64,720,229</u>	<u>17,006,654</u>	<u>3,250,001</u>	<u>2,017,567</u>
559,391	-	51,425,079	17,006,654	2,344,000	1,165,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	16,748,323	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>559,391</u>	<u>16,748,323</u>	<u>51,425,079</u>	<u>17,006,654</u>	<u>2,344,000</u>	<u>1,165,000</u>
<u>981,064</u>	<u>85,781</u>	<u>13,295,150</u>	<u>-</u>	<u>906,001</u>	<u>852,567</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	(77,040)	(18,140,935)	-	-	-
-	(77,040)	(18,140,935)	-	-	-
981,064	8,741	(4,845,785)	-	906,001	852,567
11,238,978	-	9,169,070	-	656,781	5,796,758
<u>\$ 12,220,042</u>	<u>\$ 8,741</u>	<u>\$ 4,323,285</u>	<u>\$ -</u>	<u>\$ 1,562,782</u>	<u>\$ 6,649,325</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Special Revenue Funds	Permanent Funds		Total Nonmajor Governmental Funds
	Other Government Services	General Government	Education	
REVENUES:				
Property taxes	\$ 3,552,729	\$ -	\$ -	\$ 3,552,729
Other taxes, licenses and permits	438,553	-	-	85,176,523
Fines, forfeits and penalties	1,857,519	-	-	1,857,519
Revenues from the use of money or property	589,888	2,706	3,051	2,820,624
Revenues from other governmental agencies	49,380,576	-	-	92,123,301
Commissions and fees	12,080,393	-	-	12,080,393
Charges for current services	9,227,309	-	-	16,033,968
Compensation for loss, sale or damage to property	52,250	-	-	57,403
Contributions and gifts	4,725,709	-	-	5,006,859
Miscellaneous	15,049	-	5	66,428
Total revenues	81,919,975	2,706	3,056	218,775,747
EXPENDITURES:				
Current:				
General government	30,782,628	-	-	103,282,752
Fiscal administration	343,633	-	-	343,633
Administration of justice	13,458,767	-	-	13,458,767
Law enforcement and care of prisoners	25,071,303	-	-	25,071,303
Fire prevention and control	23,954	-	-	23,954
Regulation and inspection	48,049	-	-	48,049
Public welfare	13,735,746	-	-	58,410,684
Public health and hospitals	23,969,614	-	-	23,969,614
Public library system	781,938	-	-	781,938
Public works, highways and streets	7,817,610	-	-	37,924,204
Recreational and cultural	1,694,001	-	-	1,694,001
Capital outlay	914,024	-	-	24,544,427
Total expenditures	118,641,267	-	-	289,553,326
Excess (deficiency) of revenues over expenditures	(36,721,292)	2,706	3,056	(70,777,579)
OTHER FINANCING SOURCES (USES):				
Insurance recovery	4,000,000	-	-	4,000,000
Transfers in	16,337,031	-	-	75,801,200
Transfers out	(5,874,402)	-	-	(26,417,662)
Total other financing sources (uses)	14,462,629	-	-	53,383,538
Net change in fund balances (deficits)	(22,258,663)	2,706	3,056	(17,394,041)
FUND BALANCES (DEFICITS), beginning of year	37,751,245	170,418	192,090	118,976,885
FUND BALANCES (DEFICITS), end of year	\$ 15,492,582	\$ 173,124	195,146	\$ 101,582,844

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GSD GENERAL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 97,941,700	\$ 97,941,700	\$ 97,033,163	\$ (908,537)
Local option sales tax	3,400,000	3,400,000	15,151,591	11,751,591
Fines, forfeits and penalties	247,500	247,500	316,378	68,878
Revenues from other governmental agencies	12,818,200	12,818,200	9,733,881	(3,084,319)
Compensation for loss, sale or damage to property	41,500,000	41,500,000	-	(41,500,000)
Bond interest tax credit	4,843,400	4,843,400	4,911,180	67,780
<b>Total revenues</b>	<b>160,750,800</b>	<b>160,750,800</b>	<b>127,146,193</b>	<b>(33,604,607)</b>
<b>EXPENDITURES:</b>				
Principal retirement	110,709,700	110,709,700	89,479,616	21,230,084
Interest	95,539,700	95,539,700	75,086,059	20,453,641
Fiscal charges	1,401,000	1,401,000	2,125,909	(724,909)
<b>Total expenditures</b>	<b>207,650,400</b>	<b>207,650,400</b>	<b>166,691,584</b>	<b>40,958,816</b>
Excess (deficiency) of revenues over expenditures	(46,899,600)	(46,899,600)	(39,545,391)	7,354,209
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	46,899,600	46,899,600	50,317,401	3,417,801
<b>Total other financing sources (uses)</b>	<b>46,899,600</b>	<b>46,899,600</b>	<b>50,317,401</b>	<b>3,417,801</b>
Net change in fund balances	-	-	10,772,010	10,772,010
FUND BALANCES, beginning of year	6,276,864	6,276,864	6,276,864	-
FUND BALANCES, end of year	\$ 6,276,864	\$ 6,276,864	\$ 17,048,874	\$ 10,772,010

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GSD SCHOOL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 41,550,500	\$ 41,550,500	\$ 41,162,853	\$ (387,647)
Local option sales taxes	67,404,600	67,404,600	71,258,341	3,853,741
Revenues from the use of money or property	-	-	651,221	651,221
<b>Total revenues</b>	<b>108,955,100</b>	<b>108,955,100</b>	<b>113,072,415</b>	<b>4,117,315</b>
<b>EXPENDITURES:</b>				
Principal retirement	58,973,700	58,973,700	62,510,141	(3,536,441)
Interest	50,935,700	50,935,700	45,834,988	5,100,712
Fiscal charges	645,300	645,300	1,381,787	(736,487)
<b>Total expenditures</b>	<b>110,554,700</b>	<b>110,554,700</b>	<b>109,726,916</b>	<b>827,784</b>
Excess (deficiency) of revenues over expenditures	(1,599,600)	(1,599,600)	3,345,499	4,945,099
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,599,600	1,599,600	1,619,422	19,822
<b>Total other financing sources (uses)</b>	<b>1,599,600</b>	<b>1,599,600</b>	<b>1,619,422</b>	<b>19,822</b>
Net change in fund balances	-	-	4,964,921	4,964,921
FUND BALANCE, beginning of year	11,390,257	11,390,257	11,390,257	-
FUND BALANCE, end of year	\$ 11,390,257	\$ 11,390,257	\$ 16,355,178	\$ 4,964,921

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
USD GENERAL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 16,525,000	\$ 16,525,000	\$ 16,452,400	\$ (72,600)
Local option sales taxes	-	-	1,250,000	1,250,000
Other taxes, licenses and permits	366,900	366,900	239,243	(127,657)
<b>Total revenues</b>	<b>16,891,900</b>	<b>16,891,900</b>	<b>17,941,643</b>	<b>(127,657)</b>
<b>EXPENDITURES:</b>				
Principal retirement	12,641,100	12,641,100	10,292,627	2,348,473
Interest	5,959,400	5,959,400	8,618,588	(2,659,188)
Fiscal charges	67,100	67,100	179,808	(112,708)
<b>Total expenditures</b>	<b>18,667,600</b>	<b>18,667,600</b>	<b>19,091,023</b>	<b>(423,423)</b>
Excess (deficiency) of revenues over expenditures	(1,775,700)	(1,775,700)	(1,149,380)	626,320
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,775,700	1,775,700	1,775,700	-
<b>Total other financing sources (uses)</b>	<b>1,775,700</b>	<b>1,775,700</b>	<b>1,775,700</b>	<b>-</b>
Net change in fund balances	-	-	626,320	626,320
FUND BALANCES, beginning of year	285,379	285,379	285,379	-
FUND BALANCES, end of year	\$ 285,379	\$ 285,379	\$ 911,699	\$ 626,320

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

**SPECIAL REVENUE FUNDS**

METROPOLITAN ACTION COMMISSION FUND

The Metropolitan Action Commission Fund accounts for the various programs of the Commission which provide education, social skills, meals and before and after care assistance to low-income and disadvantaged children, and energy assistance to low-income individuals.

GENERAL FUND 4% RESERVE FUND

The General Fund 4% Reserve Fund accounts for 4% of locally generated revenues deposited in the GSD General Fund. Expenditures from this fund are for capital items and are authorized by resolutions of the Metropolitan Council.

SOLID WASTE OPERATIONS FUND

The Solid Waste Operations Fund accounts for activities of the Department of Public Works involving refuse collection, recycling, chipper service and other miscellaneous activities as well as federal and state funds for enhancing solid waste management in local communities and solid waste special projects approved by the Metropolitan Council.

FLOOD 2010 RECOVERY FUND

The Flood 2010 Recovery Fund accounts for expenditures and revenues from insurance, federal, and state reimbursements, and other sources, related to May 2010 flooding.

COVID-19 RECOVERY FUND

The COVID-19 Recovery Fund accounts for revenues received through the Federal CARES Act and allowable expenditures.

HOTEL OCCUPANCY TAX FUND

The Hotel Occupancy Tax Fund is under the administrative responsibility of the Finance Department and was established to account for hotel occupancy tax receipts first levied in 1976. Currently these tax receipts are utilized two-sixths for direct promotion of tourism, three-sixths for the construction, financing and operation of the new Music City Center, and one-sixth for distribution to the General Fund.

CONVENTION CENTER TAX FUND

The Convention Center Tax Fund is under the administrative responsibility of the Finance Department and was established to account for additional hotel occupancy and other tourist-related tax receipts levied beginning in 2007 to be utilized for the construction, financing and operation of the new Music City Center.

EVENTS AND MARKETING FUND

The Events and Marketing Fund is under the administrative responsibility of the Finance Department and was established to account for additional hotel occupancy and other tourist-related tax receipts levied beginning in 2008 to be utilized to support events or projects which have a positive economic impact on the Government.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CBID EVENTS AND MARKETING FUND

The CBID Events and Marketing Fund is under the administrative responsibility of the Finance Department and was established to account for fees beginning in 2014 on retail sales with the Central Business Improvement District to be utilized to support events or projects which have a positive economic impact on the Government.

OTHER GOVERNMENT SERVICES FUND

The Other Government Services Fund accounts for funds which support various government activities through federal, state and private grants and contributions, proceeds from the sale of seized property used to support various law enforcement programs, and special revenues supporting other governmental operations.

**PERMANENT FUNDS**

GENERAL GOVERNMENT FUND

The General Government Fund is used to account for restricted trusts under the administrative responsibility of various departments of the general government.

EDUCATION FUND

The Education Fund is used to account for restricted trusts under the administrative responsibility of the Metropolitan Board of Education.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS

June 30, 2020

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 515,632	\$ 307,213	\$ 1,712,656
Accounts receivable	76,681	39,360	494
Allowance for doubtful accounts	-	-	-
Accrued interest receivable	-	-	951
Due from other funds of the primary government	370,657	24,258	-
Due from component units	-	-	-
Other current assets	-	-	-
<b>Total current assets</b>	<b>962,970</b>	<b>370,831</b>	<b>1,714,101</b>
Noncurrent assets:			
Capital assets:			
Land	175,293	-	-
Buildings and improvements	29,867,476	3,487,944	-
Improvements other than buildings	14,135,943	127,108	-
Furniture, machinery and equipment	1,126,894	506,652	-
Property under capital lease	-	3,645,000	-
Construction in progress	6,793,883	1,540,200	-
Less accumulated depreciation	(12,470,825)	(4,589,712)	-
<b>Capital assets - net</b>	<b>39,628,664</b>	<b>4,717,192</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>39,628,664</b>	<b>4,717,192</b>	<b>-</b>
<b>Total assets</b>	<b>40,591,634</b>	<b>5,088,023</b>	<b>1,714,101</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	143,054	45,507	63,608
<b>Total deferred outflows of resources</b>	<b>143,054</b>	<b>45,507</b>	<b>63,608</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2020

Municipal Auditorium	Police Impound	Total Nonmajor Enterprise Funds
\$ 2,263,090	\$ 261,811	\$ 5,060,402
37,047	-	153,582
-	-	-
1,222	143	2,316
12,305	-	407,220
-	-	-
-	-	-
<u>2,313,664</u>	<u>261,954</u>	<u>5,623,520</u>
587,400	-	762,693
12,959,857	-	46,315,277
84,651	-	14,347,702
821,356	-	2,454,902
-	-	3,645,000
72,144	-	8,406,227
<u>(10,484,762)</u>	<u>-</u>	<u>(27,545,299)</u>
<u>4,040,646</u>	<u>-</u>	<u>48,386,502</u>
<u>4,040,646</u>	<u>-</u>	<u>48,386,502</u>
<u>6,354,310</u>	<u>261,954</u>	<u>54,010,022</u>
<u>48,522</u>	<u>-</u>	<u>300,691</u>
<u>48,522</u>	<u>-</u>	<u>300,691</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2020

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
	<u>                    </u>	<u>                    </u>	<u>                    </u>
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 85,661	\$ 135,472	\$ 2,279
Accrued payroll	231,424	32,451	72,485
Due to other funds of the primary government	28,615	3,045	745
Due to component units	-	-	204
Customer deposits	38,877	10,206	-
Unearned revenue	59,455	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total current liabilities	444,032	181,174	75,713
Noncurrent liabilities:			
Net pension liability	307,796	97,913	136,860
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total noncurrent liabilities	307,796	97,913	136,860
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	751,828	279,087	212,573
DEFERRED INFLOWS OF RESOURCES:			
Pensions	131,462	41,820	58,454
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	131,462	41,820	58,454
NET POSITION:			
Net investment in capital assets	39,628,664	4,717,192	-
Unrestricted	222,734	95,431	1,506,682
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net position	<u>\$ 39,851,398</u>	<u>\$ 4,812,623</u>	<u>\$ 1,506,682</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2020

<u>Municipal Auditorium</u>	<u>Police Impound</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 272,406	\$ -	\$ 495,818
45,398	-	381,758
879	-	33,284
-	-	204
-	-	49,083
<u>679,082</u>	<u>-</u>	<u>738,537</u>
<u>997,765</u>	<u>-</u>	<u>1,698,684</u>
<u>104,400</u>	<u>-</u>	<u>646,969</u>
<u>104,400</u>	<u>-</u>	<u>646,969</u>
<u>1,102,165</u>	<u>-</u>	<u>2,345,653</u>
<u>44,590</u>	<u>-</u>	<u>276,326</u>
<u>44,590</u>	<u>-</u>	<u>276,326</u>
4,040,646	-	48,386,502
<u>1,215,431</u>	<u>261,954</u>	<u>3,302,232</u>
<u>\$ 5,256,077</u>	<u>\$ 261,954</u>	<u>\$ 51,688,734</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2020

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
	<u>                    </u>	<u>                    </u>	<u>                    </u>
OPERATING REVENUES:			
Charges for services	\$ 1,814,135	\$ 1,062,266	\$ 1,247,124
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total operating revenues	1,814,135	1,062,266	1,247,124
	<u>                    </u>	<u>                    </u>	<u>                    </u>
OPERATING EXPENSES:			
Personal services	1,443,788	390,631	561,942
Contractual services	1,017,883	1,505,146	133,015
Supplies and materials	87,034	16,744	3,133
Depreciation	1,176,675	293,464	-
Other	151,121	12,267	3,520
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total operating expenses	3,876,501	2,218,252	701,610
	<u>                    </u>	<u>                    </u>	<u>                    </u>
OPERATING INCOME (LOSS)	(2,062,366)	(1,155,986)	545,514
	<u>                    </u>	<u>                    </u>	<u>                    </u>
NONOPERATING REVENUE (EXPENSE):			
Investment income (expense)	(15,740)	(2,083)	30,326
Gain (loss) on sale of property	(3,990)	663	-
Other	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total nonoperating revenue (expense)	(19,730)	(1,420)	30,326
	<u>                    </u>	<u>                    </u>	<u>                    </u>
INCOME (LOSS) BEFORE TRANSFERS	(2,082,096)	(1,157,406)	575,840
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TRANSFERS IN	12,429,742	2,492,223	-
TRANSFERS OUT	(229,100)	(112,500)	(1,352,200)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
CHANGE IN NET POSITION	10,118,546	1,222,317	(776,360)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
NET POSITION, beginning of year	29,732,852	3,590,306	2,283,042
	<u>                    </u>	<u>                    </u>	<u>                    </u>
NET POSITION, end of year	\$ 39,851,398	\$ 4,812,623	\$ 1,506,682
	<u>                    </u>	<u>                    </u>	<u>                    </u>

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

Municipal Auditorium	Police Impound	Total Nonmajor Enterprise Funds
\$ 1,642,558	\$ 500,000	\$ 6,266,083
<u>1,642,558</u>	<u>500,000</u>	<u>6,266,083</u>
429,892	-	2,826,253
883,803	375,000	3,914,847
17,260	-	124,171
379,850	-	1,849,989
58,940	-	225,848
<u>1,769,745</u>	<u>375,000</u>	<u>8,941,108</u>
<u>(127,187)</u>	<u>125,000</u>	<u>(2,675,025)</u>
44,326	9,082	65,911
-	-	(3,327)
-	-	-
<u>44,326</u>	<u>9,082</u>	<u>62,584</u>
<u>(82,861)</u>	<u>134,082</u>	<u>(2,612,441)</u>
88,437	-	15,010,402
<u>(96,900)</u>	<u>(600,000)</u>	<u>(2,390,700)</u>
(91,324)	(465,918)	10,007,261
<u>5,347,401</u>	<u>727,872</u>	<u>41,681,473</u>
<u>\$ 5,256,077</u>	<u>\$ 261,954</u>	<u>\$ 51,688,734</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2020

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
Cash flows from operating activities:			
Receipts from customers and users	\$ 1,526,094	\$ 998,664	\$ 651,021
Payments to suppliers	(1,296,538)	(1,544,723)	(152,138)
Payments to employees	(1,363,506)	(371,079)	(546,109)
Net cash provided by (used in) operating activities	<u>(1,133,950)</u>	<u>(917,138)</u>	<u>(47,226)</u>
Cash flows from noncapital financing activities:			
Transfers in	12,429,742	2,492,223	-
Transfers out	(229,100)	(112,500)	(1,352,200)
Net cash provided by (used in) noncapital financing activities	<u>12,200,642</u>	<u>2,379,723</u>	<u>(1,352,200)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(11,079,111)	(1,492,224)	-
Proceeds from the sale of property	-	663	-
Net cash provided by (used in) capital and related financing activities	<u>(11,079,111)</u>	<u>(1,491,561)</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	(15,413)	(1,730)	35,831
Net cash provided by (used in) investing activities	<u>(15,413)</u>	<u>(1,730)</u>	<u>35,831</u>
Net changes in cash and cash equivalents	(27,832)	(30,706)	(1,363,595)
Cash and cash equivalents at beginning of year	<u>543,464</u>	<u>337,919</u>	<u>3,076,251</u>
Cash and cash equivalents at end of year	<u>\$ 515,632</u>	<u>\$ 307,213</u>	<u>\$ 1,712,656</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

Municipal Auditorium	Police Impound	Total Nonmajor Enterprise Funds
\$ 542,733	\$ 500,000	\$ 4,218,512
(774,685)	(375,000)	(4,143,084)
(548,332)	-	(2,829,026)
- (780,284)	125,000	(2,753,598)
88,437	-	15,010,402
(96,900)	(600,000)	(2,390,700)
(8,463)	(600,000)	12,619,702
(116,124)	-	(12,687,459)
-	-	663
(116,124)	-	(12,686,796)
49,631	10,517	78,836
49,631	10,517	78,836
(855,240)	(464,483)	(2,741,856)
3,118,330	726,294	7,802,258
<u>\$ 2,263,090</u>	<u>\$ 261,811</u>	<u>\$ 5,060,402</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (2,062,366)	\$ (1,155,986)	\$ 545,514
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,176,675	293,464	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	24,234	(39,360)	7,322
Due from other funds of the primary government	(370,657)	(24,258)	59,896
Other current assets	2,220	-	-
Deferred outflows pensions	18,892	2,830	6,177
Accounts payable	(52,643)	(6,852)	(12,470)
Accrued payroll	52,095	5,324	(381)
Due to other funds of the primary government	9,923	(3,714)	(662,813)
Due to component units	-	-	(508)
Customer deposits	38,877	16	-
Unearned revenue	19,505	-	-
Net pension liability	123,344	42,858	57,377
Deferred inflows pensions	(114,049)	(31,460)	(47,340)
Total adjustments	928,416	238,848	(592,740)
Net cash provided by (used in) operating activities	\$ (1,133,950)	\$ (917,138)	\$ (47,226)

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

Municipal Auditorium	Police Impound	Total Nonmajor Enterprise Funds
<u>\$ (127,187)</u>	<u>\$ 125,000</u>	<u>\$ (2,675,025)</u>
379,850	-	1,849,989
(17,816)	-	(25,620)
(12,305)	-	(347,324)
-	-	2,220
59,869	-	87,768
189,433	-	117,468
(39,522)	-	17,516
(4,115)	-	(660,719)
-	-	(508)
-	-	38,893
(1,069,704)	-	(1,050,199)
(19,055)	-	204,524
<u>(119,732)</u>	<u>-</u>	<u>(312,581)</u>
<u>(653,097)</u>	<u>-</u>	<u>(78,573)</u>
<u><u>\$ (780,284)</u></u>	<u><u>\$ 125,000</u></u>	<u><u>\$ (2,753,598)</u></u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

June 30, 2020

	Office of Fleet Management	Information Systems	School Self Insurance
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 7,047,028	\$ 3,987,701	\$ 3,333,329
Accounts receivable	9,882	279,942	-
Accrued interest receivable	4,025	2,685	1,828
Due from other funds of the primary government	79,534	332,371	-
Due from component units	-	-	-
Inventories of supplies	1,024,494	-	-
Other current assets	-	-	-
	<u>8,164,963</u>	<u>4,602,699</u>	<u>3,335,157</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Furniture, machinery and equipment	194,744,192	21,909,709	-
Less accumulated depreciation	(141,526,019)	(14,785,761)	-
Capital assets - net	<u>53,218,173</u>	<u>7,123,948</u>	<u>-</u>
	<u>61,383,136</u>	<u>11,726,647</u>	<u>3,335,157</u>
Total assets			
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	1,769,489	1,321,000	3,054
Accrued payroll	713,168	2,374,818	-
Claims payable	-	-	1,238,950
Due to other funds of the primary government	<u>265,495</u>	<u>180,449</u>	<u>-</u>
	<u>2,748,152</u>	<u>3,876,267</u>	<u>1,242,004</u>
Total current liabilities			
Noncurrent liabilities:			
Claims payable	-	-	1,440,034
	<u>-</u>	<u>-</u>	<u>1,440,034</u>
Total noncurrent liabilities			
	<u>2,748,152</u>	<u>3,876,267</u>	<u>2,682,038</u>
Total liabilities			
<b>NET POSITION:</b>			
Net investment in capital assets	53,218,173	7,123,948	-
Unrestricted	<u>5,416,811</u>	<u>726,432</u>	<u>653,119</u>
	<u>\$ 58,634,984</u>	<u>\$ 7,850,380</u>	<u>\$ 653,119</u>
Total net position			

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2020

General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured on Duty	Treasury Management
\$ 17,062,638	\$ 20,027,924	\$ 89,872,773	\$ 11,968,593	\$ 87,893
-	367	4,751,043	26,605	-
9,427	-	37,908	12,195	51
-	2,389,469	5,438,125	-	103,805
-	-	-	-	-
-	-	-	-	-
-	512,873	-	-	-
<u>17,072,065</u>	<u>22,930,633</u>	<u>100,099,849</u>	<u>12,007,393</u>	<u>191,749</u>
-	-	-	-	10,626
-	-	-	-	(10,626)
-	-	-	-	-
<u>17,072,065</u>	<u>22,930,633</u>	<u>100,099,849</u>	<u>12,007,393</u>	<u>191,749</u>
112,726	3,149,123	5,928,310	241,977	238
1,691	22,128	20,515	-	100,024
3,054,022	7,501,917	15,353,000	4,293,000	-
208	178	-	369	382
<u>3,168,647</u>	<u>10,673,346</u>	<u>21,301,825</u>	<u>4,535,346</u>	<u>100,644</u>
<u>3,822,450</u>	-	-	-	-
<u>3,822,450</u>	-	-	-	-
<u>6,991,097</u>	<u>10,673,346</u>	<u>21,301,825</u>	<u>4,535,346</u>	<u>100,644</u>
-	-	-	-	-
<u>10,080,968</u>	<u>12,257,287</u>	<u>78,798,024</u>	<u>7,472,047</u>	<u>91,105</u>
<u>\$ 10,080,968</u>	<u>\$ 12,257,287</u>	<u>\$ 78,798,024</u>	<u>\$ 7,472,047</u>	<u>\$ 91,105</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2020

