

Comprehensive Annual Financial Report For the Year Ended June 30, 2019

The Metropolitan Government of Nashville and Davidson County
Nashville, Tennessee



John Cooper, Mayor

COVER

Public Art:

Sky Lake, Herb Williams

The Gathering, Sherri Warner Hunter

Exploration & Discovery: The Scholar, Ken Rowe

The Art of Fitness, Brandon J. Donahue

Photographs courtesy of Metro Nashville Arts Commission

THE METROPOLITAN GOVERNMENT
OF
NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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
PHONE: (615) 862-6000
EMAIL: mayor@nashville.gov

October 31, 2019

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, 2019. 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.

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 2019, for fiscal year 2020 and for the future are discussed below.

FOR FISCAL YEAR 2019: Substitute budget ordinance BL-2018-1184 appropriated a budget of \$2,230,100,600 in the budgetary funds, an overall increase of 0.92% from the budget for fiscal year 2018.

The fiscal year 2019 budget continued to support all Nashville residents by focusing on core services that would deliver immediate impact where needed most while paving the way for sustained long-term investments that would benefit all Nashvillians into the future through programs based on three key pillars – equitable outcomes, broadest measurable impact, and tangible return on investment:

- Public Education – Metro Nashville Public Schools (MNPS) received \$884.3 million in fiscal year 2019, which was an increase in MNPS's operational funding from fiscal year 2018 of \$5.0 million. The additional funding helped MNPS to meet the needs of curriculum, instruction, and support services and strengthened the Government's commitment to education.
- Transportation and Infrastructure – The fiscal year 2019 budget maintained a \$48.6 million operating subsidy to the Metro Transit Authority (MTA). MTA consists of city buses and paratransit vehicles serving Nashville and Davidson County. Most bus routes serve the downtown transit station, Music City Central. The fiscal year 2019 budget also maintained \$1.5 million of funding to the commuter rail service, the Music City Star. This service runs between downtown Nashville and Lebanon, Tennessee.

Infrastructure needs were also addressed through an increase of \$2.3 million in the fiscal year 2019 budget for the Public Works Department. This increase provided funding for services to areas of Davidson County that were annexed into the Urban Services District. When a property is annexed into this area, additional services, such as garbage collection and street lighting, are provided. The fiscal year 2019 budget also provided funding for a contractual cost increase with the Downtown Partnership which provides parking and other services in the downtown area.

- Affordable Housing and Homelessness – The fiscal year 2019 budget continued to recognize that Metro's growth has resulted in increasing housing prices, making it unaffordable for some to live in Nashville. The fiscal year 2019 budget included \$10 million of funding to the Barnes Fund for Affordable Housing and \$450,000 in funding to continue the housing incentive pilot program.
- Quality of Life – The fiscal year 2019 budget was committed to providing a good quality of life for all Nashville citizens. The budget for the Parks Department increased by \$1.8 million for full funding for two new regional community centers opened during fiscal year 2018.
- Community and Economic Development – For the first time, Metro contributed to four local Chambers of Commerce. The Nashville LGBT Chamber of Commerce, the Nashville Black

Chamber of Commerce, the Tennessee Latin American Chamber of Commerce, and the Nashville Area Hispanic Chamber of Commerce each received \$25,000 in the fiscal year 2019 budget. Additionally, the Nashville Area Chamber of Commerce received \$350,000 for Partnership 2020, an economic development initiative program.

- Youth and Family – The administration recognizes the importance of investing in youth education and employment. The fiscal year 2019 budget included \$2.9 million for the Opportunity NOW program, which provides summer employment internships within Metro and through local non-profit organizations. Additional employment opportunities were facilitated through direct connections between private employers and young people in the county.
- Health and Hospitals – The fiscal year 2019 budget included funding of \$46.1 million for Nashville General Hospital, an increase of \$11.1 million over the prior year. For the past three fiscal years, Nashville General Hospital has required additional supplemental funding. The fiscal year 2019 budget fully funded Nashville General Hospital.

The Public Health Department received additional funding to continue programs that were approved in fiscal year 2018, including a mental health crisis services center providing emergency psychiatric care 24/7 and an animal welfare program. Additionally, the Public Health Department received funding for a competitive grant program for nonprofits providing services not provided by Metro as well as services that enhance existing Metro programs.

- Public Safety – Resources dedicated to public safety services increased by \$10.4 million.

The Police Department's fiscal year 2019 budget increase included additional funding for the Secondary Employment Unit (SEU), including two additional positions to monitor off-duty police employment activities. The SEU contracts with Metro agencies as well as private businesses and organizations to provide the services of off-duty Metro police officers.

The Office of Family Safety's fiscal year 2019 budget increase included additional funding to replace a previously grant-funded position and to provide funding related to the new Family Justice Center that became operational during fiscal year 2019. Additionally, funding was provided for a competitive grant program for nonprofits providing domestic violence services.

Metro is in the process of rebuilding the existing Criminal Justice Center that houses its jail facilities in its existing footprint. The Sheriff's Office budget for fiscal year 2019 provided additional funding to enhance security at the current temporary jail location and funding for security needs at the new Family Justice Center. Finally, funding was provided to continue the Steering Clear program which offers public service and driver education programs instead of arresting drivers or seeking payment of fines. The program is a cost-saving measure for the court system as well as beneficial to drivers.

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 continues 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) is receiving \$914.5 million in fiscal year 2020, which is an increase in MNPS's operational funding from fiscal year 2019 of \$28.2 million. The additional funding includes pay increases for teachers and staff and helps 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 includes \$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 increases 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 maintains 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 maintains \$1.5 million of funding to the commuter rail service, the Music City Star.

Infrastructure needs are also addressed for the Public Works Department. The fiscal year 2020 budget includes \$518,100 in funding for additional staff to support the increase of curbside recycling from monthly to every other week. 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 continues to recognize that Metro's growth has resulted in increasing housing prices, making it unaffordable for some to live in Nashville. The fiscal year 2020 budget maintains \$10 million of funding to the Barnes Fund for Affordable Housing and \$300,000 in funding to continue the housing incentive pilot program.
- Quality of Life – The fiscal year 2020 budget is committed to providing a good quality of life for all Nashville citizens. The budget for the Parks Department is increasing by \$761,800 to fully fund the opening of the Bellevue Community Center.
- Community and Economic Development – The fiscal year 2020 budget includes \$ 1 million for the new Nashville GRAD program. This program will provide 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 includes \$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 continues to recognize the importance of investing in youth education and employment. The fiscal year 2020 budget maintains \$2.9 million for the Opportunity NOW program.
- Nashville General Hospital – The fiscal year 2020 budget includes funding of \$43.1 million for Nashville General Hospital, Metro's safety net hospital. This amount fully funds the amount requested by the Hospital Authority.
- Public Safety – Resources dedicated to public safety services are increasing by \$7.5 million.

The fiscal year 2020 budget includes \$3 million in operating funding for implementation of body worn cameras throughout the city. The budget also includes \$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 Police Department's fiscal year 2020 budget increase includes 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 includes 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 continues to support full staffing for correctional services. The budget for fiscal year 2020 provides \$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 includes funding for three additional inspectors.

These initiatives have all been addressed while ensuring the Government meets its fundamental objectives of maintaining existing services and investing in Nashville's future. Revenue increases are anticipated from modest growth in the property tax base without an increase in the property tax rate, increases in local option sales taxes, and growth in other revenue sources. A measured amount of fund balance has been appropriated to balance the budget. Departmental savings opportunities were also considered.

Details of the fiscal year 2019 and fiscal year 2020 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.

FOR THE FUTURE: 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.
- 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 is forming a sustainability consultancy group to oversee 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. We must continue efforts to grow the local economy while also ensuring that more residents and communities within Nashville are able to participate in the 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.

- 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 temporarily idle during the year was primarily invested in the State of Tennessee Local Government Investment Pool, the State of Tennessee Intermediate Term Investment Pool, and the First Tennessee Bank Advisors Direct Holdings. 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 is to preserve principal, minimize credit and market risks and maintain adequate liquidity while maximizing the rate of return on its portfolio. The investment policy encourages conservative, low risk investments and does not permit high risk methods 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. 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 assets of all pension (and other employee benefit) trust funds were \$3.4 billion at June 30, 2019.

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. 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, 2019 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2020 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 2019 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, 2018. This was the 36th 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, 2018. 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 28th 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 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, 2018

Christopher P. Morrell

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.

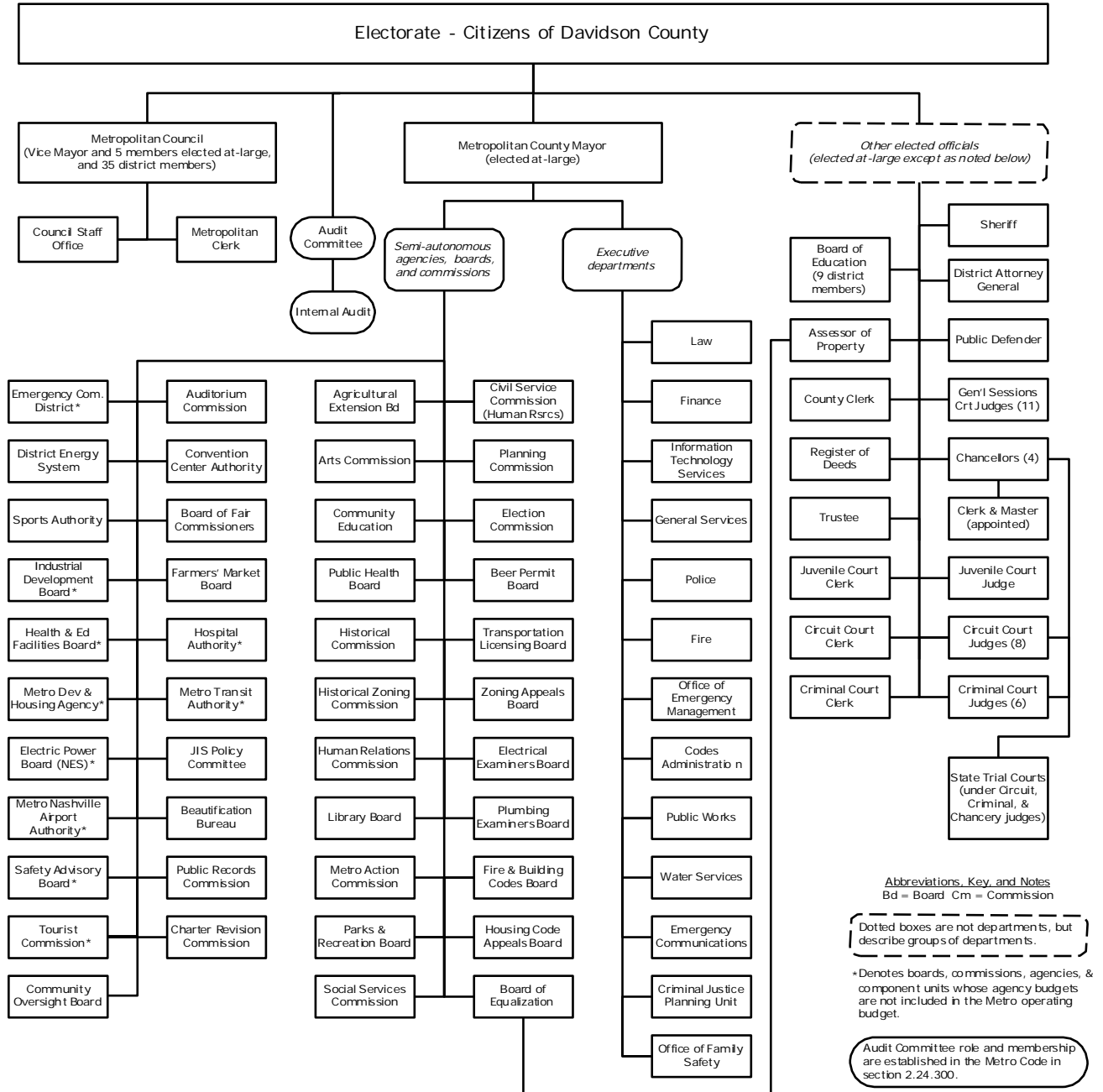
The original USD conformed to the corporate limits of the City of Nashville as they existed on April 1, 1963, the date of consolidation. USD residents are charged an additional tax to support those services, functions and debt obligations which benefit only the USD. Such services include additional police 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, 2019