	Technology Revolving	School Print Shop	Total Internal Service Funds
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 615,775	\$ 723,073	\$ 154,726,727
Accounts receivable	-	593	5,068,432
Accrued interest receivable	369	405	68,893
Due from other funds of the primary government	102,875	25,382	8,471,561
Due from component units	2,024	-	2,024
Inventories of supplies	-	-	1,024,494
Other current assets	-	-	512,873
<b>Total current assets</b>	<b>721,043</b>	<b>749,453</b>	<b>169,875,004</b>
Noncurrent assets:			
Capital assets:			
Furniture, machinery and equipment	-	276,896	216,941,423
Less accumulated depreciation	-	(276,896)	(156,599,302)
<b>Capital assets - net</b>	<b>-</b>	<b>-</b>	<b>60,342,121</b>
<b>Total assets</b>	<b>721,043</b>	<b>749,453</b>	<b>230,217,125</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	38,288	3,055	12,567,260
Accrued payroll	-	22,895	3,255,239
Claims payable	-	-	31,440,889
Due to other funds of the primary government	-	-	447,081
<b>Total current liabilities</b>	<b>38,288</b>	<b>25,950</b>	<b>47,710,469</b>
Noncurrent liabilities:			
Claims payable	-	-	5,262,484
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>5,262,484</b>
<b>Total liabilities</b>	<b>38,288</b>	<b>25,950</b>	<b>52,972,953</b>
<b>NET POSITION:</b>			
Net investment in capital assets	-	-	60,342,121
Unrestricted	682,755	723,503	116,902,051
<b>Total net position</b>	<b>\$ 682,755</b>	<b>\$ 723,503</b>	<b>\$ 177,244,172</b>

The accompanying notes are an integral part of this financial statement.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2020

	Office of Fleet Management	Information Systems	School Self Insurance
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 21,640,524	\$ 27,648,859	\$ -
Other	-	-	-
Total operating revenues	<u>21,640,524</u>	<u>27,648,859</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>			
Personal services	4,621,952	14,796,421	24,238
Contractual services	6,827,819	7,820,271	639,100
Supplies and materials	9,481,987	383,368	-
Depreciation	18,288,057	1,614,351	-
Compensation for damages	-	-	675,997
Medical and insurance benefits	-	-	-
Other	65,239	6,414,464	3,454
Total operating expenses	<u>39,285,054</u>	<u>31,028,875</u>	<u>1,342,789</u>
OPERATING INCOME (LOSS)	<u>(17,644,530)</u>	<u>(3,380,016)</u>	<u>(1,342,789)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>			
Investment income	89,540	76,314	55,960
Gain (loss) on sale of property	(314,434)	-	-
Other	372,650	-	103,434
Total nonoperating revenue (expense)	<u>147,756</u>	<u>76,314</u>	<u>159,394</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(17,496,774)</u>	<u>(3,303,702)</u>	<u>(1,183,395)</u>
TRANSFERS IN	19,072,854	-	1,250,000
TRANSFERS OUT	-	-	-
CHANGE IN NET POSITION	1,576,080	(3,303,702)	66,605
NET POSITION, beginning of year	<u>57,058,904</u>	<u>11,154,082</u>	<u>586,514</u>
NET POSITION, end of year	<u>\$ 58,634,984</u>	<u>\$ 7,850,380</u>	<u>\$ 653,119</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	Treasury Management
\$ 6,889,483	\$ 131,141,751	\$ 240,004,587	\$ -	\$ 885,043
-	-	20,074,546	-	-
<u>6,889,483</u>	<u>131,141,751</u>	<u>260,079,133</u>	<u>-</u>	<u>885,043</u>
420,630	447,324	460,853	-	813,006
3,508,172	9,076,888	6,719,004	2,089,902	38,118
33	44,253	-	-	4,826
-	-	-	-	-
2,435,872	-	-	-	-
-	125,629,015	256,629,707	14,275,358	-
-	696	22,545	129,273	4,549
<u>6,364,707</u>	<u>135,198,176</u>	<u>263,832,109</u>	<u>16,494,533</u>	<u>860,499</u>
<u>524,776</u>	<u>(4,056,425)</u>	<u>(3,752,976)</u>	<u>(16,494,533)</u>	<u>24,544</u>
266,381	163,107	1,124,555	389,973	1,108
-	-	-	-	-
153	-	-	-	-
<u>266,534</u>	<u>163,107</u>	<u>1,124,555</u>	<u>389,973</u>	<u>1,108</u>
<u>791,310</u>	<u>(3,893,318)</u>	<u>(2,628,421)</u>	<u>(16,104,560)</u>	<u>25,652</u>
202,105	-	2,725,680	-	-
(1,933,000)	-	-	-	-
(939,585)	(3,893,318)	97,259	(16,104,560)	25,652
<u>11,020,553</u>	<u>16,150,605</u>	<u>78,700,765</u>	<u>23,576,607</u>	<u>65,453</u>
<u>\$ 10,080,968</u>	<u>\$ 12,257,287</u>	<u>\$ 78,798,024</u>	<u>\$ 7,472,047</u>	<u>\$ 91,105</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Technology Revolving	School Print Shop	Total Internal Service Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 85,573	\$ 307,714	\$ 428,603,534
Other	-	-	20,074,546
<b>Total operating revenues</b>	<b>85,573</b>	<b>307,714</b>	<b>448,678,080</b>
<b>OPERATING EXPENSES:</b>			
Personal services	-	122,901	21,707,325
Contractual services	8,890	133,341	36,861,505
Supplies and materials	991,222	7,897	10,913,586
Depreciation	-	-	19,902,408
Compensation for damages	-	-	3,111,869
Medical and insurance benefits	-	-	396,534,080
Other	3,534	51,900	6,695,654
<b>Total operating expenses</b>	<b>1,003,646</b>	<b>316,039</b>	<b>495,726,427</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(918,073)</b>	<b>(8,325)</b>	<b>(47,048,347)</b>
<b>NONOPERATING REVENUE (EXPENSE):</b>			
Investment income	10,717	18,847	2,196,502
Gain (loss) on sale of property	-	-	(314,434)
Other	-	-	476,237
<b>Total nonoperating revenue (expense)</b>	<b>10,717</b>	<b>18,847</b>	<b>2,358,305</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(907,356)</b>	<b>10,522</b>	<b>(44,690,042)</b>
TRANSFERS IN	600,000	-	23,850,639
TRANSFERS OUT	-	-	(1,933,000)
<b>CHANGE IN NET POSITION</b>	<b>(307,356)</b>	<b>10,522</b>	<b>(22,772,403)</b>
NET POSITION, beginning of year	990,111	712,981	200,016,575
NET POSITION, end of year	<u>\$ 682,755</u>	<u>\$ 723,503</u>	<u>\$ 177,244,172</u>

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2020

	Office of Fleet Management	Information Systems	School Self Insurance
Cash flows from operating activities:			
Receipts from customers and users	\$ 21,612,379	\$ 27,661,599	\$ -
Payments to suppliers	(16,932,344)	(13,918,550)	(2,333,982)
Payments to employees	(4,643,231)	(14,538,203)	-
Other receipts	372,650	-	103,434
Net cash provided by (used in) operating activities	<u>409,454</u>	<u>(795,154)</u>	<u>(2,230,548)</u>
Cash flows from noncapital financing activities:			
Transfers in	19,072,854	-	1,250,000
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>19,072,854</u>	<u>-</u>	<u>1,250,000</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(19,069,390)</u>	<u>(174,791)</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>(19,069,390)</u>	<u>(174,791)</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	<u>99,316</u>	<u>86,422</u>	<u>63,526</u>
Net cash provided by (used in) investing activities	<u>99,316</u>	<u>86,422</u>	<u>63,526</u>
Net changes in cash and cash equivalents	512,234	(883,523)	(917,022)
Cash and cash equivalents at beginning of year	<u>6,534,794</u>	<u>4,871,224</u>	<u>4,250,351</u>
Cash and cash equivalents at end of year	<u>\$ 7,047,028</u>	<u>\$ 3,987,701</u>	<u>\$ 3,333,329</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	Treasury Management
\$ 6,818,768	\$ 130,280,188	\$ 250,443,733	\$ -	\$ 931,120
(6,676,363)	(133,937,268)	(260,868,208)	(17,286,265)	(47,279)
-	(442,788)	(440,338)	-	(830,912)
<u>153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>142,558</u>	<u>(4,099,868)</u>	<u>(10,864,813)</u>	<u>(17,286,265)</u>	<u>52,929</u>
202,105	-	2,725,680	-	-
<u>(1,933,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,730,895)</u>	<u>-</u>	<u>2,725,680</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>297,729</u>	<u>221,446</u>	<u>1,294,469</u>	<u>442,698</u>	<u>1,118</u>
<u>297,729</u>	<u>221,446</u>	<u>1,294,469</u>	<u>442,698</u>	<u>1,118</u>
(1,290,608)	(3,878,422)	(6,844,664)	(16,843,567)	54,047
<u>18,353,246</u>	<u>23,906,346</u>	<u>96,717,437</u>	<u>28,812,160</u>	<u>33,846</u>
<u>\$ 17,062,638</u>	<u>\$ 20,027,924</u>	<u>\$ 89,872,773</u>	<u>\$ 11,968,593</u>	<u>\$ 87,893</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Technology Revolving	School Print Shop	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 27,940	\$ 378,986	\$ 438,154,713
Payments to suppliers	(995,424)	(192,731)	(453,188,414)
Payments to employees	-	(122,042)	(21,017,514)
Other receipts	-	-	476,237
Net cash provided by (used in) operating activities	<u>(967,484)</u>	<u>64,213</u>	<u>(35,574,978)</u>
Cash flows from noncapital financing activities:			
Transfers in	600,000	-	23,850,639
Transfers out	-	-	(1,933,000)
Net cash provided by (used in) noncapital financing activities	<u>600,000</u>	<u>-</u>	<u>21,917,639</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	(19,244,181)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(19,244,181)</u>
Cash flows from investing activities:			
Interest on investments	<u>11,539</u>	<u>19,875</u>	<u>2,538,138</u>
Net cash provided by (used in) investing activities	<u>11,539</u>	<u>19,875</u>	<u>2,538,138</u>
Net changes in cash and cash equivalents	(355,945)	84,088	(30,363,382)
Cash and cash equivalents at beginning of year	<u>971,720</u>	<u>638,985</u>	<u>185,090,109</u>
Cash and cash equivalents at end of year	<u>\$ 615,775</u>	<u>\$ 723,073</u>	<u>\$ 154,726,727</u>

The accompanying notes are an integral part of this financial statement.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	<u>Office of Fleet Management</u>	<u>Information Systems</u>	<u>School Self Insurance</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ (17,644,530)</u>	<u>\$ (3,380,016)</u>	<u>\$ (1,342,789)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	18,288,057	1,614,351	-
Other receipts	372,650	-	103,434
Changes in assets and liabilities:			
Accounts receivable	2,578	(53,748)	-
Due from other funds of the primary government	(30,723)	66,392	-
Due from component units	-	96	-
Inventories of supplies	88,600	-	-
Accounts payable	(852,911)	522,023	(28,834)
Accrued payroll	(21,279)	258,218	-
Claims payable	-	-	(962,273)
Due to other funds of the primary government	<u>207,012</u>	<u>177,530</u>	<u>(86)</u>
Total adjustments	<u>18,053,984</u>	<u>2,584,862</u>	<u>(887,759)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 409,454</u></u>	<u><u>\$ (795,154)</u></u>	<u><u>\$ (2,230,548)</u></u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

<u>General Government Self Insurance</u>	<u>School Professional Employees' Insurance</u>	<u>Employees' Medical Benefit</u>	<u>Injured On Duty</u>	<u>Treasury Management</u>
\$ 524,776	\$ (4,056,425)	\$ (3,752,976)	\$ (16,494,533)	\$ 24,544
-	-	-	-	-
153	-	-	-	-
-	1,527,906	(4,276,771)	(26,605)	-
2,771	(2,389,469)	(5,358,629)	369	46,077
-	-	-	-	-
-	-	-	-	-
26,816	542,641	2,980,704	(5,245)	238
1,691	4,536	20,515	-	(17,906)
(413,857)	412,075	(371,000)	(760,000)	-
<u>208</u>	<u>(141,132)</u>	<u>(106,656)</u>	<u>(251)</u>	<u>(24)</u>
<u>(382,218)</u>	<u>(43,443)</u>	<u>(7,111,837)</u>	<u>(791,732)</u>	<u>28,385</u>
<u>\$ 142,558</u>	<u>\$ (4,099,868)</u>	<u>\$ (10,864,813)</u>	<u>\$ (17,286,265)</u>	<u>\$ 52,929</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	<u>Technology Revolving</u>	<u>School Print Shop</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (918,073)	\$ (8,325)	\$ (47,048,347)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	19,902,408
Other receipts	-	-	476,237
Changes in assets and liabilities:			
Accounts receivable	-	(67)	(2,826,707)
Due from other funds of the primary government	(59,443)	71,339	(7,651,316)
Due from component units	1,810	-	1,906
Inventories of supplies	-	-	88,600
Accounts payable	8,222	407	3,194,061
Accrued payroll	-	859	246,634
Claims payable	-	-	(2,095,055)
Due to other funds of the primary government	-	-	136,601
Total adjustments	<u>(49,411)</u>	<u>72,538</u>	<u>11,473,369</u>
Net cash provided by (used in) operating activities	<u>\$ (967,484)</u>	<u>\$ 64,213</u>	<u>\$ (35,574,978)</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
DESCRIPTION OF PROPRIETARY FUNDS

**NONMAJOR ENTERPRISE FUNDS**

BOARD OF FAIR COMMISSIONERS

The Board of Fair Commissioners performs administrative and fiscal duties relative to the Tennessee State Fair and fairgrounds. Revenues are derived primarily from the annual State Fair, monthly flea markets and the Nashville Speedway.

FARMERS MARKET

The Farmers Market provides farmers with a setting in which to sell their agricultural products to the general public. Revenues are derived from fees collected from vendors for indoor retail space, farmers for display space, and other private vendors for flea market space.

SURPLUS PROPERTY AUCTION

The Surplus Property Auction was created to sell used capital assets, excess inventory and confiscated property of the Government. Revenues are derived from the proceeds received from individuals and entities that purchase the items through an on-line auction.

MUNICIPAL AUDITORIUM

The Municipal Auditorium provides space primarily for entertainment and sports events on a user charge basis.

POLICE IMPOUND

Police Impound provides storage for impounded vehicles. Revenues are derived from user fees paid for vehicle retrieval.

**INTERNAL SERVICE FUNDS**

OFFICE OF FLEET MANAGEMENT FUND

The Office of Fleet Management Fund is under the administrative responsibility of the Department of General Services. Fleet Management acts as the central service agency with regard to the acquisition, use, maintenance and replacement of vehicles and rolling equipment owned by the Government.

INFORMATION SYSTEMS FUND

The Information Systems Fund is under the administrative responsibility of the Information Technology Services Department. Revenues are derived from internal charges to various departments for voice and data communication services and for the use of computer equipment.

SCHOOL SELF INSURANCE FUND

The School Self Insurance Fund is used to pay for general liability claims, vehicular liability claims and administrative claims that relate to schools. Premiums are paid from the schools' operating budget to this fund in lieu of paying insurance premiums to private insurance carriers.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
DESCRIPTION OF PROPRIETARY FUNDS (CONTINUED)

GENERAL GOVERNMENT SELF INSURANCE FUND

The General Government Self Insurance Fund is used to pay claims from a pooling of funds, including claims for bodily injury and property damage. Premiums are paid from various departments to this fund in lieu of paying insurance premiums to private insurance carriers.

SCHOOL PROFESSIONAL EMPLOYEES' INSURANCE FUND

The School Professional Employees' Insurance Fund is under the administrative responsibility of the Metropolitan Nashville Public Schools and is used for the accumulation of assets for the payment of self insured medical claims.

EMPLOYEES' MEDICAL BENEFIT FUND

The Employees' Medical Benefit Fund is under the administrative responsibility of the Employee Benefit Board and is used for the accumulation of assets for the payment of self insured medical claims.

INJURED ON DUTY FUND

The Injured on Duty Fund is under the administrative responsibility of the Department of Human Resources and is used for the accumulation of assets for the payment of self insured injured on duty claims.

TREASURY MANAGEMENT FUND

The Treasury Management Fund is under the administrative responsibility of the Department of Finance. Treasury Management is the central service agency responsible for the management of cash, pension investments and debt. Revenue to cover the fund's activity is from the Metro Investment Pool, Pension Trust Fund and Debt Service Funds.

TECHNOLOGY REVOLVING FUND

The Technology Revolving Fund is under the administrative responsibility of the Information Technology Services Department and is used to account for the replacement of computer equipment and software. Revenues are derived from internal charges to various departments based on equipment usage.

SCHOOL PRINT SHOP FUND

The School Print Shop Fund is under the administrative responsibility of the Metropolitan Nashville Public Schools. It is used to account for the operations of printing services and derives its revenues from internal service charges to schools for printing services.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

June 30, 2020

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
<b>ASSETS:</b>				
Cash and cash equivalents	\$ -	\$ 101,254,625	\$ 807,815	\$ 9,939,879
Investments, at fair value:				
Bank debt notes	-	89,355	-	2,866
Commingled funds U.S. debt	-	21,493,369	-	689,485
Conventional mortgages	-	62,736,597	-	2,012,526
Preferred stock	-	5,880,092	-	188,627
Common stock	-	314,804,869	-	10,098,621
Corporate bonds and notes	-	189,647,420	-	6,083,697
Emerging markets	-	458,833	-	14,719
Equity commingled funds	-	60,312,046	-	1,934,749
Bank loans	-	7,890,386	-	253,116
Non agency mortgages/collateralized mortgage obligations	-	40,748,072	-	1,307,157
Other fixed income	-	281,099,188	-	9,017,377
Other securities	-	230,434,569	-	7,392,107
Venture capital and partnerships	-	1,945,130,314	-	62,397,807
Municipals	-	268,433	-	8,611
Real estate	-	438,606	-	14,070
Registered investment companies	-	108,452,979	-	3,479,062
U.S. treasury securities	-	93,705,173	-	3,005,967
Cash collateral received - securities lending program	-	20,171,314	-	-
Accounts receivable	-	454,314,038	-	14,572,737
Accrued interest receivable	-	5,134,580	524	169,170
Due from other funds of the primary government	-	210,591	401,469	5,771,849
Total assets	-	3,944,675,449	1,209,808	138,354,199
<b>LIABILITIES:</b>				
Accounts payable	-	680,011	-	-
Due to brokers	-	651,157,251	-	20,888,464
Payable for collateral received - securities lending program	-	20,171,314	-	-
Due to other funds of the primary government	-	136,955	32,131	15,171
Total liabilities	-	672,145,531	32,131	20,903,635
<b>NET POSITION:</b>				
Restricted for pensions	-	3,272,529,918	1,177,677	117,450,564
Held in trust for other employee benefits	-	-	-	-
Total net position	\$ -	\$ 3,272,529,918	\$ 1,177,677	\$ 117,450,564

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (CONTINUED)

June 30, 2020

Closed City Plan	Teachers' Civil Service and Pension	Metropolitan Employees' Flexible Benefits Plan	Education Flexible Benefits Plan	Total Pension (and Other Employee Benefit) Trust Funds
\$ -	\$ 826,254	\$ 3,878,122	\$ 1,020,116	\$ 117,726,811
-	-	-	-	92,221
-	-	-	-	22,182,854
-	-	-	-	64,749,123
-	-	-	-	6,068,719
-	-	-	-	324,903,490
-	-	-	-	195,731,117
-	-	-	-	473,552
-	-	-	-	62,246,795
-	-	-	-	8,143,502
-	-	-	-	42,055,229
-	-	-	-	290,116,565
-	-	-	-	237,826,676
-	-	-	-	2,007,528,121
-	-	-	-	277,044
-	-	-	-	452,676
-	-	-	-	111,932,041
-	-	-	-	96,711,140
-	-	-	-	20,171,314
-	-	-	-	468,886,775
-	464	2,046	545	5,307,329
-	136,247	5,165	-	6,525,321
-	962,965	3,885,333	1,020,661	4,090,108,415
-	-	25,027	9,630	714,668
-	-	-	-	672,045,715
-	-	-	-	20,171,314
-	-	2,725,680	-	2,909,937
-	-	2,750,707	9,630	695,841,634
-	962,965	-	-	3,392,121,124
-	-	1,134,626	1,011,031	2,145,657
\$ -	\$ 962,965	\$ 1,134,626	\$ 1,011,031	\$ 3,394,266,781

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 AGENCY FUNDS

June 30, 2020

	Richard R. Rooker, Circuit Court Clerk	Maria M. Salas, Clerk and Master	Brenda Wynn, County Clerk	Howard Gentry, Criminal Court Clerk	Karen Johnson, County Register
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 25,900,441	\$ 7,595,488	\$ 569,131	\$ 9,351,807	\$ 9,495,842
Investments:					
Mortgages and real estate	-	-	-	991,100	-
Mutual funds	-	19,976	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other funds of the primary government	-	-	-	-	-
Other assets	-	-	-	-	6,203
<b>Total assets</b>	<b>\$ 25,900,441</b>	<b>\$ 7,615,464</b>	<b>\$ 569,131</b>	<b>\$ 10,342,907</b>	<b>\$ 9,502,045</b>
<b>LIABILITIES:</b>					
Funds held in custody for others	\$ 18,494,962	\$ 7,606,562	\$ -	\$ 7,678,529	\$ -
Other liabilities	7,405,479	8,902	569,131	2,664,378	9,502,045
<b>Total liabilities</b>	<b>\$ 25,900,441</b>	<b>\$ 7,615,464</b>	<b>\$ 569,131</b>	<b>\$ 10,342,907</b>	<b>\$ 9,502,045</b>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 AGENCY FUNDS (CONTINUED)

June 30, 2020

Lonell Matthews, Juvenile Court Clerk	Sold Property Tax Receivables	Sheriff Work Release and Inmate Trust	Planning Performance Bonds	Total Agency Funds
\$ 1,865,844	\$ 44,125	\$ 300,051	\$ 1,176,092	\$ 56,298,821
-	-	-	-	991,100
-	-	-	-	19,976
-	1,456	-	-	1,456
-	4,959,318	-	-	4,959,318
-	-	-	-	6,203
<u>\$ 1,865,844</u>	<u>\$ 5,004,899</u>	<u>\$ 300,051</u>	<u>\$ 1,176,092</u>	<u>\$ 62,276,874</u>
\$ 1,653,592	\$ 5,004,899	\$ 300,051	\$ 1,176,092	\$ 41,914,687
212,252	-	-	-	20,362,187
<u>\$ 1,865,844</u>	<u>\$ 5,004,899</u>	<u>\$ 300,051</u>	<u>\$ 1,176,092</u>	<u>\$ 62,276,874</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

For the Year Ended June 30, 2020

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
<b>ADDITIONS:</b>				
Investment income:				
Interest and dividend income	\$ -	\$ 72,021,083	\$ 8,183	\$ 2,438,906
Net appreciation (depreciation) of investments	-	83,792,797	-	2,335,328
Miscellaneous	-	217,543	-	-
Net increase (decrease) in fair value of investments	-	156,031,423	8,183	4,774,234
Net income earned on securities lending transactions:				
Securities lending income	-	142,131	-	-
Securities lending expense	-	(28,414)	-	-
Net income earned on securities lending transactions	-	113,717	-	-
Less investment expenses	(424)	(36,336,288)	(97)	(1,142,447)
Net investment income (loss)	(424)	119,808,852	8,086	3,631,787
Contributions:				
Employee contributions	-	2,005	-	-
Employer contributions	927,421	78,632,924	2,572,411	24,342,682
Transfers in	-	180,056	-	-
Contributions from the State of Tennessee	-	-	2,071,338	9,903,430
Miscellaneous	-	-	-	-
Total contributions	927,421	78,814,985	4,643,749	34,246,112
Total additions	926,997	198,623,837	4,651,835	37,877,899
<b>DEDUCTIONS:</b>				
Pension and other employee benefits	926,997	177,326,037	4,651,310	29,276,667
Administrative expenses	-	3,751,702	-	159,842
Transfers out	-	-	-	-
Total deductions	926,997	181,077,739	4,651,310	29,436,509
Change in net position	-	17,546,098	525	8,441,390
NET POSITION, beginning of year	-	3,254,983,820	1,177,152	109,009,174
NET POSITION, end of year	\$ -	\$ 3,272,529,918	\$ 1,177,677	\$ 117,450,564

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (CONTINUED)

For the Year Ended June 30, 2020

Closed City Plan	Teachers' Civil Service and Pension	Employees' Flexible Benefits Plan	Education Flexible Benefits Plan	Total Pension (and Other Employee Benefit) Trust Funds
\$ -	\$ 3,316	\$ 35,486	\$ 10,113	\$ 74,517,087
-	-	-	-	86,128,125
-	-	-	-	217,543
-	3,316	35,486	10,113	160,862,755
-	-	-	-	142,131
-	-	-	-	(28,414)
-	-	-	-	113,717
(2,110)	-	-	-	(37,481,366)
(2,110)	3,316	35,486	10,113	123,495,106
-	-	1,345,317	1,231,331	2,578,653
4,705,843	1,029,043	-	-	112,210,324
-	-	-	-	180,056
-	1,366,564	-	-	13,341,332
-	-	2,707,511	-	2,707,511
4,705,843	2,395,607	4,052,828	1,231,331	131,017,876
4,703,733	2,398,923	4,088,314	1,241,444	254,512,982
4,703,733	2,398,459	1,535,147	731,871	221,550,221
-	-	-	-	3,911,544
-	-	2,725,680	-	2,725,680
4,703,733	2,398,459	4,260,827	731,871	228,187,445
-	464	(172,513)	509,573	26,325,537
-	962,501	1,307,139	501,458	3,367,941,244
\$ -	\$ 962,965	\$ 1,134,626	\$ 1,011,031	\$ 3,394,266,781