David Briley, Mayor

Finance Officials

Vivian M. Wilhoite
Parker Toler
Brenda Wynn

Assessor of Property
Trustee
County Clerk

The Metropolitan Council

Jim Shulman
John Cooper
Erica Gilmore
Bob Mendes
Sharon Hurt
Vacant

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

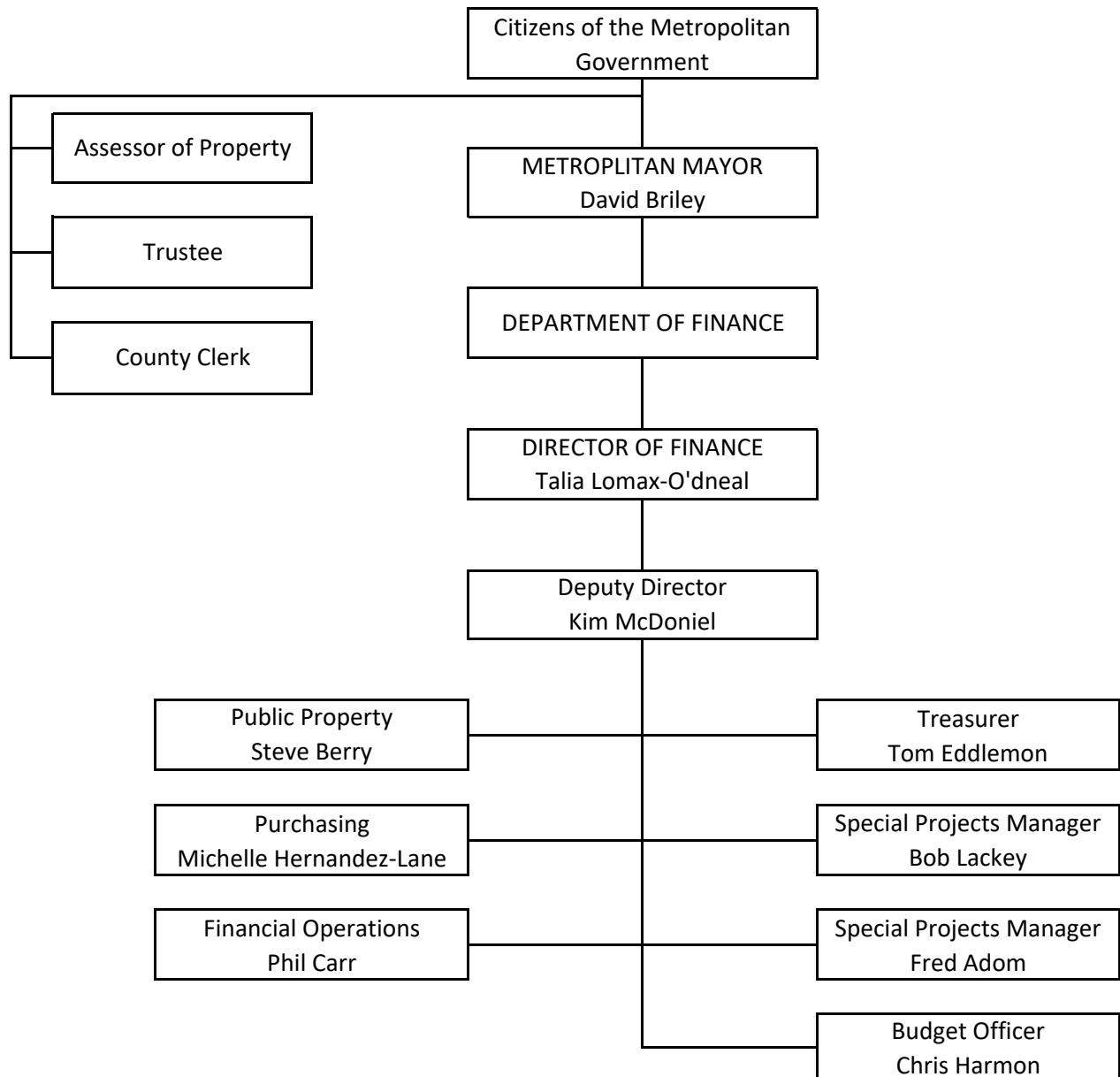
District No. 1 – Jonathan Hall
District No. 2 – DeCosta Hastings
District No. 3 – Brenda Haywood
District No. 4 – Robert Swope
District No. 5 – Scott Davis
District No. 6 – Brett Withers
District No. 7 – Anthony Davis
District No. 8 – Nancy VanReece
District No. 9 – Bill Pridemore
District No. 10 – Doug Pardue
District No. 11 – Larry Hagar
District No. 12 – Steve Glover
District No. 13 – Holly Huezo
District No. 14 – Kevin Rhoten
District No. 15 – Jeff Syracuse
District No. 16 – Mike Freeman
District No. 17 – Colby Sledge
District No. 18 – Burkley Allen

District No. 19 – Freddie O'Connell
District No. 20 – Mary Carolyn Roberts
District No. 21 – Ed Kindall
District No. 22 – Sheri Weiner
District No. 23 – Mina Johnson
District No. 24 – Kathleen Murphy
District No. 25 – Russ Pulley
District No. 26 – Jeremy Elrod
District No. 27 – Davette Blalock
District No. 28 – Tanaka Vercher
District No. 29 – Delishia Porterfield
District No. 30 – Jason Potts
District No. 31 – Fabian Bedne
District No. 32 – Jacobia Dowell
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 AND OTHER FINANCIAL OFFICES**

At June 30, 2019



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

AUDIT COMMITTEE MEMBERS

At June 30, 2019

Member	Representing
Brackney Reed, Chairperson	Nashville Area Chamber of Commerce
Charles C. Frazier, Vice Chairperson	TSCPA, Nashville Chapter
John Cooper	Metropolitan Council Member
Bob Mendes	Metropolitan Council Member
Talia Lomax-O'dneal	Finance Director
Jim Shulman	Vice Mayor

Contact:

Gina Pruitt, Interim 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, 2019, 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, 2019, 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, 2019, 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, the Emergency Communications District, and the Convention Center Authority, which represents 87% of the total assets, 86% of total net position and 86% 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, 2019, 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, 2019, 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 A1 through A12, 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) - teachers pension plans of the TCRS, and the schedule of changes in the total OPEB liability and related ratios - OPEB plans, on pages B-112 through B-113, B-114 through B-117, B-118 through B-129, B-130, B-132 through B-133, B-134 through B-135, B-136 through B-137, 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, 2019, 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, 2019



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, 2019.

FINANCIAL HIGHLIGHTS

- 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 \$2.1 billion (*net position*). This amount includes negative \$4.1 billion of *unrestricted net position*.
- The Government's total net position decreased by \$203 million (a decrease of \$241 million from governmental activities and an increase of \$38 million from business-type activities).
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$36 million, an increase of \$417 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$77 million, or 7.1% 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 \$37 million, or 4.2% of total general purpose school fund expenditures and other financing uses.
- The enterprise funds reported a net position at year-end of \$1.4 billion, an increase of \$43 million during the year.
- The Government's total general obligation and revenue bonds outstanding increased by \$541 million (14.0%) during the current fiscal year. New bond issues totaled \$716 million, which were offset by principal payments of \$192 million. Deferred amounts increased a net amount of \$17 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 \$450 million.

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, Board of Fair Commissioners, Farmers Market, Surplus Property Auction, Municipal Auditorium, Police Impound, and Stormwater Operations.

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 20 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, 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 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, Board of Fair Commissioners, Farmers Market, Surplus Property Auction, Municipal Auditorium, Police Impound, and Stormwater Operations. *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, 2019, 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 and the District Energy System, 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-111 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-112 to B-113, the Government's progress in funding its obligation to provide pension benefits to employees, found on pages B-114 to B-135, and the Government's progress in funding its obligation to provide other postemployment benefits to employees, found on pages B-136 to B-137.

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 inflows of resources were less than liabilities and deferred outflows of resources by \$2.1 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	
	2019	2018	2019	2018 (1)	2019	2018 (1)
Current and other assets	\$ 1,771,749	\$ 1,722,670	\$ 406,003	\$ 375,515	\$ 2,177,752	\$ 2,098,185
Capital assets	4,153,490	4,004,158	2,187,382	2,151,093	6,340,872	6,155,251
Total assets	5,925,239	5,726,828	2,593,385	2,526,608	8,518,624	8,253,436
Deferred outflows of resources	816,921	312,716	15,059	13,186	831,980	325,902
Long-term liabilities	8,350,953	7,082,732	945,898	990,018	9,296,851	8,072,750
Other liabilities	542,031	946,160	294,430	223,061	836,461	1,169,221
Total liabilities	8,892,984	8,028,892	1,240,328	1,213,079	10,133,312	9,241,971
Deferred inflows of resources	1,282,354	1,202,279	15,315	12,761	1,297,669	1,215,040
Net position:						
Net investment in capital assets	641,440	706,897	1,193,645	1,166,309	1,835,085	1,873,206
Restricted	60,961	57,970	98,559	100,070	159,520	158,040
Unrestricted	(4,135,579)	(3,956,494)	60,597	47,575	(4,074,982)	(3,908,919)
Total net position	\$ (3,433,178)	\$ (3,191,627)	\$ 1,352,801	\$ 1,313,954	\$ (2,080,377)	\$ (1,877,673)

(1) 2018 was restated to reflect the correction as discussed in Note 2.

Governmental activities – Current and other assets for governmental activities increased by 2.9% primarily due to an increase in receivables for property tax and sales tax driven by growth in the tax base and Nashville's overall economic strength. Capital assets increased by 3.7% 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, the renovation of existing government buildings, and the acquisition and implementation of software for a new accounting system. Deferred outflows of resources increased by 161.2% primarily due to the addition of amounts related to other postemployment benefits (OPEB) and increases in the amount related to pensions for changes in assumptions and differences between expected and actual experience, partially offset by the amortization of deferred charges from bond refundings. Long-term liabilities increased by 17.9% primarily due to the issuance of general obligation bonds and increases in the obligations for OPEB and pensions, partially offset by principal payments on debt and amortization of deferred premiums. Other liabilities decreased by 42.7% primarily due to a decrease in commercial paper outstanding as a portion was repaid with proceeds from the issuance of general obligation bonds. Deferred inflows of resources increased by 6.7% primarily due to an increase in unavailable revenue from property taxes driven by growth in the tax base, as well as the addition of amounts related to OPEB and increases in the amounts 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 (18.7%) 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 governmental activities (1.8%) 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 \$4.1 billion (-120.5%). Note that the unrestricted net position is negative due to the total OPEB liability of \$4.6 billion and net pension liability of \$210 million at June 30, 2019.

Business-type activities – Current and other assets for business-type activities increased by 8.1% primarily due to an increase in cash and cash equivalents in Stormwater Operations resulting from an increase in rates in fiscal year 2017. Capital assets increased by 1.7% due to additions to land, utility plants and construction work in progress for the Department of Water and Sewerage Services and the construction of new buildings at the Nashville fairgrounds. Deferred outflows of resources increased by 14.2% due to increases in amounts related to pension for changes in assumptions and differences between expected and actual experience. Long-term liabilities decreased by 4.5% primarily due to principal payments and the amortization of deferred premiums, partially offset by an increase in the obligation for pensions. Other liabilities increased by 32.0% primarily due to commercial paper borrowings to provide funding for capital projects prior to the issuance of revenue bonds. Deferred inflows of resources increased by 20.0% due to an increase 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 (88.2%) 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 (7.3%) 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 \$61 million (4.5%), may be used to meet the Government's ongoing obligations to citizens and creditors.

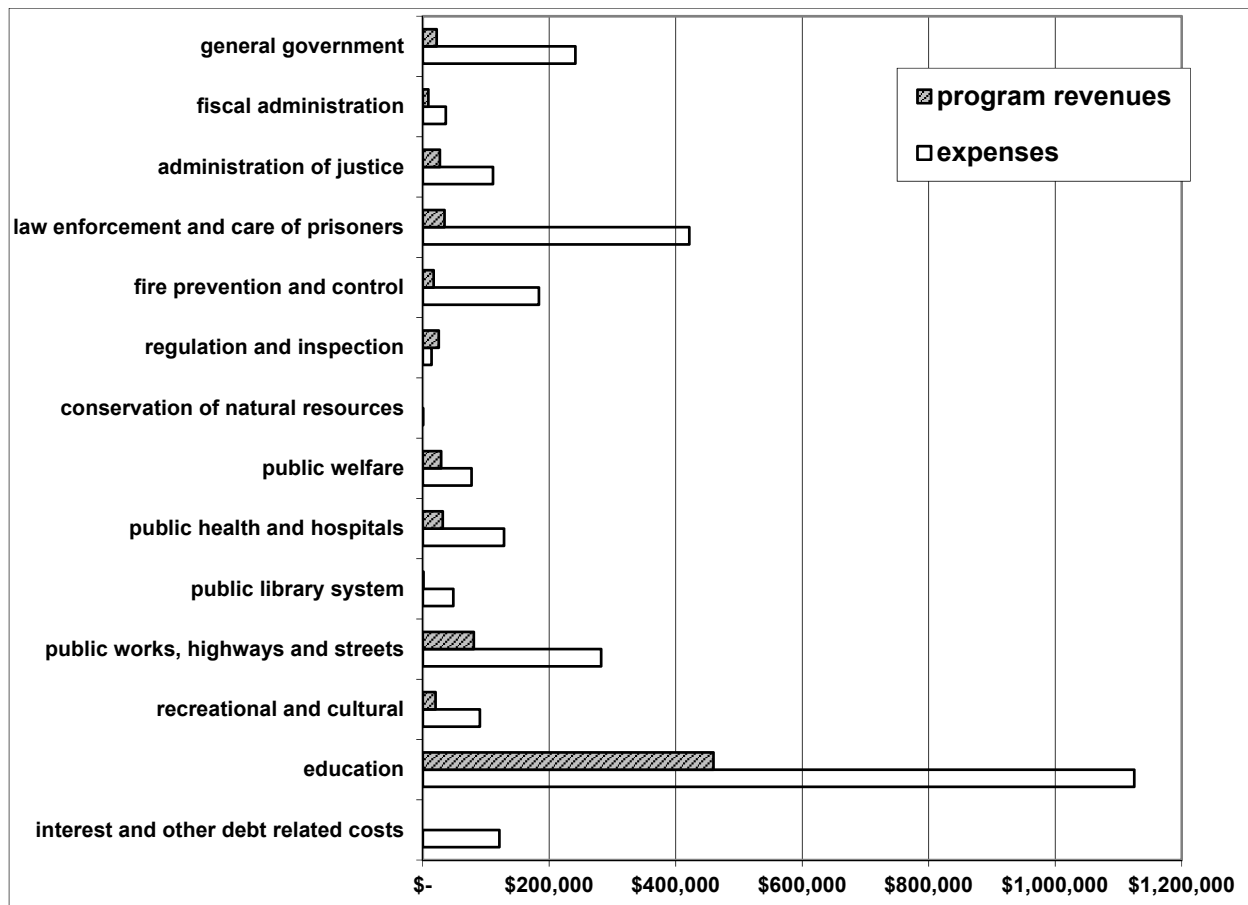
At the end of the current fiscal year, the Government is able to report positive balances in all three categories of net position for its total business-type activities.

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	
	2019	2018	2019	2018 (1)	2019	2018 (1)
Revenues:						
Program revenues:						
Charges for services	\$ 178,701	\$ 183,879	\$ 289,855	\$ 282,317	\$ 468,556	\$ 466,196
Operating grants and contributions	518,759	525,054	-	-	518,759	525,054
Capital grants and contributions	60,733	30,162	20,652	18,753	81,385	48,915
General revenues:						
Property taxes	1,041,924	995,535	-	-	1,041,924	995,535
Local option sales taxes	450,234	414,156	-	-	450,234	414,156
Hotel occupancy taxes	107,552	95,137	-	-	107,552	95,137
Beverage taxes	62,052	55,397	-	-	62,052	55,397
Wheel taxes	34,591	33,131	-	-	34,591	33,131
Business taxes	43,001	39,812	-	-	43,001	39,812
Franchise taxes	18,867	18,895	-	-	18,867	18,895
Other taxes	603	606	-	-	603	606
Revenues from the use of money or property	11,678	5,865	6,857	2,819	18,535	8,684
Revenues from other governmental agencies	97,965	96,374	-	-	97,965	96,374
Compensation for loss, sale or damage to property	19,747	1,874	30	34	19,777	1,908
Total revenues	2,646,407	2,495,877	317,394	303,923	2,963,801	2,799,800
Expenses:						
General government	241,330	229,632	-	-	241,330	229,632
Fiscal administration	36,497	34,478	-	-	36,497	34,478
Administration of justice	111,078	110,415	-	-	111,078	110,415
Law enforcement and care of prisoners	421,429	389,728	-	-	421,429	389,728
Fire prevention and control	183,783	172,064	-	-	183,783	172,064
Regulation and inspection	13,878	12,600	-	-	13,878	12,600
Conservation of natural resources	447	495	-	-	447	495
Public welfare	77,151	72,270	-	-	77,151	72,270
Public health and hospitals	128,550	127,667	-	-	128,550	127,667
Public library system	48,463	45,086	-	-	48,463	45,086
Public works, highways and streets	282,226	221,096	-	-	282,226	221,096
Recreational and cultural	90,277	96,612	-	-	90,277	96,612
Education	1,124,977	1,121,121	-	-	1,124,977	1,121,121
Interest and other debt related costs	121,201	110,836	-	-	121,201	110,836
Department of Water and Sewerage Services	-	-	240,195	233,991	240,195	233,991
District Energy System	-	-	18,060	18,475	18,060	18,475
Nashville Convention Center	-	-	-	-	-	-
Board of Fair Commissioners	-	-	3,497	3,673	3,497	3,673
Farmers Market	-	-	2,060	2,115	2,060	2,115
Surplus Property Auction	-	-	640	648	640	648
Municipal Auditorium	-	-	2,221	2,074	2,221	2,074
Police Impound	-	-	375	375	375	375
Stormwater Operations	-	-	18,170	15,625	18,170	15,625
Total expenses	2,881,287	2,744,100	285,218	276,976	3,166,505	3,021,076
Change in net position before transfers	(234,880)	(248,223)	32,176	26,947	(202,704)	(221,276)
Transfers	(6,671)	18,902	6,671	(18,902)	-	-
Change in net position	(241,551)	(229,321)	38,847	8,045	(202,704)	(221,276)
Net position, beginning of year, restated	(3,191,627)	(2,962,306)	1,313,954	1,305,909	(1,877,673)	(1,656,397)
Net position, end of year	<u>\$ (3,433,178)</u>	<u>\$ (3,191,627)</u>	<u>\$ 1,352,801</u>	<u>\$ 1,313,954</u>	<u>\$ (2,080,377)</u>	<u>\$ (1,877,673)</u>

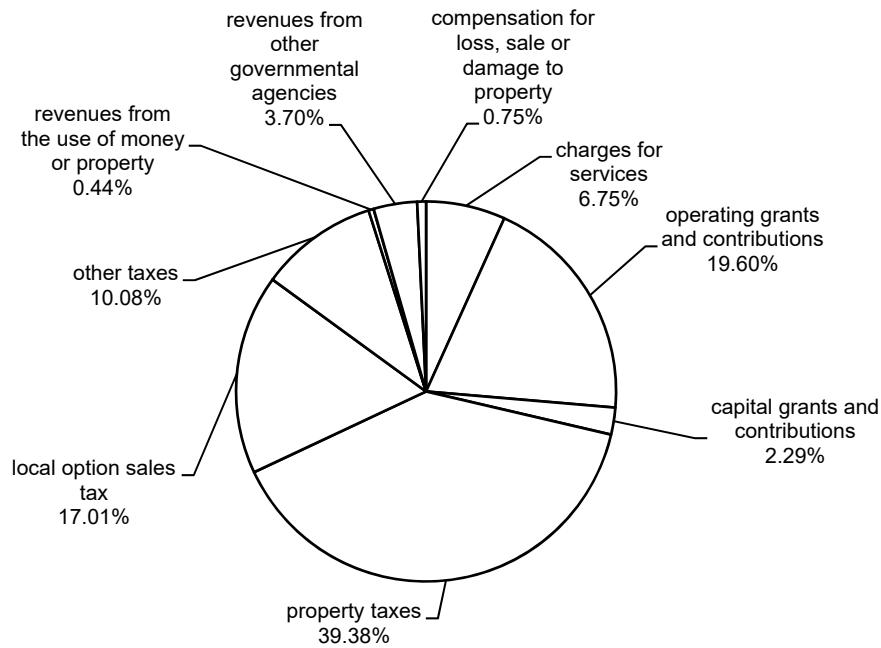
Governmental activities – Governmental activities decreased the Government's net position by \$239 million, compared to a \$229 million decrease in the prior year. Total revenue increased by \$151 million. Significant variances in revenues included 1) an increase of \$46 million in property taxes due to more construction and continued economic recovery, 2) an increase of \$36 million in local option sales tax due to continued economic recovery, 3) an increase of \$31 million in capital grants and contributions primarily due to the high value of roads and right of ways received from urban development in the Rolling Mill Hills area adjacent to downtown, 4) an increase of \$18 million in compensation for loss, sale or damage to property from several significant property sales, and 5) an increase of \$12 million in hotel occupancy taxes due to the opening of new hotels as well as a general increase in tourism. Total expenses increased by \$135 million. Operating expenses were generally higher across most functions due to increased appropriations, primarily in salaries and fringe benefits, as well as an increase in OPEB expense of \$86 million which is spread across functions. Additionally, interest and other debt related costs increased \$10 million primarily due to an increase in accrued interest on outstanding debt.