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
AGENCY FUNDS

For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Richard R. Rooker, Circuit Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 33,172,571	\$ 56,451,303	\$ 63,723,433	\$ 25,900,441
LIABILITIES:				
Funds held in custody for others	\$ 18,890,536	\$ 2,996,403	\$ 3,391,977	\$ 18,494,962
Other liabilities	14,282,035	53,454,900	60,331,456	7,405,479
Total liabilities	<u>\$ 33,172,571</u>	<u>\$ 56,451,303</u>	<u>\$ 63,723,433</u>	<u>\$ 25,900,441</u>
 <u>Maria M. Salas, Clerk and Master</u>				
ASSETS:				
Cash and cash equivalents	\$ 14,710,880	\$ 35,615,134	\$ 42,730,526	\$ 7,595,488
Mutual funds	19,113	1,641	778	19,976
Total assets	<u>\$ 14,729,993</u>	<u>\$ 35,616,775</u>	<u>\$ 42,731,304</u>	<u>\$ 7,615,464</u>
LIABILITIES:				
Funds held in custody for others	\$ 14,721,302	\$ 29,392,723	\$ 36,507,463	\$ 7,606,562
Other liabilities	8,691	6,224,052	6,223,841	8,902
Total liabilities	<u>\$ 14,729,993</u>	<u>\$ 35,616,775</u>	<u>\$ 42,731,304</u>	<u>\$ 7,615,464</u>
 <u>Brenda Wynn, County Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 492,790	\$ 82,806,944	\$ 82,730,603	\$ 569,131
LIABILITIES:				
Other liabilities	\$ 492,790	\$ 82,806,944	\$ 82,730,603	\$ 569,131
 <u>Howard Gentry, Criminal Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 9,544,558	\$ 4,776,752	\$ 4,969,503	\$ 9,351,807
Mortgages and real estate	991,100	-	-	991,100
Total assets	<u>\$ 10,535,658</u>	<u>\$ 4,776,752</u>	<u>\$ 4,969,503</u>	<u>\$ 10,342,907</u>
LIABILITIES:				
Funds held in custody for others	\$ 7,919,529	\$ 234,000	\$ 475,000	\$ 7,678,529
Other liabilities	2,616,129	4,542,752	4,494,503	2,664,378
Total liabilities	<u>\$ 10,535,658</u>	<u>\$ 4,776,752</u>	<u>\$ 4,969,503</u>	<u>\$ 10,342,907</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 AGENCY FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Karen Johnson, County Register</u>				
ASSETS:				
Cash and cash equivalents	\$ 8,145,991	\$ 67,897,201	\$ 66,547,350	\$ 9,495,842
Other assets	-	6,203	-	6,203
Total assets	<u>\$ 8,145,991</u>	<u>\$ 67,903,404</u>	<u>\$ 66,547,350</u>	<u>\$ 9,502,045</u>
LIABILITIES:				
Other liabilities	<u>\$ 8,145,991</u>	<u>\$ 67,903,404</u>	<u>\$ 66,547,350</u>	<u>\$ 9,502,045</u>
 <u>Lonnell Matthews, Juvenile Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 1,931,118</u>	<u>\$ 683,453</u>	<u>\$ 748,727</u>	<u>\$ 1,865,844</u>
LIABILITIES:				
Funds held in custody for others	\$ 1,719,305	\$ 104,633	\$ 170,346	\$ 1,653,592
Other liabilities	211,813	578,820	578,381	212,252
Total liabilities	<u>\$ 1,931,118</u>	<u>\$ 683,453</u>	<u>\$ 748,727</u>	<u>\$ 1,865,844</u>
 <u>Sold Property Tax Receivables</u>				
ASSETS:				
Cash and cash equivalents	\$ 4,105,244	\$ 37,962,198	\$ 42,023,317	\$ 44,125
Accrued interest receivable	4,694	11,210	14,448	1,456
Due from other funds of the primary government	2,381,445	4,959,319	2,381,446	4,959,318
Total assets	<u>\$ 6,491,383</u>	<u>\$ 42,932,727</u>	<u>\$ 44,419,211</u>	<u>\$ 5,004,899</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 6,491,383</u>	<u>\$ 42,932,727</u>	<u>\$ 44,419,211</u>	<u>\$ 5,004,899</u>
 <u>Sheriff Work Release and Inmate Trust</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 300,161</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 300,051</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 300,161</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 300,051</u>
 <u>Planning Performance Bonds</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 1,316,784</u>	<u>\$ 407,189</u>	<u>\$ 547,881</u>	<u>\$ 1,176,092</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 1,316,784</u>	<u>\$ 407,189</u>	<u>\$ 547,881</u>	<u>\$ 1,176,092</u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 AGENCY FUNDS (CONTINUED)

For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Totals - All Agency Funds</u>				
ASSETS:				
Cash and cash equivalents	\$ 73,720,097	\$ 286,600,174	\$ 304,021,450	\$ 56,298,821
Investments:				
Mortgages and real estate	991,100	-	-	991,100
Mutual funds	19,113	1,641	778	19,976
Accrued interest receivable	4,694	11,210	14,448	1,456
Due from other funds of the primary government	2,381,445	4,959,319	2,381,446	4,959,318
Other assets	-	6,203	-	6,203
Total assets	<u>\$ 77,116,449</u>	<u>\$ 291,578,547</u>	<u>\$ 306,418,122</u>	<u>\$ 62,276,874</u>
LIABILITIES:				
Funds held in custody for others	\$ 51,359,000	\$ 76,067,675	\$ 85,511,988	\$ 41,914,687
Other liabilities	25,757,449	215,510,872	220,906,134	20,362,187
Total liabilities	<u>\$ 77,116,449</u>	<u>\$ 291,578,547</u>	<u>\$ 306,418,122</u>	<u>\$ 62,276,874</u>

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
DESCRIPTION OF FIDUCIARY FUNDS

**PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

DAVIDSON COUNTY EMPLOYEES' RETIREMENT FUND

The Davidson County Employees' Retirement Fund covers certain employees of the former Davidson County and was closed to new members in 1963. Benefits are funded by contributions from the Government.

METROPOLITAN EMPLOYEES' BENEFIT TRUST FUND

Established in 1963, the Metropolitan Employees' Benefit Trust Fund covers substantially all employees who are not members of any other plan and is used to account for Divisions A & B of the Metro Plan. Division B of the Metro Plan is the only plan open to new members. This Plan is funded by the Government. Under the administrative responsibility of the Employee Benefit Board, this fund provides for the accumulation of assets for the payment of disability and retirement benefits for employees covered under this plan.

EMPLOYEES' PENSION AND INSURANCE FUND

The Employees' Pension and Insurance Fund covers teachers and classified employees of the Metropolitan Nashville Public Schools of the former Davidson County. The plan is closed to new members and is funded by contributions from the Government, employees and the State of Tennessee.

TEACHERS' RETIREMENT PLAN FUND

The Teachers' Retirement Plan Fund is funded by contributions from the Metropolitan Nashville Public Schools, employees and the State of Tennessee. The plan was closed to new members on July 1, 1969.

CLOSED CITY PLAN FUND

This fund accounts for two closed plans.

The Civil Service Employees' Pension Fund covers certain employees of the former City of Nashville and was closed to new members in 1963. Benefits are funded by contributions from the Government.

The Police and Fireman Pension Fund covers certain employees of the former City of Nashville and was closed to new members in 1963. Benefits are funded by contributions from the Government.

TEACHERS' CIVIL SERVICE AND PENSION FUND

The Teachers' Civil Service and Pension Fund covers eligible employees who were teachers of the former City of Nashville. Benefits are funded by contributions from the Government and the State of Tennessee.

METROPOLITAN EMPLOYEES' FLEXIBLE BENEFITS PLAN FUND

The Metropolitan Employees' Flexible Benefits Plan Fund was established to account for the pre-tax deductions withheld from compensation to employees of the Government for medical and dependent care reimbursement.

EDUCATION FLEXIBLE BENEFITS PLAN FUND

The Education Flexible Benefits Plan Fund was established to account for the pre-tax deductions withheld from compensation to employees of the Metropolitan Nashville Public School System for medical and dependent care reimbursement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF FIDUCIARY FUNDS (CONTINUED)

**AGENCY FUNDS**

ELECTED OFFICIALS

The following agency funds are used to account for assets held by the Elected Officials as agents for individuals, governmental entities and others. These include:

Richard R. Rooker, Circuit Court Clerk  
Maria M. Salas, Clerk and Master  
Brenda Wynn, County Clerk  
Howard Gentry, Criminal Court Clerk  
Karen Johnson, County Register  
Lonnell Matthews, Juvenile Court Clerk

SOLD PROPERTY TAX RECEIVABLES FUND

The Sold Property Tax Receivables Fund accounts for property tax funds collected by the Government on behalf of the buyers of certain property tax receivable balances.

SHERIFF WORK RELEASE AND INMATE TRUST FUND

The Sheriff Work Release and Inmate Trust Fund administers and accounts for the receipt and usage of individual inmates' personal funds through the Commissary and Work Release accounts.

PLANNING PERFORMANCE BONDS FUND

The Planning Performance Bonds Fund accounts for performance bond funds received from contractors held until the completion of infrastructure development projects.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET  
SPORTS AUTHORITY FUND

June 30, 2020

ASSETS:

Cash and cash equivalents	\$ 20,762,938
Investments	860,975
Accounts receivable	301,516
Accrued interest receivable	8,060
Notes receivable	28,647,242
Due from the primary government	<u>345,641</u>
 Total assets	 <u><u>\$ 50,926,372</u></u>

LIABILITIES:

Accounts payable	\$ 364,906
Accrued payroll	18,211
Due to the primary government	<u>21,237</u>
 Total liabilities	 <u>404,354</u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable revenue - tax increment financing	<u>28,000,000</u>
 Total deferred inflows of resources	 <u>28,000,000</u>

FUND BALANCES:

Restricted for capital projects	6,745
Restricted for debt service	12,027,323
Unassigned	<u>10,487,950</u>
 Total fund balances	 <u>22,522,018</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u><u>\$ 50,926,372</u></u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 SPORTS AUTHORITY

June 30, 2020

Fund balances	\$	22,522,018
<p>Amounts reported in the Statement of Net Position are different because:</p>		
<p>Capital assets of governmental component units are not financial resources and therefore not reported in the Balance Sheet. However, they are reported in the Statement of Net Position. This amount represents the net book value of capital assets at year-end.</p>		
		346,438,130
<p>Long-term liabilities, including revenue bonds payable, are not due and payable in the current period and therefore are not reported by governmental component units in the Balance Sheet. However, they are reported in the Statement of Net Position. Additionally, related interest is accrued when incurred in the Statement of Net Position.</p>		
Bonds payable		(114,910,000)
Line of credit		(10,106,387)
Less deferred charge on refunding		1,963,440
Add net bond premium/discount		(2,814,894)
Accrued interest payable		(2,862,914)
Compensated absences		(41,759)
		(41,759)
Net position	\$	240,187,634

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SPORTS AUTHORITY FUND

For the Year Ended June 30, 2020

REVENUES:	
Local option sales tax	\$ 2,812,791
Other taxes, licenses and permits	2,740,074
Revenues from the use of money or property	1,658,748
Revenues from other governmental agencies	29,798,308
Charges for current services	4,892,414
Compensation for loss, sale or damage to property	1,673,241
Contributions and gifts	5,060,312
Miscellaneous	<u>2,192</u>
Total revenues	<u>48,638,080</u>
EXPENDITURES:	
Personal services	318,463
Contractual services	29,555,306
Supplies and materials	15,418
Other costs	6,101,602
Capital outlay	2,559,695
Debt service:	
Principal retirement	11,564,211
Interest	<u>6,112,951</u>
Total expenditures	<u>56,227,646</u>
Net change in fund balances	(7,589,566)
FUND BALANCES, beginning of year	<u>30,111,584</u>
FUND BALANCES, end of year	<u><u>\$ 22,522,018</u></u>

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
SPORTS AUTHORITY

For the Year Ended June 30, 2020

Net change in fund balances \$ (7,589,566)

Amounts reported in the Statement of Activities are  
different because:

Governmental component units report capital outlays as expenditures in the Statement of Revenues,  
Expenditures and Changes in Fund Balances. However, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Acquisition of capital assets	1,482,322
Depreciation expense	(16,594,177)

The issuance of debt provides current financial resources to governmental component unit funds, but the  
issuance of debt increases long-term liabilities for governmental component unit activities. Repayment of  
principal is an expenditure in the governmental component unit funds but reduces long-term liabilities for  
governmental component unit activities. Also, governmental component unit funds report the effects of  
premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and  
amortized for governmental component unit activities.

Principal repayments	11,564,211
Amortization of deferred charge on refunding	(363,825)
Amortization of premium/discount	363,032
Change in accrued interest	130,328

Compensated absences reported for governmental activities do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds.	(27,459)
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Change in net position	\$ (11,035,134)
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The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET  
INDUSTRIAL DEVELOPMENT BOARD FUND

June 30, 2020

ASSETS:	
Cash and cash equivalents	\$ 64,426
Accrued interest receivable	<u>36</u>
Total assets	<u>\$ 64,462</u>
LIABILITIES:	
Accounts payable	<u>\$ 180</u>
Total liabilities	<u>180</u>
FUND BALANCES:	
Unassigned	<u>64,282</u>
Total fund balances	<u>64,282</u>
Total liabilities and fund balances	<u>\$ 64,462</u>

The accompanying notes are an integral part of this financial statement.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
INDUSTRIAL DEVELOPMENT BOARD FUND

For the Year Ended June 30, 2020

REVENUES:	
Revenue from the use of money or property	\$ 6,206
Revenue from other governmental agencies	4,295,185
Charges for current services	<u>2,600</u>
Total revenues	<u>4,303,991</u>
EXPENDITURES:	
Contractual services	485
Supplies and materials	29
Other costs	<u>4,887,352</u>
Total expenditures	<u>4,887,866</u>
Net change in fund balances	(583,875)
FUND BALANCES, beginning of year	<u>648,157</u>
FUND BALANCES, end of year	<u><u>\$ 64,282</u></u>

The accompanying notes are an integral part of this financial statement.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF COMBINING BALANCE SHEETS  
GENERAL FUND

June 30, 2020

	General Services District	Urban Services District	Total General Fund
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 48,658,779	\$ 17,935,252	\$ 66,594,031
Sales tax receivable	20,904,291	-	20,904,291
Accounts receivable	74,118,027	1,009,222	75,127,249
Accrued interest receivable	-	10,066	10,066
Property taxes receivable	575,906,685	107,706,895	683,613,580
Allowance for doubtful accounts	(18,523,456)	(936,388)	(19,459,844)
Due from other funds of the primary government	6,128,143	31,209	6,159,352
Due from component units	195,063	-	195,063
Inventories of supplies	344,534	-	344,534
Other assets	404,045	-	404,045
	<u>404,045</u>	<u>-</u>	<u>404,045</u>
Total assets	<u>\$ 708,136,111</u>	<u>\$ 125,756,256</u>	<u>\$ 833,892,367</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 15,323,222	\$ 1,365,084	\$ 16,688,306
Accrued payroll	23,926,971	3,183,355	27,110,326
Due to other funds of the primary government	18,981,412	3,555,214	22,536,626
Other liabilities	6,453,054	-	6,453,054
	<u>6,453,054</u>	<u>-</u>	<u>6,453,054</u>
Total liabilities	<u>64,684,659</u>	<u>8,103,653</u>	<u>72,788,312</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	572,768,754	106,771,856	679,540,610
Unavailable revenue - other revenues	6,894,975	893,425	7,788,400
	<u>6,894,975</u>	<u>893,425</u>	<u>7,788,400</u>
Total deferred inflows of resources	<u>579,663,729</u>	<u>107,665,281</u>	<u>687,329,010</u>
<b>FUND BALANCES:</b>			
Nonspendable	707,906	-	707,906
Assigned for specific projects	10,801,900	1,192,600	11,994,500
Unassigned	52,277,917	8,794,722	61,072,639
	<u>52,277,917</u>	<u>8,794,722</u>	<u>61,072,639</u>
Total fund balances	<u>63,787,723</u>	<u>9,987,322</u>	<u>73,775,045</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 708,136,111</u>	<u>\$ 125,756,256</u>	<u>\$ 833,892,367</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND

For the Year Ended June 30, 2020

	General Services District	Urban Services District	Total General Fund
<b>REVENUES:</b>			
Property taxes	\$ 483,648,840	\$ 114,180,182	\$ 597,829,022
Local option sales tax	113,464,491	-	113,464,491
Other taxes, licenses and permits	158,087,737	1,831,115	159,918,852
Fines, forfeits and penalties	5,014,278	-	5,014,278
Revenues from the use of money or property	236,764	139,889	376,653
Revenues from other governmental agencies	138,644,210	543,200	139,187,410
Commissions and fees	13,437,944	-	13,437,944
Charges for current services	36,380,429	118,523	36,498,952
Compensation for loss, sale or damage to property	513,104	-	513,104
Contributions and gifts	406,680	-	406,680
Miscellaneous	1,079,380	-	1,079,380
Total revenues	<u>950,913,857</u>	<u>116,812,909</u>	<u>1,067,726,766</u>
<b>EXPENDITURES:</b>			
General government	52,446,684	-	52,446,684
Fiscal administration	24,620,447	-	24,620,447
Administration of justice	68,715,316	-	68,715,316
Law enforcement and care of prisoners	301,194,426	-	301,194,426
Fire prevention and control	62,281,231	74,548,036	136,829,267
Regulation and inspection	11,032,259	-	11,032,259
Conservation of natural resources	335,444	-	335,444
Public welfare	6,672,499	-	6,672,499
Public health and hospitals	66,919,483	-	66,919,483
Public library system	31,369,260	-	31,369,260
Public works, highways and streets	26,519,504	9,802,373	36,321,877
Recreational and cultural	42,072,126	-	42,072,126
Retiree benefits	68,357,577	19,875,804	88,233,381
Miscellaneous	101,384,708	1,311,407	102,696,115
Debt service	37,900,000	-	37,900,000
Total expenditures	<u>901,820,964</u>	<u>105,537,620</u>	<u>1,007,358,584</u>
Excess of revenues over expenditures	<u>49,092,893</u>	<u>11,275,289</u>	<u>60,368,182</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in (1)	26,417,866	-	26,417,866
Transfers out (1)	<u>(88,270,120)</u>	<u>(16,185,800)</u>	<u>(104,455,920)</u>
Total other financing sources (uses)	<u>(61,852,254)</u>	<u>(16,185,800)</u>	<u>(78,038,054)</u>
Net change in fund balances	(12,759,361)	(4,910,511)	(17,669,872)
FUND BALANCES, beginning of year	<u>76,547,084</u>	<u>14,897,833</u>	<u>91,444,917</u>
FUND BALANCES, end of year	<u>\$ 63,787,723</u>	<u>\$ 9,987,322</u>	<u>\$ 73,775,045</u>

(1) Transfers include \$481,000 from Urban Services District to General Services District which is eliminated in the Basic Financial Statements.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2020

	General Services District			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Property taxes	\$ 464,017,100	\$ 464,017,100	\$ 483,648,840	\$ 19,631,740
Local option sales tax	146,962,800	146,962,800	113,464,491	(33,498,309)
Other taxes, licenses and permits	163,758,100	163,758,100	158,087,737	(5,670,363)
Fines, forfeits and penalties	6,757,700	6,757,700	5,014,278	(1,743,422)
Revenues from the use of money or property	-	-	236,764	236,764
Revenues from other governmental agencies	124,046,600	124,046,600	138,644,210	14,597,610
Commissions and fees	15,146,300	15,146,300	13,437,944	(1,708,356)
Charges for current services	42,196,700	42,196,700	36,380,429	(5,816,271)
Compensation for loss, sale or damage to property	530,600	530,600	513,104	(17,496)
Contributions and gifts	-	-	406,680	406,680
Miscellaneous	620,400	620,400	1,079,380	458,980
Total revenues	<u>964,036,300</u>	<u>964,036,300</u>	<u>950,913,857</u>	<u>(13,122,443)</u>
EXPENDITURES:				
General government	56,391,600	56,420,000	52,446,684	3,973,316
Fiscal administration	27,383,700	27,423,400	24,620,447	2,802,953
Administration of justice	70,765,000	70,989,700	68,715,316	2,274,384
Law enforcement and care of prisoners	300,257,600	302,778,800	301,194,426	1,584,374
Fire prevention and control	60,341,300	62,281,300	62,281,231	69
Regulation and inspection	11,927,500	11,966,500	11,032,259	934,241
Conservation of natural resources	331,400	335,500	335,444	56
Public welfare	7,284,500	7,291,000	6,672,499	618,501
Public health and hospitals	66,929,700	66,929,700	66,919,483	10,217
Public library system	31,770,300	31,770,300	31,369,260	401,040
Public works, highways and streets	26,638,300	26,638,300	26,519,504	118,796
Recreational and cultural	46,758,100	46,759,100	42,072,126	4,686,974
Retiree benefits	69,979,000	69,979,000	68,357,577	1,621,423
Miscellaneous	122,077,000	119,662,600	101,384,708	18,277,892
Debt service	-	37,900,000	37,900,000	-
Total expenditures	<u>898,835,000</u>	<u>939,125,200</u>	<u>901,820,964</u>	<u>37,304,236</u>
Excess (deficiency) of revenues over expenditures	<u>65,201,300</u>	<u>24,911,100</u>	<u>49,092,893</u>	<u>24,181,793</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	29,572,700	29,572,700	26,417,866	(3,154,834)
Transfers out	(94,774,000)	(91,291,000)	(88,270,120)	3,020,880
Total other financing sources (uses)	<u>(65,201,300)</u>	<u>(61,718,300)</u>	<u>(61,852,254)</u>	<u>(133,954)</u>
Net change in fund balances	-	(36,807,200)	(12,759,361)	24,047,839
FUND BALANCES, beginning of year	<u>76,547,084</u>	<u>76,547,084</u>	<u>76,547,084</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 76,547,084</u>	<u>\$ 39,739,884</u>	<u>\$ 63,787,723</u>	<u>\$ 24,047,839</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)

For the Year Ended June 30, 2020

Urban Services District				Total General Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 114,381,700	\$ 114,381,700	\$ 114,180,182	\$ (201,518)	\$ 578,398,800	\$ 578,398,800	\$ 597,829,022	\$ 19,430,222
-	-	-	-	146,962,800	146,962,800	113,464,491	(33,498,309)
2,548,600	2,548,600	1,831,115	(717,485)	166,306,700	166,306,700	159,918,852	(6,387,848)
-	-	-	-	6,757,700	6,757,700	5,014,278	(1,743,422)
-	-	139,889	139,889	-	-	376,653	376,653
402,600	402,600	543,200	140,600	124,449,200	124,449,200	139,187,410	14,738,210
-	-	-	-	15,146,300	15,146,300	13,437,944	(1,708,356)
143,300	143,300	118,523	(24,777)	42,340,000	42,340,000	36,498,952	(5,841,048)
100,000	100,000	-	(100,000)	630,600	630,600	513,104	(117,496)
-	-	-	-	-	-	406,680	406,680
-	-	-	-	620,400	620,400	1,079,380	458,980
<u>117,576,200</u>	<u>117,576,200</u>	<u>116,812,909</u>	<u>(763,291)</u>	<u>1,081,612,500</u>	<u>1,081,612,500</u>	<u>1,067,726,766</u>	<u>(13,885,734)</u>
-	-	-	-	56,391,600	56,420,000	52,446,684	3,973,316
-	-	-	-	27,383,700	27,423,400	24,620,447	2,802,953
-	-	-	-	70,765,000	70,989,700	68,715,316	2,274,384
-	-	-	-	300,257,600	302,778,800	301,194,426	1,584,374
72,425,200	74,625,200	74,548,036	77,164	132,766,500	136,906,500	136,829,267	77,233
-	-	-	-	11,927,500	11,966,500	11,032,259	934,241
-	-	-	-	331,400	335,500	335,444	56
-	-	-	-	7,284,500	7,291,000	6,672,499	618,501
-	-	-	-	66,929,700	66,929,700	66,919,483	10,217
-	-	-	-	31,770,300	31,770,300	31,369,260	401,040
10,085,400	10,085,400	9,802,373	283,027	36,723,700	36,723,700	36,321,877	401,823
-	-	-	-	46,758,100	46,759,100	42,072,126	4,686,974
20,629,700	20,629,700	19,875,804	753,896	90,608,700	90,608,700	88,233,381	2,375,319
5,550,100	3,770,100	1,311,407	2,458,693	127,627,100	123,432,700	102,696,115	20,736,585
-	-	-	-	-	37,900,000	37,900,000	-
<u>108,690,400</u>	<u>109,110,400</u>	<u>105,537,620</u>	<u>3,572,780</u>	<u>1,007,525,400</u>	<u>1,048,235,600</u>	<u>1,007,358,584</u>	<u>40,877,016</u>
8,885,800	8,465,800	11,275,289	2,809,489	74,087,100	33,376,900	60,368,182	26,991,282
-	-	-	-	29,572,700	29,572,700	26,417,866	(3,154,834)
(16,185,800)	(16,185,800)	(16,185,800)	-	(110,959,800)	(107,476,800)	(104,455,920)	3,020,880
<u>(16,185,800)</u>	<u>(16,185,800)</u>	<u>(16,185,800)</u>	<u>-</u>	<u>(81,387,100)</u>	<u>(77,904,100)</u>	<u>(78,038,054)</u>	<u>(133,954)</u>
(7,300,000)	(7,720,000)	(4,910,511)	2,809,489	(7,300,000)	(44,527,200)	(17,669,872)	26,857,328
14,897,833	14,897,833	14,897,833	-	91,444,917	91,444,917	91,444,917	-
<u>\$ 7,597,833</u>	<u>\$ 7,177,833</u>	<u>\$ 9,987,322</u>	<u>\$ 2,809,489</u>	<u>\$ 84,144,917</u>	<u>\$ 46,917,717</u>	<u>\$ 73,775,045</u>	<u>\$ 26,857,328</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL  
GENERAL FUND - GENERAL SERVICES DISTRICT

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>GENERAL GOVERNMENT:</u>				
Legislative (Office of Clerk and Council)	\$ 3,521,800	\$ 3,521,800	\$ 3,326,010	\$ 195,790
Executive (Office of the Mayor)	4,688,300	4,688,300	4,128,123	560,177
Office of Emergency Management	733,100	733,100	504,544	228,556
Election Commission	2,985,300	2,985,300	2,514,540	470,760
Department of Law	6,427,600	6,427,600	6,126,051	301,549
Planning Commission	4,945,100	4,945,100	4,780,036	165,064
Human Resources	5,653,200	5,653,200	5,380,621	272,579
County Register of Deeds	262,800	262,800	251,785	11,015
General Services	25,509,500	25,509,500	23,758,935	1,750,565
Historical Commission	1,143,300	1,171,700	1,171,622	78
Community Education Commission	521,600	521,600	504,417	17,183
Total General Government	56,391,600	56,420,000	52,446,684	3,973,316
<u>FISCAL ADMINISTRATION:</u>				
Department of Finance	10,480,400	10,516,400	9,608,959	907,441
Assessor of Property	8,087,800	8,087,800	7,138,981	948,819
Metropolitan Trustee	2,367,100	2,367,100	2,146,894	220,206
County Clerk	4,873,500	4,877,200	4,584,470	292,730
Internal Audit	1,574,900	1,574,900	1,141,143	433,757
Total Fiscal Administration	27,383,700	27,423,400	24,620,447	2,802,953
<u>ADMINISTRATION OF JUSTICE:</u>				
District Attorney	7,918,500	8,081,200	8,081,148	52
Public Defender	9,189,500	9,238,000	8,547,359	690,641
Juvenile Court Clerk	1,950,100	1,963,600	1,963,583	17
Circuit Court Clerk	3,465,400	3,465,400	3,028,641	436,759
Criminal Court Clerk	6,453,200	6,453,200	6,411,120	42,080
Clerk and Master	1,649,800	1,649,800	1,443,798	206,002
Juvenile Court	12,893,800	12,893,800	12,789,561	104,239
General Sessions Court	12,368,500	12,368,500	11,805,342	563,158
State Trial Courts	9,206,000	9,206,000	9,190,590	15,410
Justice Information System	2,767,200	2,767,200	2,751,584	15,616
Criminal Justice Planning	544,000	544,000	543,831	169
Office of Family Safety	2,359,000	2,359,000	2,158,759	200,241
Total Administration of Justice	70,765,000	70,989,700	68,715,316	2,274,384
<u>LAW ENFORCEMENT AND CARE OF PRISONERS:</u>				
Sheriff	76,324,100	78,486,000	78,485,977	23
Police Department	206,440,000	206,799,300	206,486,064	313,236
Emergency Communication Center	15,955,800	15,955,800	15,129,346	826,454
Community Oversight Board	1,537,700	1,537,700	1,093,039	444,661
Total Law Enforcement and Care of Prisoners	\$ 300,257,600	\$ 302,778,800	\$ 301,194,426	\$ 1,584,374

See accompanying auditors' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL  
GENERAL FUND - GENERAL SERVICES DISTRICT (CONTINUED)

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	\$ 60,341,300	\$ 62,281,300	\$ 62,281,231	\$ 69
<u>REGULATION AND INSPECTION:</u>				
Department of Codes Administration	11,426,300	11,426,300	10,492,126	934,174
Beer Board	501,200	540,200	540,133	67
Total Regulation and Inspection	11,927,500	11,966,500	11,032,259	934,241
<u>CONSERVATION OF NATURAL RESOURCES:</u>				
Agricultural Extension Service	331,400	335,500	335,444	56
Total Conservation of Natural Resources	331,400	335,500	335,444	56
<u>PUBLIC WELFARE:</u>				
Social Services Commission	6,770,200	6,770,200	6,151,798	618,402
Human Relations Commission	514,300	520,800	520,701	99
Total Public Welfare	7,284,500	7,291,000	6,672,499	618,501
<u>PUBLIC HEALTH AND HOSPITALS:</u>				
Board of Health	23,817,600	23,817,600	23,807,383	10,217
Hospital Authority	43,112,100	43,112,100	43,112,100	-
Total Public Health and Hospitals	66,929,700	66,929,700	66,919,483	10,217
<u>PUBLIC LIBRARY SYSTEM:</u>				
Public Library	31,770,300	31,770,300	31,369,260	401,040
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	26,638,300	26,638,300	26,519,504	118,796
<u>RECREATIONAL AND CULTURAL:</u>				
Parks and Recreation	42,212,300	42,213,300	37,817,580	4,395,720
Arts Commission	3,699,100	3,699,100	3,407,846	291,254
Sports Authority	846,700	846,700	846,700	-
Total Recreational and Cultural	\$ 46,758,100	\$ 46,759,100	\$ 42,072,126	\$ 4,686,974

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL  
GENERAL FUND - GENERAL SERVICES DISTRICT (CONTINUED)

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>RETIREE BENEFITS:</u>				
Contribution to Closed Pension Plans	\$ 10,402,300	\$ 10,402,300	\$ 10,402,300	\$ -
Employer's Contribution for Group Health Insurance	56,455,500	56,455,500	54,748,199	1,707,301
Employer's Contribution for Group Life Insurance	3,121,200	3,121,200	3,207,078	(85,878)
Total Retiree Benefits	69,979,000	69,979,000	68,357,577	1,621,423
<u>MISCELLANEOUS:</u>				
Contributions and Community Support	32,608,500	32,608,500	31,351,291	1,257,209
Subsidies	48,956,100	48,956,100	48,956,100	-
Administration and Internal Support	40,512,400	38,098,000	21,077,317	17,020,683
Total Miscellaneous	122,077,000	119,662,600	101,384,708	18,277,892
<u>DEBT SERVICE:</u>				
Principal Retirement	-	16,669,900	16,669,900	-
Interest	-	21,230,100	21,230,100	-
Total Debt Service	-	37,900,000	37,900,000	-
Total Expenditures	\$ 898,835,000	\$ 939,125,200	\$ 901,820,964	\$ 37,304,236
<u>TRANSFERS IN:</u>				
USD General Fund	\$ 481,000	\$ 481,000	\$ 481,000	\$ -
General Purpose School Fund	192,000	192,000	192,000	-
GSD Capital Projects Fund	30,000	30,000	30,000	-
Nonmajor Governmental Funds	17,767,100	17,767,100	14,012,266	(3,754,834)
Water and Sewerage Services	6,479,400	6,479,400	6,479,400	-
Nonmajor Enterprise Funds	2,690,200	2,690,200	3,290,200	600,000
Internal Service Funds	1,933,000	1,933,000	1,933,000	-
Total Transfers In	29,572,700	29,572,700	26,417,866	(3,154,834)
<u>TRANSFERS OUT:</u>				
General Purpose School Fund	-	-	-	-
GSD General Purpose Debt Service Fund	(35,942,900)	(35,942,900)	(35,942,900)	-
Nonmajor Governmental Funds	(58,498,900)	(53,641,700)	(50,696,598)	2,945,102
Nonmajor Enterprise Funds	(36,900)	(1,411,100)	(1,374,200)	36,900
Internal Service Funds	(219,200)	(219,200)	(232,103)	(12,903)
Fiduciary Funds	(76,100)	(76,100)	(24,319)	51,781
Total Transfers Out	(94,774,000)	(91,291,000)	(88,270,120)	3,020,880
Total Other Financing Sources (Uses)	\$ (65,201,300)	\$ (61,718,300)	\$ (61,852,254)	\$ (133,954)

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL  
GENERAL FUND - URBAN SERVICES DISTRICT

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	\$ 72,425,200	\$ 74,625,200	\$ 74,548,036	\$ 77,164
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	10,085,400	10,085,400	9,802,373	283,027
<u>RETIREE BENEFITS:</u>				
Contribution to Closed Pension Plans	18,890,100	18,890,100	18,890,100	-
Employer's Contribution for Group Health Insurance	1,691,800	1,691,800	950,855	740,945
Employer's Contribution for Group Life Insurance	47,800	47,800	34,849	12,951
Total Retiree Benefits	20,629,700	20,629,700	19,875,804	753,896
<u>MISCELLANEOUS:</u>				
Administration and Internal Support	5,550,100	3,770,100	1,311,407	2,458,693
Total Miscellaneous	5,550,100	3,770,100	1,311,407	2,458,693
Total Expenditures	\$ 108,690,400	\$ 109,110,400	\$ 105,537,620	\$ 3,572,780
<u>TRANSFERS OUT:</u>				
GSD General Fund	\$ (481,000)	\$ (481,000)	\$ (481,000)	\$ -
Nonmajor Governmental Funds	(15,704,800)	(15,704,800)	(15,704,800)	-
Total Transfers Out	(16,185,800)	(16,185,800)	(16,185,800)	-
Total Other Financing Sources (Uses)	\$ (16,185,800)	\$ (16,185,800)	\$ (16,185,800)	\$ -

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND

June 30, 2020

	Total Delinquent Property Taxes Receivable	General Services District				
		Total	General Fund	School Fund	Debt Service Fund	School Debt Service Fund
2019 Realty	\$ 747,728	\$ 655,025	\$ 312,823	\$ 240,048	\$ 71,725	\$ 30,429
2019 Personalty	1,726,665	1,520,861	726,864	556,975	166,420	70,602
2019 Public Utility	129,123	116,328	55,765	42,484	12,694	5,385
<b>Total 2019 Property Taxes</b>	<b>2,603,516</b>	<b>2,292,214</b>	<b>1,095,452</b>	<b>839,507</b>	<b>250,839</b>	<b>106,416</b>
2018 Realty	233,989	203,769	97,236	74,731	22,329	9,473
2018 Personalty	1,004,710	876,927	418,588	321,517	96,067	40,755
2018 Public Utility	43,826	37,724	17,973	13,855	4,140	1,756
<b>Total 2018 Property Taxes</b>	<b>1,282,525</b>	<b>1,118,420</b>	<b>533,797</b>	<b>410,103</b>	<b>122,536</b>	<b>51,984</b>
2017 & Prior - Realty	809,089	729,188	351,740	262,879	80,508	34,061
2017 & Prior - Personalty	4,743,873	4,183,965	2,026,453	1,494,135	469,051	194,326
2017 & Prior - Public Utility	426,876	365,361	175,962	129,963	40,955	18,481
<b>Total 2017 &amp; Prior Property Taxes</b>	<b>5,979,838</b>	<b>5,278,514</b>	<b>2,554,155</b>	<b>1,886,977</b>	<b>590,514</b>	<b>246,868</b>
<b>Total Delinquent Property Taxes Receivable *</b>	<b>\$ 9,865,879</b>	<b>\$ 8,689,148</b>	<b>\$ 4,183,404</b>	<b>\$ 3,136,587</b>	<b>\$ 963,889</b>	<b>\$ 405,268</b>

\* Excludes 2020 Property Tax Levy

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND (CONTINUED)

June 30, 2020

Urban Services District		
Total	General Fund	Debt Service Fund
\$ 92,703	\$ 79,107	\$ 13,596
205,804	175,619	30,185
12,795	10,918	1,877
311,302	265,644	45,658
30,220	25,788	4,432
127,783	109,041	18,742
6,102	5,207	895
164,105	140,036	24,069
79,901	67,181	12,720
559,908	467,275	92,633
61,515	51,454	10,061
701,324	585,910	115,414
\$ 1,176,731	\$ 991,590	\$ 185,141

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY TYPE

June 30, 2020

	Year of Levy	Realty	Personalty	Public Utility	Total
General Services District	2019	\$ 655,025	\$ 1,520,861	\$ 116,328	\$ 2,292,214
	2018	203,769	876,927	37,724	1,118,420
	2017	197,130	435,969	26,824	659,923
	2016	36,177	698,388	51,634	786,199
	2015	266	708,159	39,620	748,045
	2014	355,911	595,300	46,360	997,571
	2013	10,671	429,118	7,746	447,535
	2012	35,567	224,381	106,283	366,231
	2011	46,605	277,889	50,195	374,689
	2010	20,873	338,162	8,526	367,561
	2009	25,988	476,599	28,173	530,760
Total General Services District		<u>1,587,982</u>	<u>6,581,753</u>	<u>519,413</u>	<u>8,689,148</u>
Urban Services District	2019	92,703	205,804	12,795	311,302
	2018	30,220	127,783	6,102	164,105
	2017	31,773	58,760	4,463	94,996
	2016	5,184	95,411	8,792	109,387
	2015	953	101,113	6,923	108,989
	2014	31,705	76,570	6,561	114,836
	2013	899	56,829	1,352	59,080
	2012	666	27,220	18,766	46,652
	2011	1,708	40,422	9,168	51,298
	2010	2,719	41,639	1,368	45,726
	2009	4,294	61,944	4,122	70,360
Total Urban Services District		<u>202,824</u>	<u>893,495</u>	<u>80,412</u>	<u>1,176,731</u>
Total Delinquent Property Taxes Receivable *		<u>\$ 1,790,806</u>	<u>\$ 7,475,248</u>	<u>\$ 599,825</u>	<u>\$ 9,865,879</u>

\* Excludes 2020 Property Tax Levy

See accompanying auditors' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS, NOTES AND LOANS PAYABLE

June 30, 2020

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Amount of Issue</u>
<u>GENERAL OBLIGATION BONDS PAYABLE</u>				
<u>For General Purposes:</u>				
GSD G.O. Improvement and Refunding Bonds, Series 2010A	2.75 - 5.00	June 10, 2010	July 1, 2026	\$ 159,008,728
GSD G.O. Improvement Bonds Federally Taxable (BAB's), Series 2010B	5.71	June 10, 2010	July 1, 2034	138,046,756
GSD G.O. Refunding Bonds, Series 2010D	1.50 - 5.00	Sept. 21, 2010	July 1, 2024	144,150,016
GSD G.O. Refunding Bonds, Series 2011	2.00 - 5.00	Sept. 29, 2011	July 1, 2023	49,712,377
GSD G.O. Refunding Bonds, Series 2012	2.00 - 5.00	Feb. 2, 2012	July 1, 2025	154,956,701
GSD G.O. Improvement Bonds (QECB), Series 2012	3.367	Aug. 15, 2012	Aug. 1, 2027	6,440,000
GSD G.O. Refunding Bonds, Series 2012B	.320 - 2.767	Aug. 15, 2012	July 1, 2024	67,480,283
GSD G.O. Refunding Bonds, Series 2013	2.00 - 5.00	Feb. 21, 2013	July 1, 2027	138,755,487
GSD G.O. Improvement Bonds, Series 2013A	3.00 - 5.00	May 9, 2013	Jan. 1, 2033	253,070,885
GSD G.O. Refunding Bonds, Series 2015A	5.00	Feb. 19, 2015	July 1, 2026	33,884,829
GSD G.O. Refunding Bonds, Series 2015B (Taxable)	.30 - 3.493	Feb. 19, 2015	July 1, 2029	72,314,470
GSD G.O. Improvement Bonds, Series 2015C	4.00 - 5.00	July 30, 2015	July 1, 2034	240,454,031
GSD G.O. Refunding Bonds, Series 2016	2.00 - 5.00	June 1, 2016	Jan. 1, 2033	231,949,343
GSD G.O. Improvement Bonds, Series 2017	4.00 - 5.00	Feb. 2, 2017	July 1, 2036	280,675,679
GSD G.O. Improvement Bonds, Series 2018	4.00 - 5.00	Oct. 25, 2018	July 1, 2038	487,502,922
Total General Obligation Bonds Payable For General Purposes				<u>2,458,402,507</u>
<u>For School Purposes:</u>				
GSD G.O. Improvement and Refunding Bonds, Series 2010A	2.75 - 5.00	June 10, 2010	July 1, 2026	114,567,598
GSD G.O. Improvement Bonds Federally Taxable (BAB's), Series 2010B	5.71	June 10, 2010	July 1, 2034	70,516,649
GSD G.O. Refunding Bonds, Series 2010D	1.50 - 5.00	Sept. 21, 2010	July 1, 2024	120,126,326
GSD G.O. Refunding Bonds, Series 2011	2.00 - 5.00	Sept. 29, 2011	July 1, 2023	32,574,740
GSD G.O. Refunding Bonds, Series 2012	2.00 - 5.00	Feb. 2, 2012	July 1, 2025	53,280,200
GSD G.O. Refunding Bonds, Series 2012B	.320 - 2.767	Aug. 15, 2012	July 1, 2024	62,161,564
GSD G.O. Refunding Bonds, Series 2013	2.00 - 5.00	Feb. 21, 2013	July 1, 2027	82,814,365
GSD G.O. Improvement Bonds, Series 2013A	3.00 - 5.00	May 9, 2013	Jan. 1, 2033	84,932,213
GSD G.O. Refunding Bonds, Series 2015A	5.00	Feb. 19, 2015	July 1, 2026	22,804,914
GSD G.O. Refunding Bonds, Series 2015B (Taxable)	.30 - 3.493	Feb. 19, 2015	July 1, 2029	30,240,838
GSD G.O. Improvement Bonds, Series 2015C	4.00 - 5.00	July 30, 2015	July 1, 2034	97,563,777
GSD G.O. Refunding Bonds, Series 2016	2.00 - 5.00	June 1, 2016	Jan. 1, 2033	78,790,586
GSD G.O. Improvement Bonds, Series 2017	4.00 - 5.00	Feb. 2, 2017	July 1, 2036	171,785,733
GSD G.O. Improvement Bonds, Series 2018	4.00 - 5.00	Oct. 25, 2018	July 1, 2038	212,601,170
Total General Obligation Bonds Payable for School Purposes				<u>1,234,760,673</u>
Total General Obligation Bonds Payable - General Services District				<u>\$ 3,693,163,180</u>

See accompanying auditors' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS, NOTES AND LOANS PAYABLE (CONTINUED)

June 30, 2020

Principal Amount Outstanding June 30, 2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Principal Amount Outstanding June 30, 2020	Interest to Maturity as of June 30, 2020
\$ 57,879,613	\$ -	\$ 16,486,568	\$ -	\$ 41,393,045	\$ 5,848,750
138,046,756	-	-	-	138,046,756	86,113,660
71,436,782	-	10,733,576	-	60,703,206	5,415,928
32,536,908	-	6,111,279	-	26,425,629	2,394,083
136,087,747	-	23,266,361	-	112,821,386	13,830,936
6,440,000	-	-	-	6,440,000	1,626,261
37,861,948	-	3,776,819	-	34,085,129	3,048,168
117,935,239	-	-	-	117,935,239	32,287,817
38,396,473	-	5,758,289	-	32,638,184	3,156,960
33,884,829	-	-	-	33,884,829	6,266,822
58,568,601	-	10,049,472	-	48,519,129	5,813,792
222,965,395	-	9,445,457	-	213,519,938	85,662,169
227,148,223	-	211,962	-	226,936,261	88,468,599
275,549,402	-	10,043,056	-	265,506,346	104,112,334
487,502,922	-	14,826,877	-	472,676,045	223,570,666
<u>1,942,240,838</u>	<u>-</u>	<u>110,709,716</u>	<u>-</u>	<u>1,831,531,122</u>	<u>667,616,945</u>
39,625,133	-	11,767,096	-	27,858,037	3,936,282
70,516,649	-	-	-	70,516,649	43,988,330
59,531,302	-	8,944,744	-	50,586,558	4,513,324
19,631,701	-	3,714,577	-	15,917,124	1,515,855
46,792,318	-	7,999,890	-	38,792,428	4,755,619
34,877,710	-	3,479,134	-	31,398,576	2,807,914
70,388,078	-	-	-	70,388,078	19,270,553
12,886,103	-	1,932,519	-	10,953,584	1,059,497
22,804,914	-	-	-	22,804,914	4,217,649
24,492,519	-	4,202,540	-	20,289,979	2,431,242
90,467,795	-	3,832,476	-	86,635,319	34,757,267
77,129,229	-	73,347	-	77,055,882	29,956,839
168,648,232	-	6,146,787	-	162,501,445	63,721,280
212,601,170	-	6,466,035	-	206,135,135	97,499,695
<u>950,392,853</u>	<u>-</u>	<u>58,559,145</u>	<u>-</u>	<u>891,833,708</u>	<u>314,431,346</u>
<u>\$ 2,892,633,691</u>	<u>\$ -</u>	<u>\$ 169,268,861</u>	<u>\$ -</u>	<u>\$ 2,723,364,830</u>	<u>\$ 982,048,291</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS, NOTES AND LOANS PAYABLE (CONTINUED)

June 30, 2020

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Amount of Issue</u>
<u>GENERAL OBLIGATION BONDS PAYABLE</u>				
USD G.O. Improvement and Refunding Bonds, Series 2010A	2.75 - 5.00	June 10, 2010	July 1, 2026	\$ 22,899,473
USD G.O. Improvement Bonds Federally Taxable (BAB's), Series 2010B	5.71	June 10, 2010	July 1, 2034	43,441,595
USD G.O. Refunding Bonds, Series 2010D	1.50 - 5.00	Sept. 21, 2010	July 1, 2024	25,925,413
USD G.O. Refunding Bonds, Series 2011	2.00 - 5.00	Sept. 29, 2011	July 1, 2023	6,688,796
USD G.O. Refunding Bonds, Series 2012	2.00 - 5.00	Feb. 2, 2012	July 1, 2025	18,873,099
USD G.O. Refunding Bonds, Series 2012B	.320 - 2.767	Aug. 15, 2012	July 1, 2024	7,471,610
USD G.O. Refunding Bonds, Series 2013	2.00 - 5.00	Feb. 21, 2013	July 1, 2027	23,915,148
USD G.O. Improvement Bonds, Series 2013A	3.00 - 5.00	May 9, 2013	Jan. 1, 2033	30,135,613
USD G.O. Refunding Bonds, Series 2015A	5.00	Feb. 19, 2015	July 1, 2026	3,040,257
USD G.O. Refunding Bonds, Series 2015B (Taxable)	.30 - 3.493	Feb. 19, 2015	July 1, 2029	1,424,692
USD G.O. Improvement Bonds, Series 2015C	4.00 - 5.00	July 30, 2015	July 1, 2034	8,531,298
USD G.O. Refunding Bonds, Series 2016	2.00 - 5.00	June 1, 2016	Jan. 1, 2033	27,571,610
USD G.O. Improvement Bonds, Series 2017	4.00 - 5.00	Feb. 2, 2017	July 1, 2036	2,538,666
USD G.O. Improvement Bonds, Series 2018	4.00 - 5.00	Oct. 25, 2018	July 1, 2038	14,291,393
Total General Obligation Bonds Payable (governmental activities)				<u>236,748,663</u>
USD G.O. Improvement and Refunding Bonds, Series 2010A (1)	2.21 - 5.71	June 10, 2010	July 1, 2034	274,201
USD G.O. Refunding Bonds, Series 2010D (1)	1.50 - 5.00	Sept. 21, 2010	July 1, 2024	1,158,245
USD G.O. Refunding Bonds, Series 2011 (1)	2.00 - 5.00	Sept. 29, 2011	July 1, 2023	504,087
District Energy System Revenue Refunding Bonds, Series 2012A	2.00 - 5.00	Aug. 15, 2012	Oct. 1, 2033	47,450,000
USD G.O. Refunding Bonds, Series 2012B (1)	.320 - 2.767	Aug. 15, 2012	July 1, 2024	3,231,543
USD G.O. Improvement Bonds, Series 2013A (1)	3.00 - 5.00	May 9, 2013	Jan. 1, 2033	6,526,289
USD G.O. Improvement Bonds, Series 2015C (1)	4.00 - 5.00	July 30, 2015	July 1, 2034	685,894
USD G.O. Refunding Bonds, Series 2016 (1)	2.00 - 5.00	June 1, 2016	Jan. 1, 2033	5,663,461
USD G.O. Improvement Bonds, Series 2017 (1)	4.00 - 5.00	Feb. 2, 2017	July 1, 2036	539,922
USD G.O. Improvement Bonds, Series 2018 (1)	4.00 - 5.00	Oct. 25, 2018	July 1, 2038	1,559,515
Total General Obligation Bonds Payable (business-type activities)				<u>67,593,157</u>
Total General Obligation Bonds Payable - Urban Services District				<u>\$ 304,341,820</u>
<u>REVENUE BONDS PAYABLE</u>				
Department of Water and Sewerage Services:				
Revenue Refunding Bonds, Series 2008A	3.25 - 5.25	Feb. 15, 2008	Jan. 1, 2022	\$ 122,530,000
Revenue Refunding Bonds, Series 2010A	3.00 - 5.00	Dec. 9, 2010	July 1, 2027	104,050,000
Revenue Bonds Federally Taxable (BAB's), Series 2010B	6.393 - 6.568	Dec. 9, 2010	July 1, 2037	135,000,000
Revenue Bonds Federally Taxable, Series 2010C	6.693	Dec. 9, 2010	July 1, 2041	75,000,000
Revenue Refunding Bonds, Series 2012	1.00 - 5.00	Feb. 2, 2012	July 1, 2023	129,625,000
Revenue Bonds, Series 2013	3.00 - 5.00	Apr. 25, 2013	July 1, 2033	237,930,000
Revenue Bonds, Series 2017A (Green Bonds)	3.00 - 5.00	Nov. 2, 2017	July 1, 2046	89,420,000
Revenue Bonds, Series 2017B	5.00	Nov. 2, 2017	July 1, 2046	155,210,000
Revenue Bonds, Series 2020A	4.00 - 5.00	Apr. 8, 2020	July 1, 2040	169,575,000
Revenue Bonds, Series 2020B	5.00	Apr. 8, 2020	July 1, 2027	45,530,000
Total Revenue Bonds Payable - Department of Water and Sewerage Services				<u>\$ 1,263,870,000</u>
<u>NOTES AND LOANS PAYABLE</u>				
Qualified Zone Academy Notes	N/A	Dec. 28, 2005	Dec. 2, 2020	\$ 6,218,500
Qualified School Construction Bond Loans Payable	1.515	Jun. 30, 2009	Jun. 30, 2027	56,675,000
Total Notes and Loans Payable				<u>\$ 62,893,500</u>