Expenses and Program Revenues - Governmental Activities – For the Year Ended June 30, 2019



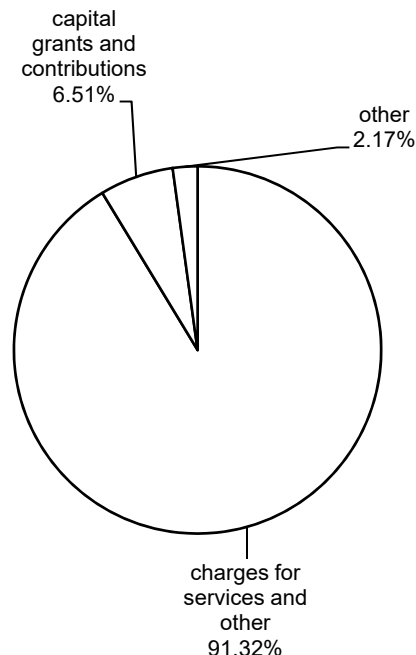
(in thousands)

Revenues by Source - Governmental Activities – For the Year Ended June 30, 2019



Business-type activities – Business-type activities increased the Government's net position by \$39 million compared to an \$8 million increase in the prior year. The Department of Water and Sewerage Services increased net position by \$4 million which is consistent with the prior year, Stormwater Operations increased net position by \$13 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 \$25 million from transfers of funding from capital projects funds to cover the construction of new buildings at the Nashville fairgrounds.

Revenues by Source – Business-type Activities – For the Year Ended June 30, 2019



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 \$36 million, an increase of \$417 million in comparison with the prior year. Restricted fund balance of \$61 million can only be used for specific purposes pursuant to constraints imposed by external parties such as creditors and grantors. Committed fund balance of \$132 million can only be used for specific purposes pursuant to constraints imposed by formal legislative action of the Metropolitan Council. Significant commitments include \$37 million for education, \$18 million for debt service, \$49 million for equipment acquisitions, and \$28 million for other purposes. Assigned fund balance of \$16 million includes \$7 million of fund balance that is being used to balance the subsequent year budget and \$9 million for various projects carried forward into the subsequent year. Unassigned fund balance of negative \$177 million represents the \$77 million residual balance of the General Fund offset by deficit balances in the GSD, Education, and USD Capital Projects Funds where the deficits will be funded by the future issuance of general obligation bonds. The remaining fund balance of \$4 million represents nonspendable amounts.

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 \$77 million, while total fund balance was \$91 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 7.1% of total general fund expenditures and other financing uses, while total fund balance represents 8.4% of total general fund expenditures and other financing uses.

The total fund balance of the General Fund increased by \$15 million during the current fiscal year as compared to a \$30 million decrease in the previous year. Revenues increased by \$60 million compared to the previous year primarily due to: 1) an increase of \$26 million in property taxes due to more construction and continued economic growth, 2) an increase of \$8 million in local option sales tax due to continued economic growth, 3) an increase of \$10 million in gas and fuel taxes, Tennessee sales tax, business taxes and building permits resulting from the general economic growth and construction, 4) an increase of \$10 million from an agreement with the Convention Center Authority, a component unit, to transfer a portion of certain revenues to the Government, and 5) an increase of \$12 million from the planned sale of various parcels of land. Ongoing operating expenditures decreased by \$2 million primarily due to decreases in various miscellaneous areas including subsidies related to the Sports Authority and Hospital Authority, component units, contributions to insurance internal service funds, and tax increment payments to the Metropolitan Development and Housing Authority, a component unit. These decreases were partially offset by increases primarily in salaries and fringe benefits across most functions. The \$15 million increase in fund balance compares to a planned use of fund balance of \$35 million because total revenues exceeded projections, and savings were achieved across most departments.

The total fund balance of the General Purpose School Fund increased by \$6 million during the current fiscal year as compared to a \$28 million decrease in the previous year. Revenues increased by \$34 million compared to the previous year primarily due to: 1) increases of \$12 million in property taxes and \$18 million in local option sales tax as explained above, 2) an increase of \$6 million in alcoholic beverage taxes resulting from continued economic growth, and 3) an increase of \$5 million from the planned sale of various parcels of land. The increases were partially offset by a decrease of \$6 million in revenue from the State for education funding. Operating expenditures and transfers out increased by \$30 million primarily due to increases in salaries and fringe benefits and transfers to charter schools. The \$6 million increase in fund balance compares to a planned use of zero fund balance because total revenues exceeded projections, and expenditures were below projections.

The fund balances of the Government's GSD General Purposes, GSD School Purposes and USD General Purposes Debt Service Funds increased by \$7 million in total during the current fiscal year as compared to a \$10 million decrease in the previous year. Revenues increased by \$16 million primarily due to increases in property taxes and local option sales tax as explained above. Expenditures increased by \$13 million due to higher principal and interest costs on outstanding bonds. The \$7 million increase in fund balance compares to a planned use of zero fund balance because expenditures for commercial paper interest and other costs were below projections.

The fund balances of the Government's capital projects funds increased by \$399 million due to proceeds from the issuance of general obligation bonds in excess of capital project spending.

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 \$248 million compared to \$230 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 \$18 million. Although the internal service funds essentially broke even with no impact on unrestricted net position, an increase in the School Professional Employee's Insurance Fund which is used to accumulate assets for the payment of self-insurance medical claims for school, was offset by decreases in the General Government Self Insurance Fund which is used to accumulate assets for the payment of self-insured real, personal property and liability claims, and the Injured on Duty Fund which is used to accumulate assets for the payment of self-insured injured on duty claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original and Final Budgeted Amounts

For the General Fund, differences in revenues and other financing sources between the original budget and final amended budget were due to revisions in certain revenue projections. 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: 1) transfers to the GSD General Purposes, GSD School Purposes, and USD General Purposes Debt Services Funds of \$15 million to compensate for unrealized revenue and increase cash balances in those Funds, 2) additional tax increment financing (TIF) payments of \$3 million, 3) unanticipated costs in the Sheriff's Department of \$1 million, and 6) other costs totaling \$1 million. Unspent amounts carried forward from the prior year totaled \$8 million. 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 exceeded the final budgeted amounts by \$19 million. While revenues were budgeted conservatively, collections exceeded budgeted amounts in various areas primarily due to construction and continued economic recovery. The most significant positive variances were in property taxes, commission and fees collected by certain elected officials, alcoholic beverage taxes, business taxes, income taxes and building permits. Additionally, sales of land and buildings resulted in more proceeds than planned. These increases were partially offset by shortfalls in various revenues including the Tennessee excise tax allocation, temporary street closure permits, franchise fees, traffic violation fines, motor vehicle licenses, and driver's license reinstatement fees. Actual expenditures and other financing uses were under budget by \$31 million due to amounts budgeted for potential adjustments to benefits and pay plan changes that were less than planned, a reduction in the amount of tax increment payments to the Metropolitan Development and Housing Authority, a component unit, below what was projected, reductions in the needed subsidy amounts for the Sports Authority and Hospital Authority, component units, below what was projected, 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, 2019 amounts to \$6.3 billion (net of accumulated depreciation). Depreciation charges for the fiscal year totaled \$210 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018 (1)	2019	2018 (1)
Utility plant in service	\$ -	\$ -	\$ 3,173,842	\$ 3,032,292	\$ 3,173,842	\$ 3,032,292
Land	529,600	490,608	24,583	24,583	554,183	515,191
Buildings and Improvements	2,543,931	2,212,895	101,885	101,597	2,645,816	2,314,492
Improvements other than buildings	-	-	65,544	60,863	65,544	60,863
Furniture, machinery and equipment	500,251	483,698	130,368	122,702	630,619	606,400
Property under capital lease	-	-	3,645	3,645	3,645	3,645
Infrastructure	1,780,782	1,752,845	-	-	1,780,782	1,752,845
Public art	5,419	4,831	-	-	5,419	4,831
Construction in progress	240,355	408,703	235,949	260,137	476,304	668,840
Less: Accumulated depreciation	(1,446,848)	(1,349,422)	(1,548,434)	(1,454,726)	(2,995,282)	(2,804,148)
Total capital assets	\$ 4,153,490	\$ 4,004,158	\$ 2,187,382	\$ 2,151,093	\$ 6,340,872	\$ 6,155,251

(1) 2018 was restated to reflect the correction as discussed in Note 2.

The total increase in the Government's investment in capital assets for the current fiscal year was 3.0% (a 3.7% increase for governmental activities and a 1.7% increase 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 new headquarters for the Police Department and the Family Justice Center. Construction continues on 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 utility plants and construction work in progress for the Department of Water and Sewerage Services - net of disposals - totaled approximately \$117 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 5,930 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 71.3% of roads and 98.0% 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. The FY19-20 capital budget includes additional funding for road and street maintenance.

Additional information on the Government's capital assets can be found in Note 5 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 \$4.4 billion. Of this amount, \$3.5 billion comprises debt backed by the full faith and credit of the Government. The remaining \$918 million 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 3,062,113	\$ 2,499,157	\$ 50,062	\$ 50,888	\$ 3,112,175	\$ 2,550,045
Deferred amounts, net	372,968	348,316	7,168	7,730	380,136	356,046
Total general obligation bonds outstanding	3,435,081	2,847,473	57,230	58,618	3,492,311	2,906,091
Revenue bonds	-	-	854,140	892,365	854,140	892,365
Deferred amounts, net	-	-	64,276	70,825	64,276	70,825
Total revenue bonds outstanding	-	-	918,416	963,190	918,416	963,190
Total general obligation and revenue bonds outstanding	\$ 3,435,081	\$ 2,847,473	\$ 975,646	\$ 1,021,808	\$ 4,410,727	\$ 3,869,281

The Government's total general obligation and revenue bonds outstanding, net of deferred amounts, increased by \$541 million (14.0%) during the current fiscal year. New bond issues totaled \$716 million, which were offset by principal payments of \$192 million. Deferred amounts increased a net amount of \$17 million.