(1) Portions of these USD G.O. Bonds are directly related to the District Energy System, a proprietary fund, and intended to be repaid from resources of the District Energy System. Therefore, the liability is reported in business-type activities.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS, NOTES AND LOANS PAYABLE (CONTINUED)

June 30, 2020

Amount Outstanding June 30, 2019	Issued During Period	Matured During Period	Refunded During Period	Amount Outstanding June 30, 2020	Maturity as of June 30, 2020
\$ 5,960,582	\$ -	\$ 2,246,664	\$ -	\$ 3,713,918	\$ 524,769
43,441,595	-	-	-	43,441,595	27,098,894
12,847,920	-	1,930,436	-	10,917,484	974,056
5,672,304	-	1,094,144	-	4,578,160	419,143
16,574,935	-	2,833,749	-	13,741,186	1,684,551
4,192,182	-	418,180	-	3,774,002	337,502
20,326,683	-	-	-	20,326,683	5,564,954
4,572,241	-	685,695	-	3,886,546	375,930
3,040,257	-	-	-	3,040,257	562,279
1,153,880	-	197,988	-	955,892	114,540
7,910,802	-	335,124	-	7,575,678	3,039,289
27,001,908	-	25,152	-	26,976,756	10,520,140
2,492,305	-	90,838	-	2,401,467	941,679
14,291,393	-	434,657	-	13,856,736	6,554,088
<u>169,478,987</u>	<u>-</u>	<u>10,292,627</u>	<u>-</u>	<u>159,186,360</u>	<u>58,711,814</u>
39,672	-	39,672	-	-	-
573,996	-	86,244	-	487,752	43,517
504,087	-	-	-	504,087	73,794
37,855,000	-	1,795,000	-	36,060,000	12,301,075
1,813,160	-	180,867	-	1,632,293	145,973
990,183	-	148,497	-	841,686	81,413
636,008	-	26,943	-	609,065	244,351
5,560,640	-	4,539	-	5,556,101	2,198,922
530,061	-	19,319	-	510,742	200,276
1,559,515	-	47,431	-	1,512,084	715,199
<u>50,062,322</u>	<u>-</u>	<u>2,348,512</u>	<u>-</u>	<u>47,713,810</u>	<u>16,004,520</u>
<u>\$ 219,541,309</u>	<u>\$ -</u>	<u>\$ 12,641,139</u>	<u>\$ -</u>	<u>\$ 206,900,170</u>	<u>\$ 74,716,334</u>
\$ 14,275,000	\$ -	\$ 14,275,000	\$ -	\$ -	\$ -
70,590,000	-	7,275,000	50,510,000	12,805,000	544,850
135,000,000	-	-	-	135,000,000	113,061,672
75,000,000	-	-	-	75,000,000	99,714,657
76,715,000	-	17,570,000	-	59,145,000	4,626,125
237,930,000	-	-	-	237,930,000	164,654,375
89,420,000	-	-	-	89,420,000	73,884,834
155,210,000	-	-	-	155,210,000	129,883,500
-	169,575,000	-	-	169,575,000	111,131,534
-	45,530,000	-	-	45,530,000	9,740,110
<u>\$ 854,140,000</u>	<u>\$ 215,105,000</u>	<u>\$ 39,120,000</u>	<u>\$ 50,510,000</u>	<u>\$ 979,615,000</u>	<u>\$ 707,241,657</u>
\$ 829,130	\$ -	\$ 414,567	\$ -	\$ 414,563	\$ -
27,655,121	-	3,536,429	-	24,118,692	14,182,174
<u>\$ 28,484,251</u>	<u>\$ -</u>	<u>\$ 3,950,996</u>	<u>\$ -</u>	<u>\$ 24,533,255</u>	<u>\$ 14,182,174</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE  
GENERAL SERVICES DISTRICT - GENERAL OBLIGATION BONDS

Based on Bonded Debt as of June 30, 2020

Year Ending June 30	General Services District - General Obligation Bonds		
	Total General Obligation Bonds		
	Principal	Interest	Total
2021	\$ 176,791,487	\$ 121,549,179	\$ 298,340,666
2022	181,187,797	113,155,486	294,343,283
2023	190,773,974	104,446,493	295,220,467
2024	201,449,713	95,690,509	297,140,222
2025	202,674,039	86,660,698	289,334,737
2026	186,484,153	77,601,901	264,086,054
2027	172,308,504	68,911,508	241,220,012
2028	171,493,757	60,533,929	232,027,686
2029	134,725,901	53,402,721	188,128,622
2030	140,046,455	47,620,137	187,666,592
2031	142,259,329	40,861,067	183,120,396
2032	148,773,705	33,859,624	182,633,329
2033	155,598,027	26,531,282	182,129,309
2034	125,837,267	19,144,194	144,981,461
2035	131,033,930	13,404,671	144,438,601
2036	78,774,341	8,901,585	87,675,926
2037	81,987,897	5,686,340	87,674,237
2038	49,572,636	3,055,130	52,627,766
2039	51,591,918	1,031,837	52,623,755
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
	<u>\$ 2,723,364,830</u>	<u>\$ 982,048,291</u>	<u>\$ 3,705,413,121</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)  
GENERAL SERVICES DISTRICT - GENERAL OBLIGATION BONDS

Based on Bonded Debt as of June 30, 2020

General Services District - General Obligation Bonds					
For General Purposes			For School Purposes		
Principal	Interest	Total	Principal	Interest	Total
\$ 115,829,973	\$ 81,979,533	\$ 197,809,506	\$ 60,961,514	\$ 39,569,646	\$ 100,531,160
118,246,243	76,474,326	194,720,569	62,941,554	36,681,160	99,622,714
128,396,796	70,695,657	199,092,453	62,377,178	33,750,836	96,128,014
130,011,866	64,900,551	194,912,417	71,437,847	30,789,958	102,227,805
132,620,879	58,965,035	191,585,914	70,053,160	27,695,663	97,748,823
124,080,229	52,951,079	177,031,308	62,403,924	24,650,822	87,054,746
115,540,309	47,148,063	162,688,372	56,768,195	21,763,445	78,531,640
118,371,581	41,476,381	159,847,962	53,122,176	19,057,548	72,179,724
93,055,569	36,565,776	129,621,345	41,670,332	16,836,945	58,507,277
96,709,773	32,605,192	129,314,965	43,336,682	15,014,945	58,351,627
98,194,030	27,935,301	126,129,331	44,065,299	12,925,766	56,991,065
102,708,964	23,097,797	125,806,761	46,064,741	10,761,827	56,826,568
107,439,866	18,033,193	125,473,059	48,158,161	8,498,089	56,656,250
84,775,552	12,929,190	97,704,742	41,061,715	6,215,004	47,276,719
88,282,739	9,062,866	97,345,605	42,751,191	4,341,805	47,092,996
52,343,754	6,043,795	58,387,549	26,430,587	2,857,790	29,288,377
54,479,165	3,907,335	58,386,500	27,508,732	1,779,005	29,287,737
34,518,875	2,127,376	36,646,251	15,053,761	927,754	15,981,515
35,924,959	718,499	36,643,458	15,666,959	313,338	15,980,297
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,831,531,122</u>	<u>\$ 667,616,945</u>	<u>\$ 2,499,148,067</u>	<u>\$ 891,833,708</u>	<u>\$ 314,431,346</u>	<u>\$ 1,206,265,054</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)  
 URBAN SERVICES DISTRICT - GENERAL OBLIGATION BONDS

Based on Bonded Debt as of June 30, 2020

Year Ending June 30	Urban Services District - General Obligation Bonds		
	Principal	Interest	Total
2021	\$ 13,243,513	\$ 9,674,040	\$ 22,917,553
2022	13,467,203	9,025,619	22,492,822
2023	14,251,026	8,369,551	22,620,577
2024	15,970,287	7,708,470	23,678,757
2025	15,875,961	7,000,764	22,876,725
2026	14,490,847	6,279,906	20,770,753
2027	15,556,496	5,552,015	21,108,511
2028	15,206,243	4,796,893	20,003,136
2029	12,114,099	4,128,150	16,242,249
2030	12,553,545	3,594,772	16,148,317
2031	13,020,671	2,969,885	15,990,556
2032	13,566,295	2,319,307	15,885,602
2033	14,146,973	1,624,932	15,771,905
2034	10,797,733	890,756	11,688,489
2035	7,776,070	401,567	8,177,637
2036	1,260,659	169,315	1,429,974
2037	1,312,103	117,860	1,429,963
2038	1,122,364	69,170	1,191,534
2039	1,168,082	23,362	1,191,444
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
	<u>\$ 206,900,170</u>	<u>\$ 74,716,334</u>	<u>\$ 281,616,504</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)  
DEPARTMENT OF WATER AND SEWERAGE SERVICES

Based on Bonded Debt as of June 30, 2020

Year Ending June 30	Revenue Bonds		
	Department of Water and Sewerage Services		
	Principal	Interest	Total
2021	\$ 25,080,000	\$ 46,911,772	\$ 71,991,772
2022	33,070,000	48,125,552	81,195,552
2023	39,815,000	46,435,928	86,250,928
2024	30,675,000	44,818,227	75,493,227
2025	24,820,000	43,471,027	68,291,027
2026	26,065,000	42,209,078	68,274,078
2027	27,375,000	40,880,677	68,255,677
2028	28,740,000	39,440,576	68,180,576
2029	30,885,000	37,901,622	68,786,622
2030	32,290,000	36,239,656	68,529,656
2031	33,835,000	34,425,047	68,260,047
2032	35,455,000	32,513,812	67,968,812
2033	37,165,000	30,504,630	67,669,630
2034	38,960,000	28,399,394	67,359,394
2035	40,845,000	26,223,727	67,068,727
2036	42,820,000	23,978,138	66,798,138
2037	44,895,000	21,625,309	66,520,309
2038	47,025,000	19,157,580	66,182,580
2039	49,225,000	16,565,321	65,790,321
2040	51,475,000	13,848,966	65,323,966
2041	53,805,000	11,017,373	64,822,373
2042	56,175,000	8,139,776	64,314,776
2043	39,480,000	5,849,944	45,329,944
2044	41,230,000	4,099,000	45,329,000
2045	25,420,000	2,621,500	28,041,500
2046	26,620,000	1,428,775	28,048,775
2047	16,370,000	409,250	16,779,250
	<u>\$ 979,615,000</u>	<u>\$ 707,241,657</u>	<u>\$ 1,686,856,657</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF ESTIMATED REVENUES AND FUND BALANCES  
TO SUPPORT APPROPRIATIONS\*

GENERAL SERVICES DISTRICT

For the Year July 1, 2020 Through June 30, 2021

<u>SOURCE OF REVENUE:</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>School Debt Service Fund</u>	<u>School Funds</u>	<u>Total</u>
Property Taxes - Current Year	\$ 559,254,100	\$ 187,989,500	\$ 68,119,900	\$ 427,523,900	\$ 1,242,887,400
Property Taxes - Non Current Year	65,293,000	64,500	27,400	4,084,200	69,469,100
Local Option Sales Tax	122,814,300	1,202,000	49,745,100	178,361,400	352,122,800
Other Taxes, Licenses, and Permits	100,480,600	-	-	17,182,100	117,662,700
Fines, Forfeits, and Penalties	5,619,600	241,000	-	1,200	5,861,800
Other Agencies - Federal Direct	2,211,200	-	-	-	2,211,200
Other Agencies - Federal Through State	2,033,300	-	-	500,000	2,533,300
Other Agencies - Other Pass - Through	7,800,000	-	-	-	7,800,000
Other Agencies - State Direct	72,107,900	4,596,000	-	288,467,800	365,171,700
Other Agencies - Other Governments	42,071,200	-	-	10,000	42,081,200
Commissions and Fees	11,093,000	-	-	-	11,093,000
Charges for Current Services	43,375,900	-	-	2,220,000	45,595,900
Compensation from Property	631,300	-	-	1,640,000	2,271,300
Contributions and Gifts	-	-	-	150,000	150,000
Miscellaneous	915,300	4,843,400	-	30,000	5,788,700
Subtotal	1,035,700,700	198,936,400	117,892,400	920,170,600	2,272,700,100
Operating Transfers In	10,690,200	14,555,600	1,599,600	2,300,000	29,145,400
Non-Operating Transfers In	9,617,100	-	-	-	9,617,100
Subtotal	20,307,300	14,555,600	1,599,600	2,300,000	38,762,500
Total Available for GSD Appropriations	<u>\$ 1,056,008,000</u>	<u>\$ 213,492,000</u>	<u>\$ 119,492,000</u>	<u>\$ 922,470,600</u>	<u>\$ 2,311,462,600</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2020-286 for the 2020-2021 fiscal year.

See accompanying auditors' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 BUDGETARY SCHEDULE OF ESTIMATED REVENUES AND FUND BALANCES  
 TO SUPPORT APPROPRIATIONS\* (CONTINUED)

URBAN SERVICES DISTRICT

For the Year July 1, 2020 Through June 30, 2021

<u>SOURCE OF REVENUE:</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Property Taxes - Current Year	\$ 104,583,400	\$ 19,014,800	\$ 123,598,200
Property Taxes - Non Current Year	21,008,200	11,800	21,020,000
Other Taxes, Licenses, and Permits	11,923,900	215,300	12,139,200
Other Agencies - State Direct	402,600	-	402,600
Charges for Current Services	1,458,500	-	1,458,500
Compensation from Property	100,000	-	100,000
Operating Transfers In	-	1,742,600	1,742,600
	<u>\$ 139,476,600</u>	<u>\$ 20,984,500</u>	<u>\$ 160,461,100</u>
Total Available for USD Appropriations	<u>\$ 139,476,600</u>	<u>\$ 20,984,500</u>	<u>\$ 160,461,100</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2020-286 for the 2020-2021 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 BUDGETARY SCHEDULE OF APPROPRIATIONS BY FUNCTION AND/OR FUNDS \*

For the Year July 1, 2020 Through June 30, 2021

<u>GENERAL FUND</u>	General Services District	Urban Services District	Duplicated By Interdistrict Interfund Transfers	Appropriation By Function And/Or Fund
General Government	\$ 225,700,500	\$ 26,453,500	\$ -	\$ 252,154,000
Fiscal Administration	27,868,600	-	-	27,868,600
Administration of Justice	71,946,100	-	-	71,946,100
Law Enforcement and Care of Prisoners	290,109,300	481,000	481,000	290,109,300
Fire Prevention and Control	60,570,200	72,874,600	-	133,444,800
Regulation, Inspection, & Economic Development	39,857,800	2,031,900	-	41,889,700
Social Services	7,408,000	-	-	7,408,000
Health and Hospitals	98,481,100	-	-	98,481,100
Public Library System	31,402,200	-	-	31,402,200
Recreational, Cultural, Conservation & Community Support	61,754,400	465,500	-	62,219,900
Infrastructure and Transportation	62,439,900	30,500,100	-	92,940,000
Other Appropriations	32,071,000	-	-	32,071,000
Cash & Fund Balance Restoration	46,398,900	6,670,000	-	53,068,900
<b>Total General Funds</b>	<b>1,056,008,000</b>	<b>139,476,600</b>	<b>481,000</b>	<b>1,195,003,600</b>
<u>DEBT SERVICE FUNDS</u>				
(See detail on succeeding pages)	332,984,000	20,984,500	-	353,968,500
<u>SCHOOL FUNDS</u>				
(See detail on succeeding pages)	922,470,600	-	-	922,470,600
<b>Total Appropriations By District</b>	<b>2,311,462,600</b>	<b>160,461,100</b>	<b>481,000</b>	<b>2,471,442,700</b>
<u>LESS INTERFUND TRANSFER:</u>				
GSD Operating to GSD Debt	(3,388,900)	-	-	(3,388,900)
Schools to GSD General	(192,000)	-	-	(192,000)
MNPS to MNPS Debt	(1,599,600)	-	-	(1,599,600)
<b>Net Appropriation by District</b>	<b>\$ 2,306,282,100</b>	<b>\$ 160,461,100</b>	<b>\$ 481,000</b>	<b>\$ 2,466,262,200</b>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2020-286 for the 2020-2021 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 BUDGETARY SCHEDULE OF REQUIREMENTS OF THE DEBT SERVICE FUNDS BY FUNCTION \*

DEBT SERVICE FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2020 Through June 30, 2021

	Principal/Interest	Other	Total
<u>SCHOOL DEBT SERVICE FUND</u>			
Outstanding General Obligation School Bonds	\$ 100,531,100	\$ -	\$ 100,531,100
Redemption, Cremation and Management Fees	-	916,200	916,200
Treasury Internal Service Fees	-	77,900	77,900
Qualified Zone Academy Bonds, 2005	-	414,600	414,600
Quallified School Construction Bonds, 2009	-	1,637,800	1,637,800
Quallified School Construction Bonds, 2010	-	3,942,300	3,942,300
Commercial Paper (Bonds Anticipation Loans)	2,375,600	-	2,375,600
FY20 Cash Deficit Repayment	-	6,000,000	6,000,000
	102,906,700	12,988,800	115,895,500
Total Expenditures GSD School Purposes Debt Service Fund			
Cash and Fund Balance Restoration	-	3,596,500	3,596,500
	\$ 102,906,700	\$ 16,585,300	\$ 119,492,000
	\$ 102,906,700	\$ 16,585,300	\$ 119,492,000
<u>GENERAL PURPOSES DEBT SERVICE FUND</u>			
Outstanding General Obligation GSD Bonds	\$ 197,809,500	\$ -	\$ 197,809,500
Redemption, Cremation and Management Fees	-	2,017,400	2,017,400
Treasury Internal Service Fees	-	151,700	151,700
Commercial Paper (Bonds Anticipation Loans)	5,447,300	-	5,447,300
Swap Agreement	1,422,600	-	1,422,600
	204,679,400	2,169,100	206,848,500
Total Expenditures GSD General Purposes Debt Service Fund			
Cash and Fund Balance Restoration	-	6,643,500	6,643,500
	\$ 204,679,400	\$ 8,812,600	\$ 213,492,000
	\$ 204,679,400	\$ 8,812,600	\$ 213,492,000

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2020-286 for the 2020-2021 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 BUDGETARY SCHEDULE OF REQUIREMENTS OF THE DEBT SERVICE FUNDS BY FUNCTION \*

DEBT SERVICE FUNDS - URBAN SERVICES DISTRICT

For the Year July 1, 2020 Through June 30, 2021

<u>URBAN SERVICES DISTRICT DEBT SERVICE FUND</u>	<u>Principal/Interest</u>	<u>Other</u>	<u>Total</u>
Outstanding General Obligation USD Bonds	\$ 19,097,800	\$ -	\$ 19,097,800
Redemption, Cremation and Management Fees	-	66,400	66,400
Treasury Internal Service Fees	-	26,000	26,000
Commercial Paper (Bonds Anticipation Loans)	177,100	-	177,100
FY20 Cash Deficit Repayment	-	1,000,000	1,000,000
	<hr/>	<hr/>	<hr/>
Total USD General Purposes Debt Service Fund	19,274,900	1,092,400	20,367,300
Cash and Fund Balance Restoration	-	617,200	617,200
	<hr/>	<hr/>	<hr/>
Total USD General Purposes Debt Service Fund	<u>\$ 19,274,900</u>	<u>\$ 1,709,600</u>	<u>\$ 20,984,500</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2020-286 for the 2020-2021 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF APPROPRIATIONS\*

SCHOOL FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2020 Through June 30, 2021

GENERAL PURPOSE SCHOOL FUND: (1)

General Purpose School Fund:	
Operational	\$ 916,526,000
Property Tax Increment	<u>5,944,600</u>
Total General Purpose School Fund	<u><u>\$ 922,470,600</u></u>

(1) From the funds appropriated to the Metropolitan Board of Public Education, there is appropriated the sum of \$4,285,000 for the purpose of funding the actuarial contribution to the Metro Teachers Pension Plan.

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2020-286 for the 2020-2021 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SUMMARY OF SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

June 30, 2020

<u>NAME OF OFFICIAL</u>	<u>TITLE</u>	<u>ANNUAL SALARY</u>	<u>AMOUNT OF SURETY BOND</u>
John Cooper	Mayor	\$ 180,000	\$ 50,000
Kevin Crumbo	Director of Finance	202,000	250,000
Tom Eddlemon	Treasurer	151,500	2,000,000
Michelle Lane	Purchasing Agent	133,368	-
Phil Carr	Chief Accountant	134,257	-
Shannon Hall	Human Resources Director	142,779	-
Richard R. Rooker	Circuit Court Clerk	161,623	100,000
Richard R. Rooker	Probate Clerk	-	250,000
Karen Johnson	Register of Deeds	133,830	150,000
Parker Toler (2)	Trustee	139,694	14,000,000
Brenda P. Wynn	County Clerk	147,657	500,000
Howard C. Gentry, Jr.	Criminal Court Clerk	161,623	150,000
J. Daron Hall	Sheriff	168,950	100,000
Vivian M. Wilhoite	Assessor of Property	147,657	50,000
Maria Salas	Clerk & Master	142,698	50,000
Lonnell Matthews	Juvenile Court Clerk	147,657	100,000
Peggy Duncan Mathes	Public Administrator	-	100,000
Michael M. Castellarin	Public Trustee	-	200,000
Richard R. Rooker	Commissioner & Receiver	-	100,000
Richard R. Rooker	Official Revenue	-	100,000
Monica C. Fawknottson	Executive Director Sports Authority	118,177	50,000
Chris Henson	MNPS Assistant Superintendent of Business, Facility and Services	185,000	1,000,000

(1) A \$250,000 blanket surety bond is in place for these officials rather than separate bonds.

(2) Erica S. Gilmore was elected Trustee in March 2020 and sworn into office in August 2020. Parker Toler held the position as of June 30, 2020.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
STATISTICAL SECTION (UNAUDITED)  
TABLE OF CONTENTS

This section of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Government's overall financial health.

	<u>Page Numbers</u>
FINANCIAL TRENDS	H-2
These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	
REVENUE CAPACITY	H-16
These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	
DEBT CAPACITY	H-24
These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	H-32
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Government's financial activities take place.	
OPERATING INFORMATION	H-34
These schedules contain service and infrastructure data to help the reader understand how the information in the Government's financial report relates to the services the Government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 1,010,874	\$ 924,393	\$ 857,598	\$ 955,256
Restricted	42,860	31,771	35,802	39,551
Unrestricted	<u>(564,405)</u>	<u>(637,147)</u>	<u>(683,464)</u>	<u>(907,694)</u>
Total governmental activities net position	<u>489,329</u>	<u>319,017</u>	<u>209,936</u>	<u>87,113</u>
<b>Business-type activities</b>				
Net investment in capital assets	1,220,912	1,259,241	1,236,765	1,232,187
Restricted	46,256	49,700	56,720	64,253
Unrestricted	<u>38,908</u>	<u>32,057</u>	<u>27,268</u>	<u>37,930</u>
Total business-type activities net position	<u>1,306,076</u>	<u>1,340,998</u>	<u>1,320,753</u>	<u>1,334,370</u>
<b>Primary government</b>				
Net investment in capital assets	2,231,786	2,183,634	2,094,363	2,187,443
Restricted	89,116	81,471	92,522	103,804
Unrestricted	<u>(525,497)</u>	<u>(605,090)</u>	<u>(656,196)</u>	<u>(869,764)</u>
Total primary government net position	<u>\$ 1,795,405</u>	<u>\$ 1,660,015</u>	<u>\$ 1,530,689</u>	<u>\$ 1,421,483</u>

(1) In 2015, the Government implemented GASB Statement No. 68 which revised the reporting for its liability related to pensions. Amounts for prior years have not been restated.

(2) In 2018, the Government implemented GASB Statement No. 75 which revised the reporting for its liability related to other postemployment benefits. Amounts for prior years have not been restated.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>	<u>2019</u>	<u>2020</u>
\$ 905,271	\$ 817,836	\$ 758,016	\$ 706,897	\$ 641,440	\$ 600,273
41,647	43,203	56,345	57,970	60,961	56,239
<u>(1,269,590)</u>	<u>(1,333,519)</u>	<u>(1,528,114)</u>	<u>(3,956,494)</u>	<u>(4,135,579)</u>	<u>(4,328,054)</u>
<u>(322,672)</u>	<u>(472,480)</u>	<u>(713,753)</u>	<u>(3,191,627)</u>	<u>(3,433,178)</u>	<u>(3,671,542)</u>
1,236,872	1,227,147	1,191,252	1,172,712	1,193,645	1,180,320
55,270	66,837	87,141	100,070	98,559	86,502
<u>41,747</u>	<u>36,937</u>	<u>27,516</u>	<u>47,575</u>	<u>60,597</u>	<u>127,011</u>
<u>1,333,889</u>	<u>1,330,921</u>	<u>1,305,909</u>	<u>1,320,357</u>	<u>1,352,801</u>	<u>1,393,833</u>
2,142,143	2,044,983	1,949,268	1,879,609	1,835,085	1,780,593
96,917	110,040	143,486	158,040	159,520	142,741
<u>(1,227,843)</u>	<u>(1,296,582)</u>	<u>(1,500,598)</u>	<u>(3,908,919)</u>	<u>(4,074,982)</u>	<u>(4,201,043)</u>
<u>\$ 1,011,217</u>	<u>\$ 858,441</u>	<u>\$ 592,156</u>	<u>\$ (1,871,270)</u>	<u>\$ (2,080,377)</u>	<u>\$ (2,277,709)</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities				
General government	\$ 122,913	\$ 117,669	\$ 118,107	\$ 134,592
Fiscal administration	33,613	31,802	32,675	31,357
Administration of justice	87,374	89,564	92,752	93,224
Law enforcement and care of prisoners	322,782	335,162	371,438	359,502
Fire prevention and control	149,619	158,763	170,843	149,551
Regulation and inspection	10,248	11,717	10,751	11,231
Conservation of natural resources	445	439	542	519
Public welfare	59,386	56,504	57,172	56,449
Public health and hospitals	132,993	114,145	119,695	119,828
Public library system	30,033	30,676	33,034	35,739
Public works, highways and streets	144,012	152,201	169,521	180,008
Recreational and cultural	59,421	61,259	68,515	76,759
Education	869,449	867,599	903,998	924,418
Interest and other debt related costs	102,859	86,223	77,525	96,842
Total governmental activities	<u>2,125,147</u>	<u>2,113,723</u>	<u>2,226,568</u>	<u>2,270,019</u>
Business-type activities				
Department of Water and Sewerage Services	189,521	185,385	205,278	208,945
District Energy System	17,837	18,102	17,573	18,774
Stormwater Operations	10,669	10,426	10,717	11,073
Nashville Convention Center	7,539	7,147	7,427	3,591
Board of Fair Commissioners	2,814	2,945	3,074	3,140
Farmers Market	1,193	1,265	1,788	1,605
Police Secondary Employment	855	832	1,131	190
Surplus Property Auction	734	713	735	790
Municipal Auditorium	1,801	1,808	1,787	2,001
Police Impound	1,320	967	376	375
Community Education Commission	302	297	352	324
Total business-type activities	<u>234,585</u>	<u>229,887</u>	<u>250,238</u>	<u>250,808</u>
Total primary government	<u>\$ 2,359,732</u>	<u>\$ 2,343,610</u>	<u>\$ 2,476,806</u>	<u>\$ 2,520,827</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	\$ 6,908	\$ 9,134	\$ 8,329	\$ 10,805
Fiscal administration	5,286	5,181	6,768	6,237
Administration of justice	33,745	32,772	33,232	32,929
Law enforcement and care of prisoners	30,637	33,172	32,210	30,281
Fire prevention and control	16,395	12,759	13,431	15,502
Regulation and inspection	8,858	10,846	12,368	14,252
Public welfare	1,352	1,208	1,098	1,162
Public health and hospitals	9,902	8,796	9,159	9,847
Public library system	484	474	450	438
Public works, highways and streets	11,191	12,594	12,066	12,573
Recreational and cultural	9,068	9,755	10,130	10,702
Education	17,838	18,485	19,502	18,740
Operating grants and contributions (1)	432,938	436,073	435,077	438,515
Capital grants and contributions (1)	38,595	58,447	55,267	58,286
Total governmental activities	<u>623,197</u>	<u>649,696</u>	<u>649,087</u>	<u>660,269</u>

(1) Operating and capital grants and contributions primarily represent amounts received from other governments to fund specific programs and projects and the value of roads and other infrastructure donated to the Government. The amounts vary based on the availability and timing of Federal and State funding and the timing and amount of road and infrastructure development within the metropolitan area.

(2) In 2015, the Government implemented GASB Statement No. 68 which revised the reporting for its liability related to pensions. Amounts for prior years have not been restated.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	2015 (2)	2016	2017	2018 (3)	2019	2020
\$	188,330	\$ 196,012	\$ 206,436	\$ 229,632	\$ 241,330	\$ 230,356
	33,277	31,729	33,551	34,478	36,497	41,067
	92,902	96,091	103,652	110,415	111,078	110,247
	353,933	378,291	392,032	389,728	421,429	457,130
	152,045	162,323	169,409	172,064	183,783	182,714
	11,216	10,931	12,103	12,600	13,878	14,209
	480	559	544	495	447	436
	54,279	56,186	67,609	72,270	77,151	56,783
	106,365	117,686	127,806	127,667	128,550	131,945
	41,390	45,268	46,440	45,086	48,463	48,057
	191,499	202,419	217,791	221,096	282,226	240,851
	70,841	77,342	81,081	96,612	90,277	79,718
	907,504	978,229	1,070,022	1,121,121	1,124,977	1,174,220
	93,210	95,228	103,969	110,836	121,201	113,137
	<u>2,297,271</u>	<u>2,448,294</u>	<u>2,632,445</u>	<u>2,744,100</u>	<u>2,881,287</u>	<u>2,880,870</u>
	213,926	232,501	231,793	227,588	240,195	255,803
	18,761	17,940	18,063	18,475	18,060	16,855
	10,506	10,945	12,661	15,625	18,170	20,189
	3,543	2,126	24,774	-	-	-
	3,661	3,654	3,737	3,673	3,497	3,918
	1,849	1,931	2,113	2,115	2,060	2,242
	-	-	-	-	-	-
	650	703	745	648	640	730
	2,041	1,995	2,035	2,074	2,221	1,791
	375	375	375	375	375	375
	357	391	-	-	-	-
	<u>255,669</u>	<u>272,561</u>	<u>296,296</u>	<u>270,573</u>	<u>285,218</u>	<u>301,903</u>
\$	<u>2,552,940</u>	<u>2,720,855</u>	<u>2,928,741</u>	<u>3,014,673</u>	<u>3,166,505</u>	<u>3,182,773</u>
\$	7,764	\$ 8,989	\$ 9,597	\$ 18,781	\$ 15,161	\$ 25,233
	6,356	7,570	9,527	9,807	8,904	8,638
	31,052	29,143	27,325	26,780	21,177	21,364
	30,667	30,247	32,451	28,207	30,015	28,808
	11,449	9,286	11,100	10,829	9,785	10,719
	18,576	25,407	24,607	23,742	25,419	27,837
	1,007	915	803	905	529	564
	11,173	12,495	11,874	12,447	12,250	10,960
	409	397	404	223	206	152
	14,272	15,922	19,971	19,637	20,349	20,891
	11,332	13,974	14,312	14,495	15,671	11,119
	16,936	19,259	18,990	18,026	19,235	13,879
	454,881	467,388	483,020	525,054	518,759	521,031
	37,301	30,970	30,891	30,162	60,733	53,804
	<u>653,175</u>	<u>671,962</u>	<u>694,872</u>	<u>739,095</u>	<u>758,193</u>	<u>754,999</u>

(3) In 2018, the Government implemented GASB Statement No. 75 which revised the reporting for its liability related to other postemployment benefits. Amounts for prior years have not been restated.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
<b>Program Revenues (Continued)</b>				
Business-type activities				
Charges for services:				
Department of Water and Sewerage Services	\$ 195,790	\$ 201,060	\$ 208,830	\$ 211,372
District Energy System	15,486	15,962	16,713	18,526
Stormwater Operations	14,198	13,883	14,199	14,613
Nashville Convention Center	5,404	5,490	5,746	2,124
Board of Fair Commissioners	2,109	2,658	2,786	3,021
Farmers Market	745	961	1,292	1,125
Police Secondary Employment	1,103	935	1,285	-
Surplus Property Auction	1,081	1,298	795	589
Municipal Auditorium	1,370	1,607	1,188	1,558
Police Impound	1,271	1,584	492	479
Community Education Commission	18	36	45	58
Capital grants and contributions	39,467	25,307	11,890	16,478
Total business-type activities	<u>278,042</u>	<u>270,781</u>	<u>265,261</u>	<u>269,943</u>
Total primary government	<u>\$ 901,239</u>	<u>\$ 920,477</u>	<u>\$ 914,348</u>	<u>\$ 930,212</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (1,501,950)	\$ (1,464,027)	\$ (1,577,481)	\$ (1,609,750)
Business-type activities	43,457	40,894	15,023	19,135
Total primary government	<u>\$ (1,458,493)</u>	<u>\$ (1,423,133)</u>	<u>\$ (1,562,458)</u>	<u>\$ (1,590,615)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Property taxes	\$ 782,192	\$ 787,882	\$ 895,919	\$ 911,661
Local option sales taxes	258,107	281,294	301,430	315,479
Other taxes	137,141	150,856	160,802	174,556
Revenue from the use of money or property	1,095	1,121	1,195	3,244
Revenue from other governmental agencies	61,262	62,929	66,572	66,010
Compensation for loss, sale or damage to property	3,290	3,385	7,043	4,296
Transfers	3,400	6,248	35,439	11,681
Special and extraordinary items (4)	(2,911)	-	-	-
Total governmental activities	<u>1,243,576</u>	<u>1,293,715</u>	<u>1,468,400</u>	<u>1,486,927</u>
Business-type activities				
Revenue from the use of money or property	230	119	111	1,655
Compensation for loss, sale or damage to property	282	157	60	196
Transfers	(3,400)	(6,248)	(35,439)	(11,681)
Total business-type activities	<u>(2,888)</u>	<u>(5,972)</u>	<u>(35,268)</u>	<u>(9,830)</u>
Total primary government	<u>\$ 1,240,688</u>	<u>\$ 1,287,743</u>	<u>\$ 1,433,132</u>	<u>\$ 1,477,097</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (258,374)	\$ (170,312)	\$ (109,081)	\$ (122,823)
Business-type activities	40,569	34,922	(20,245)	9,305
Total primary government	<u>\$ (217,805)</u>	<u>\$ (135,390)</u>	<u>\$ (129,326)</u>	<u>\$ (113,518)</u>

(4) Special and extraordinary items consist of: In 2011, the Government incurred flood related expenses in excess of recoveries related to significant flooding that occurred in May 2010.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

2015 (2)	2016	2017	2018 (3)	2019	2020
\$ 214,751	\$ 217,784	\$ 218,816	\$ 224,283	\$ 228,054	\$ 265,887
18,542	17,597	17,408	17,111	17,607	16,581
14,295	14,461	15,231	32,330	36,254	34,891
1,768	45	-	-	-	-
3,367	3,283	3,318	3,011	2,924	1,814
1,038	961	974	1,095	1,000	1,062
-	-	-	-	-	-
712	1,231	1,253	2,088	1,200	1,247
1,427	1,507	1,788	1,897	2,314	1,643
475	475	491	502	502	500
59	80	38	-	-	-
20,655	22,770	27,848	18,753	20,652	26,568
277,089	280,194	287,165	301,070	310,507	350,193
<u>\$ 930,264</u>	<u>\$ 952,156</u>	<u>\$ 982,037</u>	<u>\$ 1,040,165</u>	<u>\$ 1,068,700</u>	<u>\$ 1,105,192</u>
\$ (1,644,096)	\$ (1,776,332)	\$ (1,937,573)	\$ (2,005,005)	\$ (2,123,094)	\$ (2,125,871)
21,420	7,633	(9,131)	30,497	25,289	48,290
<u>\$ (1,622,676)</u>	<u>\$ (1,768,699)</u>	<u>\$ (1,946,704)</u>	<u>\$ (1,974,508)</u>	<u>\$ (2,097,805)</u>	<u>\$ (2,077,581)</u>
\$ 927,860	\$ 944,353	\$ 971,643	\$ 995,535	\$ 1,041,924	\$ 1,084,013
340,077	365,704	382,934	414,156	450,234	443,868
193,729	206,146	223,138	242,978	266,666	232,019
1,044	3,886	3,350	5,865	11,678	7,298
77,625	83,484	91,696	96,374	97,965	106,864
11,677	9,963	6,386	1,874	19,747	4,045
11,154	12,988	17,153	18,902	(6,671)	9,400
-	-	-	-	-	-
1,563,166	1,626,524	1,696,300	1,775,684	1,881,543	1,887,507
1,088	1,334	1,224	2,819	6,857	2,140
2	1,053	48	34	30	2
(11,154)	(12,988)	(17,153)	(18,902)	6,671	(9,400)
(10,064)	(10,601)	(15,881)	(16,049)	13,558	(7,258)
<u>\$ 1,553,102</u>	<u>\$ 1,615,923</u>	<u>\$ 1,680,419</u>	<u>\$ 1,759,635</u>	<u>\$ 1,895,101</u>	<u>\$ 1,880,249</u>
\$ (80,930)	\$ (149,808)	\$ (241,273)	\$ (229,321)	\$ (241,551)	\$ (238,364)
11,356	(2,968)	(25,012)	14,448	38,847	41,032
<u>\$ (69,574)</u>	<u>\$ (152,776)</u>	<u>\$ (266,285)</u>	<u>\$ (214,873)</u>	<u>\$ (202,704)</u>	<u>\$ (197,332)</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014	2015
General fund					
Nonspendable	\$ 473,335	\$ 367,535	\$ 453,627	\$ 525,930	\$ 546,062
Assigned	13,878,075	539,600	16,030,900	34,840,900	54,311,800
Unassigned	53,134,734	69,836,867	84,053,738	81,650,073	83,195,736
Total general fund	<u>67,486,144</u>	<u>70,744,002</u>	<u>100,538,265</u>	<u>117,016,903</u>	<u>138,053,598</u>
All other governmental funds					
Nonspendable	2,119,993	2,891,941	2,723,873	3,122,352	4,079,964
Restricted	47,011,877	36,939,852	160,884,699	39,365,865	41,461,337
Committed	121,277,278	145,387,960	145,231,736	125,883,422	126,421,581
Assigned	11,161,900	-	29,966,900	40,441,000	25,800,000
Unassigned (1)	(39,332,027)	(174,680,021)	(15,710,564)	(189,169,860)	(501,399,310)
Total all other governmental funds	<u>142,239,021</u>	<u>10,539,732</u>	<u>323,096,644</u>	<u>19,642,779</u>	<u>(303,636,428)</u>
Total governmental funds	<u>\$ 209,725,165</u>	<u>\$ 81,283,734</u>	<u>\$ 423,634,909</u>	<u>\$ 136,659,682</u>	<u>\$ (165,582,830)</u>

(1) The deficit balances are due to capital projects funds that are temporarily funded with short-term commercial paper borrowings. The balances vary due to the timing of capital expenditures and the issuance of bonds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 467,008	\$ 986,266	\$ 842,106	\$ 512,113	\$ 707,906
59,542,600	50,533,800	16,939,600	13,607,278	11,994,500
<u>84,493,158</u>	<u>55,176,460</u>	<u>58,879,621</u>	<u>77,325,526</u>	<u>61,072,639</u>
<u>144,502,766</u>	<u>106,696,526</u>	<u>76,661,327</u>	<u>91,444,917</u>	<u>73,775,045</u>
3,276,149	3,332,511	3,040,245	3,404,379	4,881,068
43,018,673	56,160,164	57,785,371	60,687,925	56,053,323
137,020,957	137,058,350	134,273,729	132,150,162	139,745,835
21,000,000	25,440,300	550,000	2,569,824	-
<u>(342,346,761)</u>	<u>(192,217,171)</u>	<u>(653,295,939)</u>	<u>(254,593,420)</u>	<u>(560,486,994)</u>
<u>(138,030,982)</u>	<u>29,774,154</u>	<u>(457,646,594)</u>	<u>(55,781,130)</u>	<u>(359,806,768)</u>
<u>\$ 6,471,784</u>	<u>\$ 136,470,680</u>	<u>\$ (380,985,267)</u>	<u>\$ 35,663,787</u>	<u>\$ (286,031,723)</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 FUND BALANCES OF BUDGETED GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014	2015
General fund					
GSD					
Nonspendable	\$ 473,335	\$ 367,535	\$ 453,627	\$ 525,930	\$ 546,062
Assigned	442,575	539,600	10,768,700	29,036,600	45,541,100
Unassigned	44,578,057	61,358,778	74,758,944	70,094,923	74,818,956
Total GSD	<u>45,493,967</u>	<u>62,265,913</u>	<u>85,981,271</u>	<u>99,657,453</u>	<u>120,906,118</u>
USD					
Assigned	13,435,500	-	5,262,200	5,804,300	8,770,700
Unassigned	8,556,677	8,478,089	9,294,794	11,555,150	8,376,780
Total USD	<u>21,992,177</u>	<u>8,478,089</u>	<u>14,556,994</u>	<u>17,359,450</u>	<u>17,147,480</u>
Total general fund	<u>67,486,144</u>	<u>70,744,002</u>	<u>100,538,265</u>	<u>117,016,903</u>	<u>138,053,598</u>
General purpose school fund					
Nonspendable	883,700	1,291,555	1,504,241	1,569,880	2,790,092
Committed	34,449,193	54,933,590	64,049,858	43,152,443	53,325,440
Assigned	-	-	12,000,000	38,005,000	16,000,000
Total general purpose school fund	<u>35,332,893</u>	<u>56,225,145</u>	<u>77,554,099</u>	<u>82,727,323</u>	<u>72,115,532</u>
GSD general purposes					
debt service fund					
Nonspendable	-	-	-	-	-
Committed	8,626,889	8,469,047	13,255,408	9,450,642	11,504,096
Assigned	-	-	5,966,900	-	5,000,000
Total GSD general purposes					
debt service fund	<u>8,626,889</u>	<u>8,469,047</u>	<u>19,222,308</u>	<u>9,450,642</u>	<u>16,504,096</u>
GSD school purposes					
debt service fund					
Nonspendable	-	475,583	-	-	-
Committed	12,006,081	12,898,334	1,479,123	6,392,039	5,143,998
Assigned	11,161,900	-	8,000,000	-	3,300,000
Total GSD school purposes					
debt service fund	<u>23,167,981</u>	<u>13,373,917</u>	<u>9,479,123</u>	<u>6,392,039</u>	<u>8,443,998</u>
USD general purposes					
debt service fund					
Nonspendable	-	-	-	-	-
Committed	6,159,913	7,325,354	4,628,697	3,275,429	1,642,363
Assigned	-	-	4,000,000	2,436,000	1,500,000
Total USD general purposes					
debt service fund	<u>6,159,913</u>	<u>7,325,354</u>	<u>8,628,697</u>	<u>5,711,429</u>	<u>3,142,363</u>
Total budgeted					
governmental funds	<u>\$ 140,773,820</u>	<u>\$ 156,137,465</u>	<u>\$ 215,422,492</u>	<u>\$ 221,298,336</u>	<u>\$ 238,259,587</u>

Note: The schedule above reflects fund balances for those governmental funds for which legally required budgets are prepared and approved. The general purpose school fund is reported as a special revenue fund. The three debt service funds are reported as debt service funds. All of these funds are considered major funds of the Government.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 FUND BALANCES OF BUDGETED GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (modified accrual basis of accounting)  
 Unaudited - See Accompanying Accountants' Report

2016	2017	2018	2019	2020
\$ 467,008	\$ 986,266	\$ 842,106	\$ 512,113	\$ 707,906
51,067,800	50,533,800	15,389,900	5,887,278	10,801,900
<u>80,265,059</u>	<u>48,913,495</u>	<u>52,291,879</u>	<u>70,147,693</u>	<u>52,277,917</u>
<u>131,799,867</u>	<u>100,433,561</u>	<u>68,523,885</u>	<u>76,547,084</u>	<u>63,787,723</u>
8,474,800	-	1,549,700	7,720,000	1,192,600
4,228,099	6,262,965	6,587,742	7,177,833	8,794,722
<u>12,702,899</u>	<u>6,262,965</u>	<u>8,137,442</u>	<u>14,897,833</u>	<u>9,987,322</u>
<u>144,502,766</u>	<u>106,696,526</u>	<u>76,661,327</u>	<u>91,444,917</u>	<u>73,775,045</u>
1,863,688	1,534,233	1,680,304	1,573,499	2,141,115
56,233,446	42,633,597	33,200,541	37,173,788	27,722,378
16,000,000	19,059,900	-	2,569,824	-
<u>74,097,134</u>	<u>63,227,730</u>	<u>34,880,845</u>	<u>41,317,111</u>	<u>29,863,493</u>
43,369	-	-	-	-
5,946,531	8,537,916	5,663,153	6,276,864	17,048,874
5,000,000	900,000	-	-	-
<u>10,989,900</u>	<u>9,437,916</u>	<u>5,663,153</u>	<u>6,276,864</u>	<u>17,048,874</u>
5,454	138,166	28,515	-	-
7,133,994	5,212,267	4,085,521	11,390,257	16,355,178
-	1,400,000	550,000	-	-
<u>7,139,448</u>	<u>6,750,433</u>	<u>4,664,036</u>	<u>11,390,257</u>	<u>16,355,178</u>
1,177	-	-	-	-
4,152,908	406,031	524,152	285,379	911,699
-	4,080,400	-	-	-
<u>4,154,085</u>	<u>4,486,431</u>	<u>524,152</u>	<u>285,379</u>	<u>911,699</u>
<u>\$ 240,883,333</u>	<u>\$ 190,599,036</u>	<u>\$ 122,393,513</u>	<u>\$ 150,714,528</u>	<u>\$ 137,954,289</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
<b>Revenues</b>				
Property taxes	\$ 782,238,201	\$ 790,774,878	\$ 892,398,894	\$ 914,121,619
Local option sales tax	258,106,909	281,294,520	301,430,612	315,478,742
Other taxes, licenses and permits	147,382,286	162,804,251	174,702,273	190,370,587
Fines, forfeits and penalties	18,574,592	16,253,081	18,652,738	18,225,785
Revenues from the use of money or property	321,354	362,910	489,242	1,895,305
Revenues from other governmental agencies	559,516,608	576,547,108	559,780,403	556,743,508
Commissions and fees	23,460,446	24,002,476	24,211,549	24,120,359
Charges for current services	56,593,344	56,309,437	58,600,398	59,783,530
Compensation for loss, sale or damage to property	2,016,432	4,109,532	5,231,290	5,265,788
Contributions and gifts	3,783,798	14,418,670	8,948,728	10,160,516
Bond interest tax credit	5,327,305	5,895,527	4,900,351	4,837,386
Miscellaneous	2,718,741	2,269,697	2,081,927	2,200,931
<b>Total revenues</b>	<b>1,860,040,016</b>	<b>1,935,042,087</b>	<b>2,051,428,405</b>	<b>2,103,204,056</b>
<b>Expenditures</b>				
Current:				
General government (1)	121,146,642	95,085,871	81,829,427	88,894,101
Fiscal administration	23,760,394	21,912,507	22,316,247	21,746,114
Administration of justice	55,407,798	53,575,166	68,479,472	70,290,863
Law enforcement and care of prisoners	249,724,844	255,276,886	259,384,359	263,774,603
Fire prevention and control	109,108,267	108,609,078	113,452,154	111,520,124
Regulation and inspection	7,867,410	7,760,963	8,057,406	7,782,724
Conservation of natural resources	340,296	333,713	398,931	357,658
Public welfare	41,385,895	39,169,144	40,056,346	38,361,990
Public health and hospitals (2)	86,019,317	85,975,912	89,757,405	86,084,524
Public library system	20,542,242	21,178,142	22,328,538	22,349,552
Public works, highways and streets	58,151,723	51,792,795	58,251,129	61,817,477
Recreational and cultural	33,630,118	34,454,492	36,110,497	36,336,635
Education	777,009,413	797,821,937	832,361,152	856,362,684
Employee benefits	69,327,218	72,920,868	76,165,493	79,043,492
Miscellaneous	71,067,149	75,985,530	80,080,144	87,709,934

Note: Certain amounts have been reclassified for comparability. Unless otherwise noted, significant variances in expenditures primarily relate to salaries and associated costs. Significant variances in revenues primarily relate to increases in property taxes and sales taxes due to economic growth.

(1) Increases in general government expenditures in fiscal year 2011 are due primarily to costs related to flooding in May 2010.