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

Construction commitments at June 30, 2019 totaled \$203 million for the governmental activities of the Government and \$40 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 ranging from "A1" to "Aa3" from Moody's and "A+" to "AA" from Standard & Poor'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 3.32%, and the amount of net debt per capita is \$4,934.

Additional information on the Government's long-term debt can be found in Note 6 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 \$450 million outstanding at June 30, 2019 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 (September 2019) unemployment rate for the Nashville combined statistical area is 2.5%. The state's and nation's unemployment rates are 3.4% and 3.5%, respectively. The budget for the 2020 fiscal year reflects a balanced budget inclusive of the use of accumulated fund balance. For more comprehensive information on the Government's approved budget for the 2020 fiscal year, the budget ordinance, the budget book as well as other documents are available at 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.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Cash and cash equivalents	\$ 472,299,084	\$ 119,982,488	\$ 592,281,572	\$ 848,343,233
Investments	2,154,965	-	2,154,965	65,388,470
Sales tax receivable	80,496,005	-	80,496,005	-
Accounts receivable	141,353,155	24,760,481	166,113,636	228,823,474
Property tax receivable	1,023,636,454	-	1,023,636,454	-
Allowance for doubtful accounts	(16,525,411)	(1,820,808)	(18,346,219)	(41,505,020)
Accrued interest receivable	937,432	604,952	1,542,384	471,395
Internal balances	28,147,293	(28,147,293)	-	-
Due from the primary government	-	-	-	885
Due from component units	3,930	6,316	10,246	-
Inventories of supplies	4,562,433	2,871,638	7,434,071	35,080,017
Other current assets	1,352,246	3,220	1,355,466	18,234,433
Restricted assets:				
Cash and cash equivalents	-	248,614,461	248,614,461	251,458,811
Investments	-	-	-	160,583,689
Accrued interest receivable	-	119,156	119,156	222,297
Due from other governmental agencies	-	-	-	14,438,696
Accounts receivable	-	2,605,876	2,605,876	818,307
Due from the primary government	-	-	-	12,335,574
Other restricted assets	-	5,850	5,850	7,917,669
Notes receivable	-	-	-	52,398,710
Capital assets:				
Utility plant in service	-	3,173,842,258	3,173,842,258	1,526,189,000
Land	529,600,162	24,583,200	554,183,362	385,723,481
Buildings and improvements	2,543,931,499	101,884,881	2,645,816,380	2,195,645,615
Improvements other than buildings	-	65,544,375	65,544,375	590,840,274
Furniture, machinery and equipment	500,251,044	130,368,023	630,619,067	578,387,864
Property under capital lease	-	3,645,000	3,645,000	-
Infrastructure	1,780,781,842	-	1,780,781,842	23,265,476
Public art	5,418,868	-	5,418,868	1,183,844
Construction in progress	240,354,835	235,948,617	476,303,452	397,152,729
Accumulated depreciation	(1,446,848,291)	(1,548,433,734)	(2,995,282,025)	(2,127,609,199)
Other noncurrent assets	33,331,685	36,395,467	69,727,152	47,022,968
Total assets	5,925,239,230	2,593,384,424	8,518,623,654	5,272,812,692
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	155,811,592	4,957,210	160,768,802	19,426,481
Effective portion of fuel hedging	815,901	-	815,901	524,954
Other post employment benefits (OPEB)	486,813,080	-	486,813,080	32,302,460
Pensions	173,480,745	10,102,090	183,582,835	49,796,476
Total deferred outflows of resources	816,921,318	15,059,300	831,980,618	102,050,371

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, 2019

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
LIABILITIES:				
Accounts payable	\$ 122,390,034	\$ 9,838,612	\$ 132,228,646	\$ 294,463,519
Accrued payroll	49,679,750	3,121,533	52,801,283	13,405,531
Accrued interest	70,663,757	-	70,663,757	-
Claims payable	33,276,810	-	33,276,810	-
Due to component units	12,335,747	712	12,336,459	-
Due to the primary government	-	-	-	10,246
Customer deposits	-	3,223,040	3,223,040	20,911,599
Unearned revenue	1,180,307	1,788,736	2,969,043	13,241,736
Commercial paper payable	249,363,256	200,636,744	450,000,000	-
Other current liabilities	3,141,787	4,020,658	7,162,445	21,653,076
Liabilities payable from restricted assets:				
Accounts payable	-	7,673,352	7,673,352	6,394,422
Accrued interest	-	22,872,831	22,872,831	31,958,314
Noncurrent liabilities:				
Current portion of long-term liabilities				
payable from restricted assets	-	41,253,265	41,253,265	74,080,000
Due within one year	237,065,990	-	237,065,990	10,979,863
Due in more than one year	8,113,887,297	945,898,421	9,059,785,718	2,367,011,357
Total liabilities	8,892,984,735	1,240,327,904	10,133,312,639	2,854,109,663
DEFERRED INFLOWS OF RESOURCES:				
Assessed and unlevied property taxes	1,012,833,158	-	1,012,833,158	-
Interest rate swap	2,700,946	-	2,700,946	-
Other post employment benefits (OPEB)	34,921,593	-	34,921,593	30,744,535
Pensions	231,898,058	15,314,810	247,212,868	15,310,346
Tax increment financing	-	-	-	28,000,000
Total deferred inflows of resources	1,282,353,755	15,314,810	1,297,668,565	74,054,881
NET POSITION:				
Net investment in capital assets	641,440,020	1,193,644,374	1,835,084,394	1,778,887,680
Restricted for debt retirement	-	98,559,240	98,559,240	181,892,048
Restricted for perpetual care:				
Expendable	177,396	-	177,396	-
Nonexpendable	185,112	-	185,112	-
Restricted for:				
Education	19,307,449	-	19,307,449	-
Law enforcement and care of prisoners	1,409,364	-	1,409,364	-
Public works, highways and streets	3,427,720	-	3,427,720	-
Convention center and tourism promotion	15,622,609	-	15,622,609	-
Public health	3,379,616	-	3,379,616	-
Flood recovery	11,238,978	-	11,238,978	-
Public library	1,127,887	-	1,127,887	-
Other purposes	5,085,041	-	5,085,041	144,525,852
Unrestricted	(4,135,579,134)	60,597,396	(4,074,981,738)	341,392,939
Total net position	\$ (3,433,177,942)	\$ 1,352,801,010	\$ (2,080,376,932)	\$ 2,446,698,519

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, 2019

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 241,329,511	\$ 15,160,799	\$ 4,078,169	\$ 2,918,158
Fiscal administration	36,496,842	8,903,795	94,422	-
Administration of justice	111,078,681	21,176,745	6,002,012	-
Law enforcement and care of prisoners	421,429,151	30,014,675	4,384,054	-
Fire prevention and control	183,783,118	9,785,184	7,586,603	-
Regulation and inspection	13,877,918	25,419,396	-	-
Conservation of natural resources	447,551	-	-	-
Public welfare	77,150,676	529,492	28,498,029	-
Public health and hospitals	128,549,805	12,250,208	19,473,708	-
Public library system	48,463,095	205,762	828,110	-
Public works, highways and streets	282,225,825	20,349,343	6,885,475	53,594,804
Recreational and cultural	90,277,285	15,670,960	382,657	4,220,225
Education	1,124,977,119	19,234,941	440,545,219	-
Interest and other debt related costs	121,200,998	-	-	-
Total governmental activities	<u>2,881,287,575</u>	<u>178,701,300</u>	<u>518,758,458</u>	<u>60,733,187</u>
Business-type activities:				
Department of Water and Sewerage Services	240,195,581	228,054,455	-	20,652,395
District Energy System	18,059,934	17,607,156	-	-
Board of Fair Commissioners	3,497,021	2,923,774	-	-
Farmers Market	2,059,639	999,899	-	-
Surplus Property Auction	639,969	1,199,930	-	-
Municipal Auditorium	2,221,273	2,314,255	-	-
Police Impound	375,000	502,184	-	-
Stormwater Operations	18,170,363	36,253,714	-	-
Total business-type activities	<u>285,218,780</u>	<u>289,855,367</u>	<u>-</u>	<u>20,652,395</u>
Total primary government	<u>\$ 3,166,506,355</u>	<u>\$ 468,556,667</u>	<u>\$ 518,758,458</u>	<u>\$ 81,385,582</u>
Component units	<u>\$ 1,945,238,764</u>	<u>\$ 1,716,073,153</u>	<u>\$ 382,497,810</u>	<u>\$ 105,658,300</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, as restated
- 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, 2019

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (219,172,385)	\$ -	\$ (219,172,385)	\$ -
(27,498,625)	-	(27,498,625)	-
(83,899,924)	-	(83,899,924)	-
(387,030,422)	-	(387,030,422)	-
(166,411,331)	-	(166,411,331)	-
11,541,478	-	11,541,478	-
(447,551)	-	(447,551)	-
(48,123,155)	-	(48,123,155)	-
(96,825,889)	-	(96,825,889)	-
(47,429,223)	-	(47,429,223)	-
(201,396,203)	-	(201,396,203)	-
(70,003,443)	-	(70,003,443)	-
(665,196,959)	-	(665,196,959)	-
(121,200,998)	-	(121,200,998)	-
<u>(2,123,094,630)</u>	<u>-</u>	<u>(2,123,094,630)</u>	<u>-</u>
-	8,511,269	8,511,269	-
-	(452,778)	(452,778)	-
-	(573,247)	(573,247)	-
-	(1,059,740)	(1,059,740)	-
-	559,961	559,961	-
-	92,982	92,982	-
-	127,184	127,184	-
-	18,083,351	18,083,351	-
<u>-</u>	<u>25,288,982</u>	<u>25,288,982</u>	<u>-</u>
<u>(2,123,094,630)</u>	<u>25,288,982</u>	<u>(2,097,805,648)</u>	<u>-</u>
-	-	-	258,990,499
1,041,923,459	-	1,041,923,459	-
450,234,426	-	450,234,426	-
107,552,051	-	107,552,051	-
62,052,214	-	62,052,214	-
34,591,378	-	34,591,378	-
43,000,639	-	43,000,639	-
18,866,523	-	18,866,523	-
603,270	-	603,270	-
11,678,122	6,857,071	18,535,193	30,189,949
97,965,221	-	97,965,221	-
19,746,755	29,958	19,776,713	8,729,385
(6,670,892)	6,670,892	-	-
<u>1,881,543,166</u>	<u>13,557,921</u>	<u>1,895,101,087</u>	<u>38,919,334</u>
(241,551,464)	38,846,903	(202,704,561)	297,909,833
(3,191,626,478)	1,313,954,107	(1,877,672,371)	2,148,788,686
<u>\$ (3,433,177,942)</u>	<u>\$ 1,352,801,010</u>	<u>\$ (2,080,376,932)</u>	<u>\$ 2,446,698,519</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, 2019