(2) In fiscal year 2020, variances in revenues are primarily due to the impact of the COVID-19 pandemic on revenue collections.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

2015	2016	2017	2018	2019	2020 (2)
\$ 928,796,242	\$ 944,010,324	\$ 972,303,558	\$ 998,584,196	\$ 1,041,855,441	\$ 1,084,068,537
340,076,515	365,703,934	382,934,148	414,155,992	450,234,426	443,867,556
212,923,908	233,889,194	252,614,490	271,455,280	296,222,400	263,807,210
17,727,633	17,055,354	14,661,562	13,656,857	10,289,378	7,189,537
1,720,061	2,334,936	1,834,351	3,387,084	7,086,668	4,484,824
575,416,455	585,321,632	621,112,678	642,241,942	648,136,547	657,015,122
23,102,323	24,025,983	26,248,505	26,776,105	25,952,444	25,518,337
58,921,658	65,642,511	69,693,874	70,529,679	75,495,033	66,105,885
12,107,134	13,157,818	9,802,146	4,238,496	23,083,462	2,590,212
7,583,631	12,631,751	8,283,416	9,576,623	21,189,843	11,588,151
4,839,480	4,864,020	4,859,357	4,874,645	4,895,429	4,911,180
2,390,797	2,741,647	3,487,567	3,231,709	959,902	1,408,890
<u>2,185,605,837</u>	<u>2,271,379,104</u>	<u>2,367,835,652</u>	<u>2,462,708,608</u>	<u>2,605,400,973</u>	<u>2,572,555,441</u>
121,382,425	128,220,069	132,839,297	144,414,659	155,942,030	155,729,436
20,710,891	21,734,682	23,768,516	25,146,706	24,370,987	24,964,080
69,233,942	71,353,866	71,423,262	75,022,842	76,216,017	82,174,083
272,907,074	283,870,494	297,122,296	307,666,284	311,589,580	326,265,729
114,494,845	116,955,164	124,437,211	131,851,434	130,644,806	136,853,221
7,629,325	8,189,234	9,217,944	10,220,547	10,335,201	11,080,308
348,293	373,209	411,714	407,900	322,263	335,444
38,429,963	38,949,970	39,754,229	43,023,369	53,584,594	65,083,183
74,416,321	85,562,915	93,429,462	93,606,500	89,428,046	90,889,097
25,044,101	28,384,505	30,644,306	31,647,990	32,336,003	32,151,198
62,968,348	63,853,645	68,220,307	71,990,811	77,943,885	74,246,081
38,335,515	40,044,257	43,548,448	44,444,945	45,846,798	43,766,127
871,208,119	918,531,408	965,421,660	1,033,114,424	1,041,775,152	1,034,084,222
80,114,975	81,576,678	84,585,219	87,579,887	87,855,789	88,233,381
87,245,357	89,278,073	109,046,528	116,376,212	108,887,193	102,696,115

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (CONTINUED)  
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
<b>Expenditures (Continued)</b>				
Debt service:				
Principal retirement (1)	\$ 3,397,777	\$ 12,943,203	\$ 44,743,407	\$ 97,320,344
Interest	85,123,862	93,879,521	93,272,037	101,497,666
Fiscal charges	3,406,148	3,257,031	3,716,622	3,226,035
Debt issue costs	1,925,066	2,207,494	2,704,649	-
Capital outlay - capitalized (2)	100,682,804	133,571,317	110,878,249	202,968,322
Capital outlay - noncapitalized	112,034,900	63,091,834	110,821,632	131,042,781
	<u>2,031,059,283</u>	<u>2,030,803,404</u>	<u>2,155,165,296</u>	<u>2,368,487,623</u>
Total expenditures				
Excess of revenue over (under) expenditures	<u>(171,019,267)</u>	<u>(95,761,317)</u>	<u>(103,736,891)</u>	<u>(265,283,567)</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of new debt	35,555,000	-	374,874,554	-
Issuance of refunding debt	290,201,755	316,085,913	382,598,457	-
Debt issue premium (discount)	43,480,488	67,444,362	131,109,907	-
Payments to refunded bond escrow agent	(331,757,177)	(383,595,322)	(433,836,850)	-
Insurance recovery (3)	37,000,000	-	-	-
Transfers in	214,988,824	180,292,626	199,600,840	183,807,020
Transfers out	(246,991,267)	(212,907,693)	(208,258,842)	(205,498,680)
	<u>42,477,623</u>	<u>(32,680,114)</u>	<u>446,088,066</u>	<u>(21,691,660)</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (128,541,644)</u>	<u>\$ (128,441,431)</u>	<u>\$ 342,351,175</u>	<u>\$ (286,975,227)</u>
Debt service as a percentage of noncapitalized expenditures (4)	4.59 %	5.63 %	6.75 %	9.18 %

(1) As the result of a bond refunding in June 2010, principal payments for the years ended June 30, 2011 through 2013 were significantly reduced.

(2) Only a portion of capital outlay expenditures qualify for capitalization under the Government's capitalization policy.

(3) Insurance recoveries in fiscal years 2011 and 2020 are related to flooding in May 2010 and a tornado in March 2020.

(4) For purposes of calculating debt service as a percentage of noncapital expenditures, debt service includes principal retirement and interest. Noncapitalized expenditures equals total expenditures less capital outlay - capitalized.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

2015	2016	2017	2018	2019	2020 (2)
\$ 113,588,002	\$ 115,957,762	\$ 132,859,891	\$ 140,797,840	\$ 155,391,020	\$ 183,512,484
103,301,816	104,982,211	103,366,006	125,106,557	126,187,299	146,209,535
6,911,332	7,898,402	6,792,950	6,848,877	3,954,518	3,687,504
-	-	-	-	-	-
214,809,446	139,450,169	210,753,687	312,043,055	192,242,125	138,427,951
141,684,515	134,787,666	174,861,981	172,170,172	199,621,588	147,889,841
<u>2,464,764,605</u>	<u>2,479,954,379</u>	<u>2,722,504,914</u>	<u>2,973,481,011</u>	<u>2,924,474,894</u>	<u>2,888,279,020</u>
<u>(279,158,768)</u>	<u>(208,575,275)</u>	<u>(354,669,262)</u>	<u>(510,772,403)</u>	<u>(319,073,921)</u>	<u>(315,723,579)</u>
-	346,549,106	455,000,078	-	714,395,485	-
163,710,000	338,311,539	-	-	-	-
13,815,134	127,100,018	48,071,097	-	60,815,772	-
(176,341,921)	(409,215,077)	-	-	-	-
-	-	-	-	-	4,000,000
190,050,738	195,258,693	243,930,794	270,899,050	338,234,278	296,585,273
(214,317,695)	(217,374,390)	(262,333,811)	(277,582,594)	(377,722,560)	(306,557,204)
<u>(23,083,744)</u>	<u>380,629,889</u>	<u>484,668,158</u>	<u>(6,683,544)</u>	<u>735,722,975</u>	<u>(5,971,931)</u>
<u>\$ (302,242,512)</u>	<u>\$ 172,054,614</u>	<u>\$ 129,998,896</u>	<u>\$ (517,455,947)</u>	<u>\$ 416,649,054</u>	<u>\$ (321,695,510)</u>
9.64 %	9.44 %	9.40 %	9.99 %	10.31 %	11.99 %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF GENERAL SERVICES DISTRICT TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Realty	Personalty	Public Utility	Total GSD Taxable Assessed Value
2010-11	\$ 17,447,570,422	\$ 1,128,934,816	\$ 632,009,935	\$ 19,208,515,173
2011-12	17,366,226,070	1,098,349,735	639,688,011	19,104,263,816
2012-13	17,404,334,210	1,115,387,381	640,800,994	19,160,522,585
2013-14	18,313,859,433	1,231,932,155	663,744,930	20,209,536,518
2014-15	18,498,390,332	1,177,300,927	700,367,364	20,376,058,623
2015-16	18,866,789,974	1,209,436,393	666,469,036	20,742,695,403
2016-17	19,435,521,082	1,187,902,496	691,397,076	21,314,820,654
2017-18	28,945,737,943	1,419,531,774	779,345,451	31,144,615,168
2018-19	29,899,297,712	1,509,226,429	812,276,537	32,220,800,678
2019-20	30,860,833,673	1,416,975,564	737,873,399	33,015,682,636

Assessment date: January 1 (Pick-up assessments and cancellations for each year in minor amounts are not reflected in above figures).

Tax levy: General Services District tax is levied on the entire Metropolitan area. Urban Services District tax is an additional tax levied on properties within the Urban Services District. Personalty and public utility taxes are levied on September 1st of each year, based upon assessed valuation at January 1st of that year. Real property taxes are levied on September 1st of each year, based upon assessed valuation through January 1st of that year. In addition, for the period January 1st through September 1st, supplemental assessments are made and related taxes are levied for improved, demolished or damaged property during such period, in accordance with T.C.A. Section 67-607.

Ratio of assessed value

to appraised value: Commercial and industrial properties - 40% for real property and 30%  
for tangible personal property  
Farm and residential properties - 25%  
Public utilities - 55%

Note: The State mandates a reappraisal valuation of property within Davidson County every four years.

(1) All properties within the General Services District are taxed at the GSD tax rate. Only those properties within the Urban Services District are taxed the additional USD tax rate. See schedule on page H-18.

(2) Source: Tax Aggregate Reports for Tennessee State Board of Equalization

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF GENERAL SERVICES DISTRICT TAXABLE PROPERTY  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

Total GSD Tax Rate (1)	Total Estimated Actual Property Value (2)	Assessed Value as a Percentage of Actual Value
\$ 3.560	\$ 63,280,838,469	30.35 %
3.560	63,127,519,037	30.26
4.040	63,259,449,113	30.29
3.924	65,810,054,890	30.71
3.924	66,270,673,259	30.75
3.924	67,533,296,332	30.71
3.924	78,262,509,134	27.24
2.755	99,659,583,923	31.25
2.755	102,919,516,660	31.31
2.755	123,954,384,027	26.64

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE OF URBAN SERVICES DISTRICT TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

<u>Fiscal Year</u>	<u>Realty</u>	<u>Personalty</u>	<u>Public Utility</u>	<u>Total USD Taxable Assessed Value</u>	<u>Total USD Tax Rate</u>
2010-11	\$ 11,819,864,666	\$ 919,181,529	\$ 481,388,729	\$ 13,220,434,924	\$ 0.570
2011-12	11,847,282,828	915,167,902	482,396,101	13,244,846,831	0.570
2012-13	11,877,136,516	928,784,082	477,220,794	13,283,141,392	0.620
2013-14	12,743,560,657	1,042,522,606	500,973,282	14,287,056,545	0.592
2014-15	12,895,435,922	983,507,268	526,411,427	14,405,354,617	0.592
2015-16	13,184,753,548	1,023,107,282	495,162,952	14,703,023,782	0.592
2016-17	13,644,574,094	971,185,978	510,672,763	15,126,432,835	0.592
2017-18	21,923,461,416	1,230,063,669	589,517,294	23,743,042,379	0.400
2018-19	22,661,863,522	1,306,900,935	577,480,937	24,546,245,394	0.400
2019-20	23,503,170,791	1,219,307,776	512,710,959	25,235,189,526	0.400

Note: The Urban Services District lies within the General Services District. The above schedule reflects the assessed value of the properties within the Urban Services District.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Services District					Urban Services District			Total Direct Tax Rate
	GSD General Fund (1)	General Purpose School Fund	GSD Debt Service Fund	School Debt Service Fund	Total GSD Rate	USD General Fund (1)	USD Debt Service Fund	Total USD Rate	
2010-11	\$ 1.820	\$ 1.170	\$ 0.420	\$ 0.150	\$ 3.560	\$ 0.460	\$ 0.110	\$ 0.570	\$ 4.130
2011-12	1.820	1.170	0.420	0.150	3.560	0.460	0.110	0.570	4.130
2012-13 (4)	1.960	1.400	0.430	0.250	4.040	0.510	0.110	0.620	4.660
2013-14 (3)	1.905	1.416	0.423	0.180	3.924	0.480	0.112	0.592	4.516
2014-15	1.905	1.416	0.423	0.180	3.924	0.480	0.112	0.592	4.516
2015-16 (2)	1.905	1.416	0.423	0.180	3.924	0.495	0.097	0.592	4.516
2016-17	1.905	1.416	0.423	0.180	3.924	0.495	0.097	0.592	4.516
2017-18 (3)	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155
2018-19	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155
2019-20	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155

Tax rates are per \$100 of assessed valuation. Payments may be made through February 28 of the year following the year of assessment and levy without penalty.

On November 7, 2006, voters approved a ballot initiative prohibiting the Metropolitan Council from raising real property tax rates from their current and future levels without the approval of the voters in a referendum. Prior to the adoption of the ballot proposal, the Metropolitan Council was authorized to set the real property tax rate without any requirement of voter approval. The Government's legal department has issued a memo stating that the approved initiative violates the Tennessee Constitution because it places the power to set property tax rates with voters, rather than with the Metropolitan Council, as prescribed by the Constitution. However, the Government cannot predict whether there will be a court challenge as to the constitutionality of the approved initiative. If there is a challenge, the Government cannot predict the timing or be certain of the outcome of any court challenge as to the constitutionality of the approved initiative.

- (1) A portion of the revenue of the GSD General Fund generated from the tax levy collected for the area of the USD is recorded in the USD General Fund. Referred to as the levy for fire protection service, this amount of the levy has ranged from \$.05 to \$.08 over the last ten years.
- (2) In these fiscal years, the property tax rate was reallocated among the funds receiving property tax revenue by the Metropolitan Council.
- (3) The State mandates a reappraisal valuation of property within Davidson County every four years resulting in a reduction of the combined GSD-USD tax rate. Also, the combined GSD-USD tax rate was reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the reappraisal valuation and the reallocation by the Metropolitan Council.
- (4) In this year, the combined GSD-USD tax rate was increased by the Metropolitan Council and reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the increase and reallocation by the Metropolitan Council.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

Taxpayer	December 31, 2019				December 31, 2010			
	2019 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy	2010 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy
Electric Power Board (1) \$	N/A	\$ 29,227,916	1	2.89 %	\$ N/A	\$ 25,427,819	1	3.35 %
RHP Hotels Inc./ Gaylord (3) (4)	91,292,170	13,002,587	2	1.29	239,565,000	9,046,305	3	1.19
Columbia/HCA	352,872,410	11,307,111	3	1.12	261,865,701	10,365,070	2	1.36
AT&T Telephone/ BellSouth (3)	182,953,182	5,789,310	4	0.57	173,454,767	7,683,455	4	1.01
The Mall at Green Hills	175,291,748	5,530,455	5	0.55	-	-	(2)	-
Highwoods Properties	170,268,868	5,453,735	6	0.54	-	-	(2)	-
Vanderbilt	161,095,442	5,078,113	7	0.50	44,412,493	3,227,248	6	0.43
Opry Mills Mall	144,339,743	4,553,919	8	0.45	88,000,000	2,140,747	7	0.28
Mid-America Apartments	138,250,729	4,149,934	9	0.41	-	-	(2)	-
Piedmont Natural Gas	131,216,936	3,961,559	10	0.39	88,540,012	3,539,985	5	0.47
Davis Street Land	-	-	(2)	-	51,671,840	2,134,047	8	0.28
CBL & Associates	-	-	(2)	-	44,534,672	1,876,766	9	0.25
100 Oaks Plaza	-	-	(2)	-	36,158,080	1,493,329	10	0.20
	<u>\$ 1,547,581,228</u>	<u>\$ 88,054,639</u>		<u>8.71 %</u>	<u>\$ 1,028,202,565</u>	<u>\$ 66,934,771</u>		<u>8.82 %</u>

Source: Tax Assessor's Office, Trustee's Office

(1) The amount of tax for the Electric Power Board represents a payment in lieu of taxes and is not based on an assessed valuation.

(2) Values for taxpayers that are outside the top ten ranking are excluded.

(3) Certain properties have changed ownership between December 31, 2010 and December 31, 2019. For comparability purposes, the current and prior owners are shown jointly.

(4) RHP Hotels Inc. entered into a payment in lieu of taxes agreement in 2017. The assessed valuation represents the value for the portion of taxes based on an assessed valuation. The amount of tax represents the total of the tax based on assessed value and the payment in lieu of taxes.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Amount GSD Levy	Amount USD Levy	Total Tax Levy	Collections Within the Fiscal Year of the Levy	
				Current Tax Amount (1)	Percent of Levy
2010-11	\$ 674,573,125	\$ 84,611,716	\$ 759,184,841	\$ 741,791,912	97.71 %
2011-12	670,841,793	84,767,649	755,609,442	745,445,734	98.65
2012-13	763,462,757	92,982,763	856,445,520	845,378,327	98.71
2013-14	781,593,235	96,009,026	877,602,261	863,883,378	98.44
2014-15	788,032,918	96,803,988	884,836,906	876,959,909	99.11
2015-16	802,143,672	98,797,912	900,941,584	889,764,582	98.76
2016-17	824,429,176	101,837,165	926,266,341	918,570,697	99.17
2017-18	853,383,025	107,918,734	961,301,759	943,304,767	98.13
2018-19	875,613,206	110,487,794	986,101,000	981,026,792	99.49
2019-20	897,301,249	113,220,016	1,010,521,265	1,003,880,089	99.34

Source: Metropolitan Trustee's Office

(1) In June of each year, the Government sold to an outside party the majority of the real property taxes outstanding that had become delinquent the prior March 1. The sales generated property tax revenues and reductions of the property tax receivable balances which are reflected in current year collections as follows:

	Amount Sold
2010-11	\$ 26,178,622
2011-12	20,843,656
2012-13	21,437,137
2013-14	22,238,850
2014-15	21,679,890
2015-16	22,224,919
2016-17	16,158,670
2017-18	19,116,400
2018-19	24,735,088
2019-20	31,615,450

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

Adjustment to Levy	Total Levy After Adjustment	Net Collections (Refunds) in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage Uncollected
			Amount	Percent of Levy After Adjustment		
\$ (15,054,120)	\$ 744,130,721	\$ 1,925,524	\$ 743,717,436	99.94 %	\$ 413,285	0.06 %
(9,880,987)	745,728,455	(143,266)	745,302,468	99.94	425,987	0.06
(8,578,305)	847,867,215	2,076,005	847,454,332	99.95	412,883	0.05
(13,088,407)	864,513,854	123,861	864,007,239	99.94	506,615	0.06
(5,839,086)	878,997,820	925,502	877,885,411	99.87	1,112,409	0.13
(7,996,098)	892,945,486	2,323,869	892,088,451	99.90	857,035	0.10
(4,833,974)	921,432,367	1,966,084	920,536,781	99.90	895,586	0.10
(20,006,002)	941,295,757	(2,763,929)	940,540,838	99.92	754,919	0.08
(5,423,440)	980,677,560	(1,631,757)	979,395,035	99.87	1,282,525	0.13
(4,037,660)	1,006,483,605	-	1,003,880,089	99.74	2,603,516	0.26

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Governmental Activities						Business-type Activities	
	General Obligation Bonds and Notes	Limited Obligation Revenue Bonds	Qualified Zone Academy Bond Notes	Tennessee Municipal Bond Fund Loan	Qualified School Construction Bond Loan	Total Governmental Activities	Revenue Bonds	General Obligation Bonds
2010-11	\$ 2,022,604	\$ 1,997	\$ 4,048	\$ 52,650	\$ 55,577	\$ 2,136,876	\$ 640,249	\$ 6,913
2011-12	2,105,210	-	3,643	-	52,410	2,161,263	752,158	7,074
2012-13	2,564,208	-	3,238	-	48,874	2,616,320	884,874	69,097
2013-14	2,446,867	-	2,835	-	45,337	2,495,039	847,596	66,913
2014-15	2,335,207	-	2,430	-	41,801	2,379,438	809,990	64,285
2015-16	2,676,899	-	2,026	-	38,264	2,717,189	784,013	63,773
2016-17	3,018,412	-	1,622	-	34,728	3,054,762	749,589	61,484
2017-18	2,847,473	-	1,218	-	31,192	2,879,883	963,190	58,618
2018-19	3,435,081	-	813	-	27,655	3,463,549	918,416	57,230
2019-20	3,218,901	-	410	-	24,119	3,243,430	1,067,031	54,342

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedules of Demographic and Economic Statistics on page H-32 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (2) Per Capita Personal Income statistics for the most recent calendar year were not available at the reporting date.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS (CONTINUED)  
 (amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Business-type Activities (Continued)					
<u>State Loans</u>	<u>Capitalized Lease Obligations</u>	<u>Total Business-type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$ 159,681	\$ 900	\$ 807,743	\$ 2,944,619	6.74 %	\$ 3,103.03
197	695	760,124	2,921,387	9.72	4,597.17
150	475	954,596	3,570,916	10.69	5,508.17
101	245	914,855	3,409,894	10.10	5,177.47
51	-	874,326	3,253,764	8.96	4,868.38
-	-	847,786	3,564,975	9.48	5,251.19
-	-	811,073	3,865,835	9.69	5,648.42
-	-	1,021,808	3,901,691	8.95	5,644.46
-	-	975,646	4,439,195	9.70	6,409.58
-	-	1,121,373	4,364,803	N/A (2)	6,164.62

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
GENERAL AND URBAN SERVICES DISTRICTS  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Obligation Bonds and Notes	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2010-11	\$ 2,022,604	\$ 37,955	\$ 1,984,649	3.14 %	\$ 3,166.92
2011-12	2,105,210	29,168	2,076,042	3.29	3,266.91
2012-13	2,564,208	37,330	2,526,878	3.99	3,897.73
2013-14	2,446,867	21,554	2,425,313	3.69	3,682.52
2014-15	2,335,207	28,090	2,307,117	3.48	3,451.97
2015-16	2,676,899	22,283	2,654,616	3.93	3,910.24
2016-17	3,018,412	20,675	2,997,737	3.83	4,380.03
2017-18	2,847,473	10,851	2,836,622	2.85	4,103.65
2018-19	3,435,081	17,953	3,417,128	3.32	4,933.86
2019-20	3,218,901	34,316	3,184,585	2.57	4,497.74

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages H-16 and H-17 for property value data.

(2) See the Schedules of Demographic and Economic Statistics on page H-32 for personal income and population data. This ratio is calculated using population for the prior calendar year.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
 URBAN SERVICES DISTRICT  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Obligation Bonds and Notes	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2010-11	\$ 156,260	\$ 6,160	\$ 150,100	N/A %	\$ N/A
2011-12	181,076	7,325	173,751	N/A	N/A
2012-13	196,077	8,629	187,448	N/A	N/A
2013-14	193,855	5,711	188,144	N/A	N/A
2014-15	183,558	3,142	180,416	N/A	N/A
2015-16	185,491	4,154	181,337	N/A	N/A
2016-17	178,174	4,486	173,688	N/A	N/A
2017-18	166,545	524	166,021	N/A	N/A
2018-19	169,479	285	169,194	N/A	N/A
2019-20	159,186	912	158,274	N/A	N/A

Note: The above computation is an excerpt from the Ratios of General Bonded Debt Outstanding on page H-26 and reflects ratios of general bonded debt for the Urban Services District only. Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) The actual value of taxable property is not available for the Urban Services District.

(2) Population estimates are not available for the Urban Services District.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

LEGAL DEBT MARGIN INFORMATION  
 URBAN SERVICES DISTRICT  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Amount of Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Amount of Debt Applicable to Debt Limit as a Percentage of Debt Limit</u>
2010-11	\$ 1,983,065	\$ 150,100	\$ 1,832,965	7.57 %
2011-12	1,986,727	173,751	1,812,976	8.75
2012-13	1,992,471	187,448	1,805,023	9.41
2013-14	2,143,058	188,143	1,954,915	8.78
2014-15	2,160,803	180,415	1,980,388	8.35
2015-16	2,205,454	181,337	2,024,117	8.22
2016-17	2,268,965	173,687	2,095,278	7.65
2017-18	3,561,456	166,021	3,395,435	4.66
2018-19	3,681,937	169,194	3,512,743	4.60
2019-20	3,785,278	158,274	3,627,004	4.18

Note: There is no legal debt margin for the General Services District. Therefore, the calculation is presented for the Urban Services District only.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMPUTATION OF LEGAL DEBT MARGIN  
URBAN SERVICES DISTRICT  
FOR THE YEAR ENDED JUNE 30, 2020

Unaudited - See Accompanying Accountants' Report

Assessed valuation of taxable property - Urban Services District		<u>\$ 25,235,189,526</u>
Debt limit - 15 percent of assessed valuation		\$ 3,785,278,429
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 159,186,360	
Less:		
Amounts available in debt service funds	<u>911,699</u>	
Total amount of debt applicable to debt limit		<u>158,274,661</u>
Legal debt margin		<u>\$ 3,627,003,768</u>

Note: The legal debt limit for the Urban Services District is established in the Charter for the Metropolitan Government as presented above. There is no legal debt limit for the General Services District.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Percentage of Debt Service to Total General Expenditures
2010-11 (2)	\$ -	\$ 79,276	\$ 79,276	\$ 1,863,923	4.3 %
2011-12 (2)	7,377	86,808	94,185	1,881,454	5.0
2012-13 (2)	40,792	84,680	125,472	1,964,390	6.4
2013-14	93,369	93,059	186,428	2,059,327	9.1
2014-15	109,637	92,396	202,033	2,134,006	9.5
2015-16	112,007	94,221	206,228	2,231,093	9.2
2016-17	128,909	92,977	221,886	2,359,209	9.4
2017-18	136,847	114,986	251,833	2,517,414	10.0
2018-19	151,980	116,377	268,357	2,565,093	10.5
2019-20	179,561	136,403	315,964	2,626,506	12.0

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) Includes General, Special Revenue and Debt Service Funds.

(2) As the result of a bond refunding in June 2010, principal payments for the years ended June 30, 2011 through 2013 were significantly reduced.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PLEDGED REVENUE COVERAGE  
 DEPARTMENT OF WATER AND SEWERAGE SERVICES REVENUE BONDS  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Gross Revenue (1)	Direct Operating Expense (2)	Net Revenue Available For Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2010-11	\$ 196,268	\$ 94,478	\$ 101,790	\$ 37,830	\$ 26,998	\$ 64,828	1.57
2011-12	201,263	102,485	98,778	42,410	29,386	71,796	1.38
2012-13	209,110	103,423	105,687	30,765	34,189	64,954	1.63
2013-14	213,055	101,703	111,352	31,500	41,367	72,867	1.53
2014-15	215,709	100,825	114,884	20,275	40,175	60,450	1.90
2015-16	219,023	112,208	106,815	28,795	39,029	67,824	1.57
2016-17	219,964	112,654	107,310	37,475	37,476	74,951	1.43
2017-18	226,804	113,858	112,946	38,225	46,136	84,361	1.34
2018-19	233,951	111,335	122,616	39,120	44,225	83,345	1.47
2019-20	267,172	132,611	134,561	25,080	46,912	71,992	1.87

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) Includes interest on investments and other income.