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
ASSETS:				
Cash and cash equivalents	\$ 79,136,629	\$ 2,247,051	\$ 2,744,302	\$ 201,795
Investments	-	-	-	-
Sales tax receivable	25,432,570	43,144,791	633,560	11,285,084
Accounts receivable	61,761,654	16,348,327	2,702,308	-
Accrued interest receivable	87,935	-	28,979	-
Property tax receivable	532,944,390	332,279,100	99,311,896	42,188,167
Allowance for doubtful accounts	(12,280,710)	(2,799,042)	(911,261)	(364,717)
Due from other funds of the primary government	5,457,247	4,854,095	258,615	-
Due from component units	-	-	-	-
Inventories of supplies	231,099	1,572,499	-	-
Other assets	281,013	32,802	20,000	-
Total assets	\$ 693,051,827	\$ 397,679,623	\$ 104,788,399	\$ 53,310,329
LIABILITIES:				
Accounts payable	\$ 22,000,901	\$ 6,770,388	\$ 199,902	\$ 133,489
Accrued payroll	25,823,814	18,007,809	-	-
Due to other funds of the primary government	15,273,657	2,035,558	11,962	6,166
Due to component units	172	-	-	-
Commercial paper payable	-	-	-	-
Other liabilities	1,425,513	135,401	-	-
Total liabilities	64,524,057	26,949,156	211,864	139,655
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	528,516,847	329,413,356	98,299,671	41,780,417
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - other revenues	8,566,006	-	-	-
Total deferred inflows of resources	537,082,853	329,413,356	98,299,671	41,780,417
FUND BALANCES (DEFICITS):				
Nonspendable	512,113	1,573,499	-	-
Restricted for:				
Other purposes	-	-	-	-
Committed for:				
Education (available)	-	37,173,788	-	-
Debt service	-	-	6,276,864	11,390,257
Equipment acquisitions (appropriated)	-	-	-	-
Equipment acquisitions (unappropriated)	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Subsequent year budgetary appropriations	7,300,000	-	-	-
Specific projects	6,307,278	2,569,824	-	-
Unassigned	77,325,526	-	-	-
Total fund balances (deficits)	91,444,917	41,317,111	6,276,864	11,390,257
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 693,051,827	\$ 397,679,623	\$ 104,788,399	\$ 53,310,329

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, 2019

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 293,612	\$ 36,175,201	\$ 7,453,660	\$ 1,423,114	\$ 157,533,611	\$ 287,208,975
-	-	-	-	2,154,965	2,154,965
-	-	-	-	-	80,496,005
-	1,780,000	-	-	56,307,061	138,899,350
-	11,337	209	-	398,443	526,903
16,912,901	-	-	-	-	1,023,636,454
(169,681)	-	-	-	-	(16,525,411)
39,899	5,231,631	807	-	14,882,183	30,724,477
-	-	-	-	-	-
-	-	-	-	1,645,741	3,449,339
-	-	-	-	505,558	839,373
<u>\$ 17,076,731</u>	<u>\$ 43,198,169</u>	<u>\$ 7,454,676</u>	<u>\$ 1,423,114</u>	<u>\$ 233,427,562</u>	<u>\$ 1,551,410,430</u>
\$ 69,748	\$ 41,097,345	\$ 11,837,426	\$ 1,102,945	\$ 23,463,387	\$ 106,675,531
-	13,088	2,016	-	2,824,418	46,671,145
1,690	242,246	2,996,057	-	37,095,198	57,662,534
-	-	-	-	12,335,575	12,335,747
-	201,159,560	40,391,389	7,812,307	-	249,363,256
-	15,000	-	-	1,565,873	3,141,787
<u>71,438</u>	<u>242,527,239</u>	<u>55,226,888</u>	<u>8,915,252</u>	<u>77,284,451</u>	<u>475,850,000</u>
16,719,914	-	-	-	-	1,014,730,205
-	-	-	-	16,600,432	16,600,432
-	-	-	-	-	8,566,006
<u>16,719,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,600,432</u>	<u>1,039,896,643</u>
-	-	-	-	1,830,880	3,916,492
-	-	-	-	60,687,925	60,687,925
-	-	-	-	-	37,173,788
285,379	-	-	-	-	17,952,500
-	-	-	-	28,719,969	28,719,969
-	-	-	-	19,832,837	19,832,837
-	-	-	-	28,471,068	28,471,068
-	-	-	-	-	7,300,000
-	-	-	-	-	8,877,102
-	(199,329,070)	(47,772,212)	(7,492,138)	-	(177,267,894)
<u>285,379</u>	<u>(199,329,070)</u>	<u>(47,772,212)</u>	<u>(7,492,138)</u>	<u>139,542,679</u>	<u>35,663,787</u>
<u>\$ 17,076,731</u>	<u>\$ 43,198,169</u>	<u>\$ 7,454,676</u>	<u>\$ 1,423,114</u>	<u>\$ 233,427,562</u>	<u>\$ 1,551,410,430</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, 2019

Fund balances - total governmental funds	\$ 35,663,787
Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported for governmental funds in the Balance Sheet because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Capital assets	5,391,073,159
Less accumulated depreciation	(1,298,897,982)
Net pension assets are not financial resources and therefore are not reported in the governmental funds.	33,331,685
Deferred outflows are not financial obligations and therefore not reported in the governmental funds.	
Pensions	173,480,745
Other postemployment benefits (OPEB)	486,813,080
Fair value of derivative financial instruments	815,901
Deferred inflows are not financial resources and therefore not reported in the governmental funds.	
Pensions	(231,898,058)
Other postemployment benefits (OPEB)	(34,921,593)
Fair value of derivative financial instruments	(2,700,946)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds payable	(3,062,112,678)
Qualified zone academy notes payable	(829,130)
Qualified school construction bond loan payable	(27,655,121)
Less deferred charge on refunding	155,811,592
Add net bond premium/discount	(372,953,320)
Accrued interest payable	(70,663,757)
Unamortized swaption proceeds	(1,180,307)
Net pension liability	(209,545,107)
Other postemployment benefits (OPEB) liability	(4,562,824,091)
Compensated absences	(90,827,698)
Claims and judgments	(6,222,000)
Landfill closure costs	(6,565,570)
Fair value of derivative financial instruments	(5,896,954)
Certain deferred inflows reported in the governmental funds are recognized as revenues in the governmental activities.	27,063,485
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.	248,462,936
Net position - governmental activities	<u>\$ (3,433,177,942)</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

For the Year Ended June 30, 2019

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
REVENUES:				
Property taxes	\$ 565,209,717	\$ 321,751,332	\$ 95,105,677	\$ 40,347,596
Local option sales taxes	141,902,355	242,006,117	2,876,685	63,449,269
Other taxes, licenses and permits	160,881,656	22,325,385	-	-
Fines, forfeits and penalties	6,855,593	1,050	207,489	-
Revenues from the use of money or property	1,698,384	-	-	992,583
Revenues from other governmental agencies	124,460,648	287,868,235	5,572,748	-
Commissions and fees	17,058,875	-	-	-
Charges for current services	42,233,974	2,643,899	-	-
Compensation for loss, sale or damage to property	13,096,343	7,283,230	-	-
Contributions and gifts	318,780	157,741	-	-
Bond interest tax credit	-	-	4,895,429	-
Miscellaneous	897,243	20,374	-	-
Total revenues	1,074,613,568	884,057,363	108,658,028	104,789,448
EXPENDITURES:				
Current:				
General government	51,342,987	-	-	-
Fiscal administration	24,085,812	-	-	-
Administration of justice	65,677,679	-	-	-
Law enforcement and care of prisoners	288,482,195	-	-	-
Fire prevention and control	130,611,622	-	-	-
Regulation and inspection	10,238,714	-	-	-
Conservation of natural resources	322,263	-	-	-
Public welfare	6,667,525	-	-	-
Public health and hospitals	66,464,916	-	-	-
Public library system	31,282,141	-	-	-
Public works, highways and streets	35,064,951	-	-	-
Recreational and cultural	43,787,806	-	-	-
Education	-	747,134,237	-	-
Retiree benefits	87,855,789	-	-	-
Miscellaneous	108,887,193	-	-	-
Debt service:				
Principal retirement	-	-	84,467,213	59,566,210
Interest	-	-	77,681,334	40,041,480
Fiscal charges	-	-	2,158,365	1,474,236
Capital outlay	-	-	-	-
Total expenditures	950,771,593	747,134,237	164,306,912	101,081,926
Excess (deficiency) of revenues over expenditures	123,841,975	136,923,126	(55,648,884)	3,707,522

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, 2019

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,096,626	\$ -	\$ -	\$ -	\$ 3,344,493	\$ 1,041,855,441
-	-	-	-	-	450,234,426
-	-	-	-	113,015,359	296,222,400
-	-	-	-	3,225,246	10,289,378
-	388,620	2,092	-	4,004,989	7,086,668
-	3,256,185	-	-	226,978,731	648,136,547
-	-	-	-	8,893,569	25,952,444
-	292,552	-	-	30,324,608	75,495,033
-	693,906	-	-	2,009,982	23,083,461
-	7,144,383	-	-	13,568,940	21,189,844
-	-	-	-	-	4,895,429
-	-	-	-	42,285	959,902
<u>16,096,626</u>	<u>11,775,646</u>	<u>2,092</u>	<u>-</u>	<u>405,408,202</u>	<u>2,605,400,973</u>
-	-	-	-	104,599,043	155,942,030
-	-	-	-	285,175	24,370,987
-	-	-	-	10,538,338	76,216,017
-	-	-	-	23,107,385	311,589,580
-	-	-	-	33,184	130,644,806
-	-	-	-	96,487	10,335,201
-	-	-	-	-	322,263
-	-	-	-	46,917,069	53,584,594
-	-	-	-	22,963,130	89,428,046
-	-	-	-	1,053,862	32,336,003
-	-	-	-	42,878,934	77,943,885
-	-	-	-	2,058,992	45,846,798
-	-	-	-	294,640,915	1,041,775,152
-	-	-	-	-	87,855,789
-	-	-	-	-	108,887,193
-	-	-	-	-	-
11,357,597	-	-	-	-	155,391,020
8,464,485	-	-	-	-	126,187,299
321,917	-	-	-	-	3,954,518
-	267,315,152	79,082,729	12,982,794	32,483,038	391,863,713
<u>20,143,999</u>	<u>267,315,152</u>	<u>79,082,729</u>	<u>12,982,794</u>	<u>581,655,552</u>	<u>2,924,474,894</u>
<u>(4,047,373)</u>	<u>(255,539,506)</u>	<u>(79,080,637)</u>	<u>(12,982,794)</u>	<u>(176,247,350)</u>	<u>(319,073,921)</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, 2019