(2) Excludes depreciation and amortization expense.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

Unaudited - See Accompanying Accountants' Report

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Unemployment Rate (3)</u>
2010	626,681	45,913	28,835,836	9.0
2011	635,475	47,318	30,069,470	8.5
2012	648,295	51,526	33,403,945	7.2
2013	658,602	51,245	33,749,886	7.1
2014	668,347	54,307	36,295,950	6.3
2015	678,889	55,411	37,617,693	4.3
2016	684,410	58,283	39,889,221	3.9
2017	691,243	63,063	43,591,995	2.9
2018	692,587	66,060	45,752,132	3.0
2019 (4)	708,041	N/A	N/A	3.4

(1) Source: U.S. Department of Commerce, Bureau of the Census and Labor, or Tennessee Department of Labor and Workforce Development

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis

(3) Source: Tennessee Department of Labor and Workforce Development

(4) Personal income statistics for calendar year 2019 were not available at the reporting date.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

Employer	June 30, 2020 (3)			June 30, 2011		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Vanderbilt University (2)	34,370	1	3.45 %	21,232	1	2.74 %
State of Tennessee	26,795	2	2.69	18,736	3	2.42
Metro Nashville-Davidson Co. Government and Public Schools	19,700	3	1.98	19,241	2	2.48
U.S. Government	13,253	4	1.33	12,113	4	1.56
Nissan North America	12,000	5	1.20	11,500	5	1.49
HCA Healthcare Inc.	10,600	6	1.06	7,000	6	0.90
Saint Thomas Health	8,335	7	0.84	6,500	7	0.84
Randstad	4,550	8	0.46	-		- (1)
Asurion	4,170	9	0.42	-		- (1)
Community Health Systems Inc.	3,878	10	0.39	-		- (1)
The Kroger Company	-		- (1)	3,554	8	0.46
Shoney's Inc.	-		- (1)	3,000	9	0.39
Dell Inc.	-		- (1)	2,662	10	0.34
	<u>137,651</u>		<u>13.82 %</u>	<u>105,538</u>		<u>13.62 %</u>

Sources:

Principal Employers and Number of Employees - Nashville Area Chamber of Commerce, Nashville Business Journal  
Total Employment - TN Department of Labor & Workforce Development

Note: The schedule reflects employers and number of employees within the Metropolitan Statistical Area.

(1) Values for employers that are outside the top ten ranking are excluded.

(2) The variance in employees for Vanderbilt University is due to the consolidation of the university, medical center and other entities.

(3) Principal employer information was not published for June 30, 2020 due to the impacts of COVID-19. The amounts reported represent amounts for June 30, 2019.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
Governmental activities:				
General government (1)	297	306	308	302
Fiscal administration	296	282	281	282
Administration of justice	804	765	772	777
Law enforcement and care of prisoners (4)	2,740	2,802	2,826	2,831
Fire prevention and control	1,138	1,170	1,170	1,205
Regulation and inspection	97	99	93	94
Conservation of natural resources	9	8	8	8
Public welfare	488	492	491	492
Public health and hospitals	469	450	437	464
Public library system	292	295	297	309
Public works, highways and streets	364	368	381	389
Recreational and cultural	534	544	528	546
Education	9,019	9,154	9,291	9,304
Total governmental activities	<u>16,547</u>	<u>16,735</u>	<u>16,883</u>	<u>17,003</u>
Internal service activities:				
Office of Fleet Management	89	89	88	89
Information Systems	112	110	111	112
Radio Shop (5)	16	15	15	15
Metro Postal Service	4	4	4	4
Treasury Management	8	7	7	7
General Services (1)	47	47	47	47
Total internal service activities	<u>276</u>	<u>272</u>	<u>272</u>	<u>274</u>
Business-type activities:				
Department of Water and Sewerage Services	704	700	707	715
Nashville Convention Center (3)	57	52	-	-
Board of Fair Commissioners	23	22	24	24
Farmers Market	7	7	7	7
Police Secondary Employment (4)	5	5	5	5
Surplus Property Auction	7	7	7	7
Police Impound (2)	29	29	-	-
Municipal Auditorium	8	8	9	9
Community Education Commission (6)	5	2	3	3
Stormwater Operations	90	93	93	93
Total business-type activities	<u>935</u>	<u>925</u>	<u>855</u>	<u>863</u>
Total primary government	<u><u>17,758</u></u>	<u><u>17,932</u></u>	<u><u>18,010</u></u>	<u><u>18,140</u></u>

Source: Department of Finance, Office of Management and Budgets, "Budget Book" for each fiscal year.

Note: Although the financial balances and operations of the internal service activities are allocated to the various governmental and business-type activities in the government-wide financial statements, the full-time equivalents are reported separately in the above schedule. Also, certain functions previously included in internal service activities were reclassified to governmental activities for consistency in presentation.

(1) Effective July 1, 2014, various programs previously reported as General Services internal service activities were moved to the general fund and included in governmental activities - general government.

(2) In the spring of 2012, the operations of Police Impound were outsourced.

(3) With the opening of the Music City Center in the spring of 2013, the Nashville Convention Center employees were transitioned to the Convention Center Authority, a component unit of the Government.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2015	2016	2017	2018	2019	2020
364	371	375	385	376	375
280	279	281	289	282	282
775	789	798	805	849	849
2,893	2,898	2,912	2,984	3,067	3,067
1,206	1,206	1,237	1,250	1,252	1,252
111	117	106	114	118	118
8	8	8	8	7	7
494	500	470	428	439	439
483	487	493	495	494	517
330	359	368	369	362	346
388	395	407	398	434	417
577	585	640	669	663	615
<u>9,294</u>	<u>9,658</u>	<u>9,910</u>	<u>9,950</u>	<u>9,854</u>	<u>9,052</u>
<u>17,203</u>	<u>17,652</u>	<u>18,005</u>	<u>18,144</u>	<u>18,197</u>	<u>17,336</u>
95	95	103	106	106	106
115	115	147	147	148	148
15	15	-	-	-	-
-	-	-	-	-	-
7	7	7	7	7	7
-	-	-	-	-	-
<u>232</u>	<u>232</u>	<u>257</u>	<u>260</u>	<u>261</u>	<u>261</u>
713	728	724	724	727	727
-	-	-	-	-	-
25	28	29	29	27	27
7	7	7	7	7	7
-	-	-	-	-	-
8	8	8	8	8	8
-	-	-	-	-	-
10	9	9	9	9	9
3	3	3	-	-	-
93	89	93	97	114	114
<u>859</u>	<u>872</u>	<u>873</u>	<u>874</u>	<u>892</u>	<u>892</u>
<u>18,294</u>	<u>18,756</u>	<u>19,135</u>	<u>19,278</u>	<u>19,350</u>	<u>18,489</u>

(4) Effective July 1, 2014, the operations of Police Secondary Employment were moved to the general fund and are included in governmental activities - law enforcement and care of prisoners.

(5) Effective July 1, 2016, the operations of Radio Shop were moved to Information Systems and the Office of Fleet Management.

(6) Effective July 1, 2017, the operations of the Community Education Commission were moved to the general fund.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
Governmental activities:				
General government:				
Election Commission - registered voters	345,687	358,136	362,816	373,231
Assessor of Property - real property inspections (1)	94,348	103,837	238,107	48,559
Administration of justice:				
Public Defender - warrants and charges (2)	43,139	45,852	41,809	42,857
Circuit Court Clerk - circuit filings	10,900	10,738	10,729	10,915
Circuit Court Clerk - general sessions civil filings	47,193	49,978	46,445	46,116
Circuit Court Clerk - probate filings	1,879	1,906	2,048	2,027
Law enforcement and care of prisoners:				
Sheriff - inmate days jails	898,860	804,641	771,630	721,508
Sheriff - inmate days detention facility	388,466	426,168	435,098	379,811
Police - total CAD calls received	1,417,859	1,585,228	1,384,481	1,333,945
Police - report numbers issued (3)	1,035,026	1,045,077	1,119,012	1,201,162
ECC - total 911 calls received	370,704	377,118	365,278	351,814
ECC - total non 911 calls received	675,908	625,120	605,693	634,280
Fire prevention and control:				
Fire - life threatening responses (4)	44,518	46,076	44,232	47,161
Fire - non life threatening responses (4)	25,835	26,739	25,403	28,332
Regulation and inspection:				
Codes - construction/land use permits	8,343	9,304	9,900	10,131
Public welfare:				
Social Services - clients served	14,963	13,785	13,271	13,122
Public health and hospitals:				
Health - clinic visits (5)	195,222	192,902	181,395	181,959
Health - restaurant inspections	13,378	12,082	13,050	13,440
Public library system:				
Library - circulating materials check-outs	4,208,363	4,340,657	4,368,494	4,663,347
Library - number of visits	3,723,416	3,938,659	3,697,063	3,501,710

Source: Department of Finance, Office of Management and Budgets; Various departments of the Government

(1) Years 2013 and 2017 were reappraisal years where all values are updated with new base rates, depreciation schedules and land tables to produce values at 100% of market value. Beginning in 2017, the Assessor determined to do no inspections in reappraisal years.

(2) The decline in 2019 is due to a combination of workload controls and fewer warrants issued by judicial departments.

(3) Beginning in 2019, the total represents report numbers issued. Prior to 2019, the totals represented incident numbers issued.

(4) The categorization of responses as "life threatening" and "non life threatening" was revised at the end of 2018. Additionally, the methodology for calculating the totals was revised in 2019.

(5) The system for tracking health visits was changed in 2019. The number of clinic visits for the WIC program are no longer available resulting in a decline in the number presented for 2019.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2015	2016	2017	2018	2019	2020 (9)
373,823	392,428	390,804	427,556	435,297	453,367
108,401	92,449	-	53,499	119,682	82,200
43,956	41,842	35,839	25,301	19,423	20,181
10,062	8,168	6,856	6,800	6,683	5,980
43,859	46,047	49,890	50,582	51,432	44,024
2,126	2,146	2,189	2,211	2,202	2,109
655,734	632,169	535,262	529,038	397,412	436,244
350,472	322,674	380,920	353,417	309,868	297,907
1,357,306	1,492,259	1,496,617	1,495,576	1,359,140	1,211,791
1,199,375	1,318,113	1,308,704	1,305,055	1,001,853	890,845
408,433	450,517	401,269	374,337	449,816	412,317
634,124	644,590	665,239	700,790	780,131	719,115
47,053	47,453	45,773	59,993	62,787	60,010
34,812	35,374	33,810	35,042	60,478	58,376
11,695	12,852	12,225	11,465	11,430	11,875
13,990	13,737	12,396	13,039	12,848	12,735
164,330	154,398	150,948	146,302	77,946	66,364
13,689	12,067	10,890	13,023	12,387	13,176
5,133,351	5,371,115	5,430,309	5,648,749	6,858,414	5,670,532
3,444,250	3,338,972	3,615,302	3,615,302	3,296,263	2,338,083

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
Governmental activities (continued):				
Public works, highways and streets:				
Public Works - scheduled garbage collections	6,503,700	6,630,000	6,630,000	6,625,840
Public Works - tons of disposed waste	852,856	596,111	645,224	649,108
Public Works - rehabilitated street lane miles	125	89	167	173
Recreational and cultural:				
Parks - Sportsplex attendance	343,835	333,365	355,999	343,332
Parks - cultural enrichment class attendance	17,430	18,300	18,202	19,430
Parks - senior citizen program attendance (6)	37,970	60,759	61,214	54,152
Education:				
Public Schools - students (second month enrollment)	78,014	79,121	81,001	82,307
Business-type activities:				
Department of Water and Sewerage Services:				
Customers - water	177,475	184,421	187,272	190,699
Average daily actual water pumped (millions of gallons per day)	101	100	95	101
Customers - wastewater	189,898	195,380	198,485	198,119
Average daily wastewater flow (millions of gallons per day)	154	148	164	169
District Energy System:				
Steam sales (thousand pounds)	277,943	250,414	374,366	410,084
Chilled water sales (thousand ton hours)	56,118	57,233	62,538	61,768
Nashville Convention Center - events (7)	237	217	254	56
Board of Fair Commissioners:				
Flea market booth rentals	14,510	16,423	16,515	18,612
State fair attendance (8)	208,131	62,352	67,805	67,635
Municipal Auditorium - events held	123	90	110	155
Component units:				
Music City Center - events (7)	-	-	-	342

Source: Department of Finance, Office of Management and Budgets; Various departments of the Government

(6) Tracking of senior citizen program attendance was changed from a manual to an automated system in 2012. While there was some increase in participation, the increase is also due to the availability of more accurate information.

(7) The Music City Center opened in May 2013. 2014 was the first full year of operations. Nashville Convention Center events decreased in 2014 as events move to the Music City Center. Nashville Convention Center ceased operations in 2017. Additionally, events vary in size and number of days which contributes to the variances.

(8) The operation of the state fair was outsourced beginning in 2012.

(9) Various indicators were impacted by COVID-19 in 2020 due to closures of government facilities and the cancellation of events.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2015	2016	2017	2018	2019	2020 (9)
6,672,700	6,731,500	6,803,000	6,864,156	7,228,156	7,285,408
725,871	757,332	885,047	862,641	968,747	975,919
169	164	287	287	344	246
355,699	400,830	454,878	461,964	535,727	330,365
39,376	55,558	55,257	57,080	60,414	40,834
65,504	104,104	136,021	134,297	143,637	63,790
84,353	85,797	87,783	86,633	85,287	82,222
194,270	197,957	204,181	204,976	209,048	212,477
87	87	88	88	92	92
200,425	203,255	206,562	210,157	212,061	216,969
168	166	146	168	181	181
381,755	325,248	321,508	366,928	379,380	346,227
59,626	61,337	64,119	59,914	61,977	56,841
15	4	2	-	-	-
22,314	20,271	22,481	16,796	18,633	9,482
66,752	70,265	56,492	60,502	56,009	59,185
135	175	148	144	160	41
305	293	287	302	258	187

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
 SCHEDULE OF UNACCOUNTED FOR WATER  
 DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2020

**AWWA Free Water Audit Software:  
Reporting Worksheet**

WAS v6.0  
American Water Works Association  
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Water Audit Report for: **Metro Water Services**  
 Reporting Year: **2020** | **7/2019 - 6/2020**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (N/A or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

**All volumes to be entered as: MILLION GALLONS (US) PER YEAR**

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

← Enter grading in column 'E' and 'J' →

---

**WATER SUPPLIED**

Volume from own sources:	<input type="text" value="9"/>	<input type="text" value="33,002.491"/>	MG/Yr
Water imported:	<input type="text" value="N/A"/>		MG/Yr
Water exported:	<input type="text" value="5"/>	<input type="text" value="251.135"/>	MG/Yr
<b>WATER SUPPLIED:</b>		<b>32,681.278</b>	MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt:	<input type="text" value="0"/>	Value:	<input type="text" value="0.069"/>	MG/Yr
	<input type="text" value="9"/>		<input type="text" value="0"/>	MG/Yr
	<input type="text" value="9"/>	<input type="text" value="-21.80%"/>		MG/Yr

Enter negative % or value for under-registration  
 Enter positive % or value for over-registration

---

**AUTHORIZED CONSUMPTION**

Billed metered:	<input type="text" value="7"/>	<input type="text" value="22,643.930"/>	MG/Yr
Billed unmetered:	<input type="text" value="N/A"/>		MG/Yr
Unbilled metered:	<input type="text" value="N/A"/>		MG/Yr
Unbilled unmetered:	<input type="text" value="10"/>	<input type="text" value="166.075"/>	MG/Yr
<b>AUTHORIZED CONSUMPTION:</b>		<b>22,810.006</b>	MG/Yr

Click here:  for help using option buttons below

Pcnt:  Value:  MG/Yr

Use buttons to select percentage of water supplied OR value

---

**WATER LOSSES (Water Supplied - Authorized Consumption)**

**Apparent Losses**

Unauthorized consumption:	<input type="text" value="7"/>	<input type="text" value="82.918"/>	MG/Yr
Customer metering inaccuracies:	<input type="text" value="7"/>	<input type="text" value="320.334"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="7"/>	<input type="text" value="4.529"/>	MG/Yr
<b>Apparent Losses:</b>		<b>407.781</b>	MG/Yr

Unauthorized consumption volume entered is greater than the recommended default value

Pcnt:  Value:  MG/Yr

MG/Yr

MG/Yr

---

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:   MG/Yr

**WATER LOSSES:**   MG/Yr

---

**NON-REVENUE WATER**

NON-REVENUE WATER:   MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

---

**SYSTEM DATA**

Length of mains:	<input type="text" value="9"/>	<input type="text" value="3,067.3"/>	miles
Number of active AND inactive service connections:	<input type="text" value="9"/>	<input type="text" value="211,638"/>	
Service connection density:	<input type="text" value="7"/>	<input type="text" value="69"/>	conn./mile main

Are customer meters typically located at the curbside or property line?  (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line:   ft

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:   psi

---

**COST DATA**

Total annual cost of operating water system:	<input type="text" value="10"/>	<input type="text" value="\$96,879,110"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="10"/>	<input type="text" value="\$8.40"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="5"/>	<input type="text" value="\$291.75"/>	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

---

**WATER AUDIT DATA VALIDITY SCORE:**

**\*\*\* YOUR SCORE IS: 82 out of 100 \*\*\***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

**PRIORITY AREAS FOR ATTENTION:**

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Variable production cost (applied to Real Losses)
- 2: Volume from own sources
- 3: Billed metered

OPERATING INDICATORS BY FUNCTION  
 SCHEDULE OF UNACCOUNTED FOR WATER (CONTINUED)  
 DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2020



**AWWA Free Water Audit Software:**  
**System Attributes and Performance Indicators**

WAS v5.0

American Water Works Association.  
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Water Audit Report for:   
 Reporting Year:

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 \*\*\*

System Attributes:

Apparent Losses:	<input type="text" value="407.781"/>	MG/Yr
+ Real Losses:	<input type="text" value="9,463.491"/>	MG/Yr
= <b>Water Losses:</b>	<input type="text" value="9,871.272"/>	MG/Yr

Unavoidable Annual Real Losses (UARL):  MG/Yr

Annual cost of Apparent Losses:

Annual cost of Real Losses:

Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="30.7%"/>	
		Non-revenue water as percent by cost of operating system:	<input type="text" value="6.4%"/>	Real Losses valued at Variable Production Cost

Operational Efficiency:	{	Apparent Losses per service connection per day:	<input type="text" value="5.28"/>	gallons/connection/day
		Real Losses per service connection per day:	<input type="text" value="122.51"/>	gallons/connection/day
		Real Losses per length of main per day*:	<input type="text" value="N/A"/>	
		Real Losses per service connection per day per psi pressure:	<input type="text" value="1.34"/>	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL):  million gallons/year

Infrastructure Leakage Index (ILI) [CARL/UARL]:

\* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
 SCHEDULE OF UTILITY RATES  
 DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2020

The rate structure is composed of a meter charge and a volume charge.

The Department had the following rate structure July 1, 2019 through December 31, 2019:

METER:  Meter Size	Water				Sewer			
	Residential	Small Commercial	Intermediate Commercial	Large Commercial	Residential	Small Commercial	Intermediate Commercial	Large Commercial
5/8"	\$ 3.13	\$ 3.98	\$ 13.85	\$ 597.23	\$ 7.62	\$ 8.51	\$ 27.89	\$ 1,076.37
3/4"	10.62	11.32	19.64	603.59	21.63	24.22	39.55	1,088.01
1"	12.77	13.63	21.51	605.80	26.05	29.17	43.33	1,091.79
1 1/2"	18.77	20.03	26.71	611.60	38.29	42.89	53.81	1,102.25
2"	25.29	26.97	32.63	618.22	51.59	57.75	65.73	1,114.18
3"	33.38	35.61	40.84	624.04	68.04	76.21	82.26	1,124.65
4"	54.41	58.03	64.65	650.65	110.88	124.18	130.22	1,172.65
6"	85.42	91.12	99.81	689.96	174.12	195.01	201.05	1,243.48
8"	133.59	142.50	155.38	755.41	272.29	304.96	312.96	1,361.43
10"	133.59	142.50	155.38	755.41	272.29	304.96	312.96	1,361.43

VOLUME:

Water usage charges per 100 cubic feet (For usage over 200 cubic feet)				Sewer usage charges per 100 cubic feet (For usage over 200 cubic feet)			
\$ 2.33	\$ 2.48	\$ 2.14	\$ 1.81	\$ 4.74	\$ 5.30	\$ 4.32	\$ 3.26

The Department had the following rate structure January 1, 2020 through June 30, 2020:

METER:

VOLUME:

Meter Size			Residential Volume Rate	Thresholds (Cubic Feet)		
	Water	Sewer			Water	Sewer
5/8"	\$ 5.09	\$ 8.14	Base Usage	0-2	\$ -	\$ -
3/4"	12.12	36.00	Tier 1	2-6	3.50	5.85
1"	15.28	46.85	Tier 2	6-10	4.20	5.85
1 1/2"	26.85	90.67	Tier 3	>10	5.25	5.85
2"	37.91	127.38				
3"	60.58	158.59				
4"	137.72	449.98				
6"	171.93	536.44				
8" and 10"	223.72	686.89	All Usage		\$ 2.75	\$ 5.85



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
SCHEDULE OF NUMBER OF CUSTOMERS  
DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2020

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Customers	184,347	28,130	212,477
Sewer Customers	<u>197,028</u>	<u>19,941</u>	<u>216,969</u>
Total Customers	<u><u>381,375</u></u>	<u><u>48,071</u></u>	<u><u>429,446</u></u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2011	2012	2013	2014
Governmental activities:				
General government:				
General government vehicles (1)	3,510	3,507	3,524	3,542
Law enforcement and care of prisoners:				
Sheriff inmate capacity - jails (4)	2,918	2,918	2,918	2,918
Sheriff inmate capacity - detention facility	1,092	1,092	1,348	1,348
Police stations	7	7	7	7
Fire prevention and control:				
Fire stations	38	38	38	38
Public library system:				
Libraries	24	24	24	23
Public works, highways and streets:				
Streets and roads (lane miles)	5,796	5,814	5,832	5,852
Recreational and cultural:				
Parks (number)	118	127	126	126
Parks (acreage)	11,131	12,554	13,022	13,802
Miles of completed greenways	47	51	55	79
Education:				
Schools (2)	137	136	135	131
School buses	725	697	751	721
Business-type activities:				
Department of Water and Sewerage Services:				
Water mains (miles)	2,912	2,886	2,910	3,042
Maximum daily water capacity (thousands of gallons)	180,000	180,000	180,000	180,000
Sewers (miles)	3,051	3,063	3,096	3,082
Maximum daily treatment capacity (thousands of gallons)	465,000	465,000	483,000	510,000
District Energy System:				
Steam:				
Maximum contract capacity (pounds per hour)	321,430	295,998	299,053	297,389
Percentage maximum contract capacity represented by customers	76.00%	73.16%	85.14%	99.70%
Chilled water:				
Maximum contract capacity (tons)	31,169	30,044	30,415	30,533
Percentage maximum contract capacity represented by customers	77.00%	73.58%	84.47%	82.33%
Board of Fair Commissioners: (5)				
Exhibition space (square footage)	120,919	115,459	115,459	120,919
Livestock barns (square footage)	50,400	50,400	50,400	50,400
Livestock show arena (square footage)	7,800	7,800	7,800	7,800
Component units:				
Music City Center:				
Exhibition space (square footage) (3)	-	-	-	350,000

Source: Department of Finance, Division of Accounts; Various departments of the Government

(1) General government vehicles include vehicles that are used in various functions of the Government.

(2) Beginning in 2014, charter schools, academic academies and pre-k sites are included in total schools.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2015	2016	2017	2018	2019	2020
3,452	3,393	3,422	3,449	3,485	3,446
2,918	2,918	2,111	2,111	2,111	2,038
1,348	1,348	1,348	1,348	1,348	1,348
8	8	8	8	8	8
38	38	38	38	39	39
23	22	22	22	22	22
5,866	5,880	5,893	5,911	5,930	5,953
132	185	185	175	178	183
15,078	15,001	15,003	15,089	15,295	15,320
82	85	85	89	96	99
131	131	131	131	135	136
831	820	828	733	702	712
3,054	3,053	3,086	3,043	3,086	3,061
180,000	180,000	180,000	180,000	180,000	180,000
3,091	3,120	3,137	3,150	3,180	3,200
510,000	510,000	510,000	510,000	510,000	510,000
321,289	321,289	321,289	321,289	321,289	321,289
93.20%	93.20%	93.20%	93.20%	88.60%	88.60%
34,230	34,230	34,230	34,230	34,230	34,230
88.70%	88.70%	88.70%	88.70%	88.70%	89.44%
120,919	70,265	70,265	70,265	70,265	132,747
50,400	50,400	50,400	50,400	50,400	79,659
7,800	7,800	7,800	7,800	7,800	21,359
350,000	350,000	350,000	350,000	350,000	350,000

(3) The Music Center opened in May 2013.

(4) Due to the closing of the Criminal Justice Center in 2017 for construction, jail capacity has decreased.

(5) New exhibition facilities were completed at the fairgrounds in 2020 and the old facilities were demolished in preparation for the construction of a new soccer stadium.



For an ADA accommodation, please contact Kimberly Northern at  
615-880-1710 or by email at [✉ kimberly.northern@nashville.gov](mailto:kimberly.northern@nashville.gov)