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
OTHER FINANCING SOURCES (USES):				
Issuance of new debt	\$ -	\$ -	\$ -	\$ -
Debt issue premium	-	-	-	-
Transfers in	28,324,712	5,413,265	56,262,595	3,018,699
Transfers out	<u>(137,383,097)</u>	<u>(135,900,125)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(109,058,385)</u>	<u>(130,486,860)</u>	<u>56,262,595</u>	<u>3,018,699</u>
Net change in fund balances	14,783,590	6,436,266	613,711	6,726,221
FUND BALANCES (DEFICITS), beginning of year	<u>76,661,327</u>	<u>34,880,845</u>	<u>5,663,153</u>	<u>4,664,036</u>
FUND BALANCES (DEFICITS), end of year	<u><u>\$ 91,444,917</u></u>	<u><u>\$ 41,317,111</u></u>	<u><u>\$ 6,276,864</u></u>	<u><u>\$ 11,390,257</u></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, 2019

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 504,832,833	\$ 199,072,001	\$ 10,490,651	\$ -	\$ 714,395,485
-	42,882,302	16,909,886	1,023,584	-	60,815,772
3,808,600	6,000,000	21,210,683	4,037,174	210,158,550	338,234,278
-	(60,102,069)	-	(51,589)	(44,285,680)	(377,722,560)
<u>3,808,600</u>	<u>493,613,066</u>	<u>237,192,570</u>	<u>15,499,820</u>	<u>165,872,870</u>	<u>735,722,975</u>
(238,773)	238,073,560	158,111,933	2,517,026	(10,374,480)	416,649,054
<u>524,152</u>	<u>(437,402,630)</u>	<u>(205,884,145)</u>	<u>(10,009,164)</u>	<u>149,917,159</u>	<u>(380,985,267)</u>
<u>\$ 285,379</u>	<u>\$ (199,329,070)</u>	<u>\$ (47,772,212)</u>	<u>\$ (7,492,138)</u>	<u>\$ 139,542,679</u>	<u>\$ 35,663,787</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, 2019

Net change in fund balances - governmental funds	\$	416,649,054
<p>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:</p>		
<p>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.</p>		
Acquisition of capital assets that meet criteria for capitalization		192,242,125
Depreciation expense		(97,418,706)
Donations of capital assets increase net position for governmental activities, but do not appear in the governmental funds because they are not financial resources.		51,721,580
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.		(1,318,263)
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.		27,428,950
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		37,137,383
Other postemployment benefits (OPEB)		486,813,080
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		(19,974,854)
Other postemployment benefits (OPEB)		(34,921,593)
<p>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.</p>		
Issuance of new debt		(714,395,485)
Principal repayments		155,391,020
Amortization of deferred charge on refunding		(19,435,523)
Bond premium/discount		(60,815,772)
Amortization of premium/discount		36,152,449
Change in accrued interest		(13,051,750)

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, 2019

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	(10,550,007)
Total other postemployment benefits (OPEB) liability	(673,761,827)
Compensated absences	1,309,514
Claims and judgments	65,000
Landfill closure costs	(156,253)

Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.	(9,449,158)
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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.

8,614,845

Change in net position - governmental activities	\$	<u>(241,551,464)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Property taxes	\$ 560,162,000	\$ 560,162,000	\$ 565,209,717	\$ 5,047,717
Local option sales tax	141,331,000	141,331,000	141,902,355	571,355
Other taxes, licenses and permits	158,297,400	158,297,400	160,881,656	2,584,256
Fines, forfeits and penalties	8,801,400	8,801,400	6,855,593	(1,945,807)
Revenues from the use of money or property	-	-	1,698,384	1,698,384
Revenues from other governmental agencies	120,435,200	120,435,200	124,460,648	4,025,448
Commissions and fees	15,431,100	15,431,100	17,058,875	1,627,775
Charges for current services	40,609,700	40,609,700	42,233,974	1,624,274
Compensation for loss, sale or damage to property	11,464,200	11,464,200	13,096,343	1,632,143
Contributions and gifts	-	-	318,780	318,780
Miscellaneous	544,100	544,100	897,243	353,143
Total revenues	1,057,076,100	1,057,076,100	1,074,613,568	17,537,468
EXPENDITURES:				
General government	53,412,000	53,599,000	51,342,987	2,256,013
Fiscal administration	25,130,000	25,627,900	24,085,812	1,542,088
Administration of justice	65,840,500	67,095,500	65,677,679	1,417,821
Law enforcement and care of prisoners	285,457,800	289,905,300	288,482,195	1,423,105
Fire prevention and control	128,053,400	130,621,400	130,611,622	9,778
Regulation and inspection	11,205,900	11,035,700	10,238,714	796,986
Conservation of natural resources	326,100	322,700	322,263	437
Public welfare	7,714,000	7,076,700	6,667,525	409,175
Public health and hospitals	68,927,300	69,200,000	66,464,916	2,735,084
Public library system	30,428,500	31,282,200	31,282,141	59
Public works, highways and streets	35,982,500	35,705,500	35,064,951	640,549
Recreational and cultural	44,402,700	44,478,200	43,787,806	690,394
Retiree benefits	88,779,300	88,779,300	87,855,789	923,511
Miscellaneous	127,793,800	127,158,800	108,887,193	18,271,607
Total expenditures	973,453,800	981,888,200	950,771,593	31,116,607
Excess (deficiency) of revenues over expenditures	83,622,300	75,187,900	123,841,975	48,654,075
OTHER FINANCING SOURCES (USES):				
Transfers in	26,480,800	26,570,800	28,324,712	1,753,912
Transfers out	(118,953,100)	(137,230,100)	(137,383,097)	(152,997)
Total other financing sources (uses)	(92,472,300)	(110,659,300)	(109,058,385)	1,600,915
Net change in fund balances	(8,850,000)	(35,471,400)	14,783,590	50,254,990
FUND BALANCES, beginning of year	76,661,327	76,661,327	76,661,327	-
FUND BALANCES, end of year	\$ 67,811,327	\$ 41,189,927	\$ 91,444,917	\$ 50,254,990

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Property taxes	\$ 322,381,100	\$ 322,381,100	\$ 321,751,332	\$ (629,768)
Local option sales tax	233,058,200	233,058,200	242,006,117	8,947,917
Other taxes, licenses and permits	20,237,200	20,237,200	22,325,385	2,088,185
Fines, forfeits and penalties	1,200	1,200	1,050	(150)
Revenues from other governmental agencies	289,264,000	289,264,000	287,868,235	(1,395,765)
Charges for current services	1,380,000	1,380,000	2,643,899	1,263,899
Compensation for loss, sale or damage to property	14,728,000	14,728,000	7,283,230	(7,444,770)
Contributions and gifts	600,000	600,000	157,741	(442,259)
Miscellaneous	150,000	150,000	20,374	(129,626)
Total revenues	881,799,700	881,799,700	884,057,363	2,257,663
EXPENDITURES:				
Education	747,705,200	749,705,200	747,134,237	2,570,963
Total expenditures	747,705,200	749,705,200	747,134,237	2,570,963
Excess (deficiency) of revenues over expenditures	134,094,500	132,094,500	136,923,126	4,828,626
OTHER FINANCING SOURCES (USES):				
Transfers in	2,500,000	4,500,000	5,413,265	913,265
Transfers out	(136,594,500)	(136,594,500)	(135,900,125)	694,375
Total other financing sources (uses)	(134,094,500)	(132,094,500)	(130,486,860)	1,607,640
Net change in fund balances	-	-	6,436,266	6,436,266
FUND BALANCES, beginning of year	34,880,845	34,880,845	34,880,845	-
FUND BALANCES, end of year	\$ 34,880,845	\$ 34,880,845	\$ 41,317,111	\$ 6,436,266

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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 66,954,527	\$ 7,469,270	\$ 45,558,691	\$ 119,982,488	\$ 185,090,109
Accounts receivable	18,379,441	2,077,833	4,303,207	24,760,481	2,241,725
Allowance for doubtful accounts	(679,978)	-	(1,140,830)	(1,820,808)	-
Accrued interest receivable	505,243	-	99,709	604,952	410,529
Due from other funds of the primary government	907,967	-	3,192,715	4,100,682	819,876
Due from component units	6,016	-	300	6,316	3,930
Inventories of supplies	2,871,638	-	-	2,871,638	1,113,094
Other current assets	1,000	-	2,220	3,220	512,873
Restricted assets:					
Cash and cash equivalents	47,514,156	1,766,489	-	49,280,645	-
Accounts receivable	2,605,876	-	-	2,605,876	-
Accrued interest receivable	119,156	-	-	119,156	-
Due from other funds of the primary government	19,316,274	-	-	19,316,274	-
Other current assets	5,850	-	-	5,850	-
Total current assets	158,507,166	11,313,592	52,016,012	221,836,770	190,192,136
Noncurrent assets:					
Capital assets:					
Utility plant in service	3,107,075,135	66,767,123	-	3,173,842,258	-
Land	22,509,294	1,311,213	762,693	24,583,200	-
Buildings and improvements	54,602,115	22,249,490	25,033,276	101,884,881	-
Improvements other than buildings	61,241,081	273,754	4,029,540	65,544,375	-
Furniture, machinery and equipment	127,470,436	886,904	2,010,683	130,368,023	209,265,091
Property under capital lease	-	-	3,645,000	3,645,000	-
Construction in progress	207,494,178	643,183	27,811,256	235,948,617	-
Less accumulated depreciation	(1,489,824,268)	(32,870,040)	(25,739,426)	(1,548,433,734)	(147,950,309)
Capital assets - net	2,090,567,971	59,261,627	37,553,022	2,187,382,620	61,314,782
Restricted assets:					
Cash and cash equivalents	199,333,816	-	-	199,333,816	-
Other noncurrent assets	36,395,467	-	-	36,395,467	-
Total noncurrent assets	2,326,297,254	59,261,627	37,553,022	2,423,111,903	61,314,782
Total assets	2,484,804,420	70,575,219	89,569,034	2,644,948,673	251,506,918
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	2,667,744	2,289,466	-	4,957,210	-
Pensions	8,452,367	34,774	1,614,949	10,102,090	-
Total deferred outflows of resources	11,120,111	2,324,240	1,614,949	15,059,300	-

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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
LIABILITIES:					
Current liabilities:					
Accounts payable	\$ 6,254,500	\$ 1,956,825	\$ 1,627,287	\$ 9,838,612	\$ 9,373,199
Accrued payroll	2,169,737	-	951,796	3,121,533	3,008,605
Claims payable	-	-	-	-	33,276,810
Due to other funds of the primary government	2,237,490	111,790	768,608	3,117,888	310,111
Due to component units	-	-	712	712	-
Customer deposits	3,212,850	-	10,190	3,223,040	-
Unearned revenue	-	-	1,788,736	1,788,736	-
Other current liabilities	4,020,658	-	-	4,020,658	-
Liabilities payable from restricted assets:					
Accounts payable	7,673,352	-	-	7,673,352	-
Accrued interest	22,403,295	469,536	-	22,872,831	-
Current portion of long term debt	39,120,000	2,133,265	-	41,253,265	-
Commercial paper payable	200,000,000	636,744	-	200,636,744	-
Total current liabilities	<u>287,091,882</u>	<u>5,308,160</u>	<u>5,147,329</u>	<u>297,547,371</u>	<u>45,968,725</u>
Noncurrent liabilities:					
Revenue bonds payable	879,295,635	41,866,964	-	921,162,599	-
General obligation bonds payable	-	13,229,844	-	13,229,844	-
Claims payable	-	-	-	-	5,521,618
Net pension liability	9,626,991	39,607	1,839,380	11,505,978	-
Total noncurrent liabilities	<u>888,922,626</u>	<u>55,136,415</u>	<u>1,839,380</u>	<u>945,898,421</u>	<u>5,521,618</u>
Total liabilities	<u>1,176,014,508</u>	<u>60,444,575</u>	<u>6,986,709</u>	<u>1,243,445,792</u>	<u>51,490,343</u>
DEFERRED INFLOWS OF RESOURCES:					
Pensions	12,813,821	52,718	2,448,271	15,314,810	-
Total deferred inflows of resources	<u>12,813,821</u>	<u>52,718</u>	<u>2,448,271</u>	<u>15,314,810</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	1,152,407,076	3,684,276	37,553,022	1,193,644,374	61,314,782
Restricted for debt retirement	97,262,287	1,296,953	-	98,559,240	-
Unrestricted	57,426,839	7,420,937	44,195,981	109,043,757	138,701,793
Total net position	<u>\$ 1,307,096,202</u>	<u>\$ 12,402,166</u>	<u>\$ 81,749,003</u>	<u>1,401,247,371</u>	<u>\$ 200,016,575</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(48,446,361)	
Net position of business-type activities				<u>\$ 1,352,801,010</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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
OPERATING REVENUES:					
Charges for services	\$ 227,012,510	\$ 17,607,156	\$ 43,956,756	\$ 288,576,422	\$ 419,949,169
Other	636,175	-	-	636,175	14,144,191
Total operating revenues	<u>227,648,685</u>	<u>17,607,156</u>	<u>43,956,756</u>	<u>289,212,597</u>	<u>434,093,360</u>
OPERATING EXPENSES:					
Personal services	50,053,505	209,822	11,875,976	62,139,303	20,900,060
Contractual services	43,174,721	13,781,430	12,287,252	69,243,403	33,001,113
Supplies and materials	15,259,424	215,245	615,045	16,089,714	11,722,331
Depreciation	90,316,161	2,351,930	1,039,930	93,708,021	19,063,031
Compensation for damages	-	-	-	-	5,982,904
Medical and insurance benefits	-	-	-	-	374,565,492
Other	2,847,625	6,000	428,092	3,281,717	4,531,058
Total operating expenses	<u>201,651,436</u>	<u>16,564,427</u>	<u>26,246,295</u>	<u>244,462,158</u>	<u>469,765,989</u>
OPERATING INCOME (LOSS)	<u>25,997,249</u>	<u>1,042,729</u>	<u>17,710,461</u>	<u>44,750,439</u>	<u>(35,672,629)</u>
NONOPERATING REVENUE (EXPENSE):					
Investment income (loss)	5,866,244	191,371	799,456	6,857,071	3,973,120
Interest expense	(34,816,690)	(1,488,499)	-	(36,305,189)	-
Gain (loss) on sale of property	29,897	-	61	29,958	(76,149)
Other	405,770	-	237,000	642,770	486,796
Total nonoperating revenue (expense)	<u>(28,514,779)</u>	<u>(1,297,128)</u>	<u>1,036,517</u>	<u>(28,775,390)</u>	<u>4,383,767</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS	<u>(2,517,530)</u>	<u>(254,399)</u>	<u>18,746,978</u>	<u>15,975,049</u>	<u>(31,288,862)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	20,652,395	-	-	20,652,395	-
TRANSFERS IN	-	1,768,915	27,238,413	29,007,328	37,385,274
TRANSFERS OUT	<u>(13,907,893)</u>	<u>(1,229,400)</u>	<u>(7,199,143)</u>	<u>(22,336,436)</u>	<u>(1,933,000)</u>
CHANGE IN NET POSITION	4,226,972	285,116	38,786,248	43,298,336	4,163,412
NET POSITION, beginning of year, restated	<u>1,302,869,230</u>	<u>12,117,050</u>	<u>42,962,755</u>		<u>195,853,163</u>
NET POSITION, end of year	<u>\$ 1,307,096,202</u>	<u>\$ 12,402,166</u>	<u>\$ 81,749,003</u>		<u>\$ 200,016,575</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(4,451,433)</u>	
Change in net position of business-type activities				<u>\$ 38,846,903</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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers and users	\$ 224,000,380	\$ 17,819,104	\$ 45,024,654	\$ 286,844,138	\$ 433,445,978
Payments to suppliers	(61,909,281)	(13,898,779)	(12,472,330)	(88,280,390)	(432,865,476)
Payments to employees	(48,498,693)	(203,380)	(11,455,294)	(60,157,367)	(20,639,275)
Other receipts	-	-	-	-	514,633
Other payments	(2,877,638)	-	-	(2,877,638)	(27,837)
Net cash provided by (used in) operating activities	110,714,768	3,716,945	21,097,030	135,528,743	(19,571,977)
Cash flows from noncapital financing activities:					
Transfers in	-	1,768,915	27,238,413	29,007,328	37,385,274
Transfers out	(13,907,893)	(1,229,400)	(7,199,143)	(22,336,436)	(1,933,000)
Net cash provided by (used in) non-capital financing activities	(13,907,893)	539,515	20,039,270	6,670,892	35,452,274
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(100,524,427)	(647,520)	(26,025,614)	(127,197,561)	(23,257,312)
Proceeds from the sale of property	29,897	-	61	29,958	13,026
Proceeds from borrowings	75,000,000	2,286,793	-	77,286,793	-
Principal payments on borrowings	(38,225,000)	(3,944,491)	-	(42,169,491)	-
Interest subsidy	5,005,565	-	-	5,005,565	-
Interest paid	(43,930,194)	(1,871,705)	-	(45,801,899)	-
Capital contributions received	20,196,263	-	-	20,196,263	-
Net cash provided by (used in) capital and related financing activities	(82,447,896)	(4,176,923)	(26,025,553)	(112,650,372)	(23,244,286)
Cash flows from investing activities:					
Interest on investments	5,596,717	191,371	741,679	6,529,767	3,822,430
Net cash provided by (used in) investing activities	5,596,717	191,371	741,679	6,529,767	3,822,430
Net changes in cash and cash equivalents	19,955,696	270,908	15,852,426	36,079,030	(3,541,559)
Cash and cash equivalents at beginning of year	293,846,803	8,964,851	29,706,265	332,517,919	188,631,668
Cash and cash equivalents at end of year	<u>\$ 313,802,499</u>	<u>\$ 9,235,759</u>	<u>\$ 45,558,691</u>	<u>\$ 368,596,949</u>	<u>\$ 185,090,109</u>
Cash and cash equivalents are classified as:					
Current assets	\$ 66,954,527	\$ 7,469,270	\$ 45,558,691	\$ 119,982,488	\$ 185,090,109
Current restricted assets	47,514,156	1,766,489	-	49,280,645	-
Noncurrent restricted assets	199,333,816	-	-	199,333,816	-
Cash and cash equivalents at end of year	<u>\$ 313,802,499</u>	<u>\$ 9,235,759</u>	<u>\$ 45,558,691</u>	<u>\$ 368,596,949</u>	<u>\$ 185,090,109</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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 25,997,249	\$ 1,042,729	\$ 17,710,461	\$ 44,750,439	\$ (35,672,629)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	90,316,161	2,351,930	1,039,930	93,708,021	19,063,031
Provision for doubtful accounts	(881,156)	-	193,322	(687,834)	-
Other receipts	405,770	-	237,000	642,770	514,633
Other payments	-	-	-	-	(27,837)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	(2,117,847)	211,948	(270,948)	(2,176,847)	(1,612,888)
Due from other funds of the primary government	269,178	-	(37,797)	231,381	969,336
Due from component units	2,062	-	(200)	1,862	(3,830)
Inventories of supplies	(42,719)	-	-	(42,719)	544,402
Other current assets	110,924	-	7,257	118,181	-
Deferred outflows pensions	(2,693,856)	(11,163)	(580,851)	(3,285,870)	-
Accounts payable	(3,432,417)	97,396	564,453	(2,770,568)	(1,933,761)
Accrued payroll	31,441	-	(13,576)	17,865	(36,869)
Claims payable	-	-	-	-	387,130
Due to other funds of the primary government	(1,529,207)	6,500	663,796	(858,911)	(1,762,695)
Due to component units	-	-	(262)	(262)	-
Customer deposits	(13,127)	-	-	(13,127)	-
Unearned revenue	-	-	569,336	569,336	-
Other current liabilities	75,085	-	-	75,085	-
Net pension liability	2,183,941	9,089	502,777	2,695,807	-
Deferred inflows pensions	2,033,286	8,516	512,332	2,554,134	-
Total adjustments	84,717,519	2,674,216	3,386,569	90,778,304	16,100,652
Net cash provided by (used in) operating activities	\$ 110,714,768	\$ 3,716,945	\$ 21,097,030	\$ 135,528,743	\$ (19,571,977)
<u>Non-Cash Capital, Financing and Investing Activities:</u>					
Contributions of capital assets	\$ 13,819,130	\$ -	\$ -	\$ 13,819,130	\$ -

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, 2019

	Pension (and Other Employee Benefit) Trust Funds	Agency Funds
ASSETS:		
Cash and cash equivalents	\$ 19,942,424	\$ 73,720,097
Investments, at fair value:		
Bank debt notes	96,877	-
Commingled funds U.S. debt	34,861,721	-
Conventional mortgages	62,514,690	-
Preferred stock	5,406,608	-
Common stock	330,803,677	-
Corporate bonds and notes	255,721,896	-
Emerging markets	1,115,128	-
Equity commingled funds	67,040,163	-
Bank loans	9,996,476	-
Commercial paper	1,598,751	-
Non agency mortgages/collateralized mortgage obligations	55,788,652	-
Other fixed income	251,957,036	-
Other securities	356,049,158	-
Venture capital and partnerships	1,867,537,455	-
Municipals	254,466	-
Registered investment companies	115,418,126	-
U.S. treasury securities	151,524,255	-
Cash collateral received - securities lending program	53,494,183	-
Mortgages and real estate	-	991,100
Mutual funds	-	19,113
Accounts receivable	483,006,203	-
Accrued interest receivable	7,148,095	4,694
Due from other funds of the primary government	3,959,859	2,381,445
Total assets	<u>4,135,235,899</u>	<u>\$ 77,116,449</u>
LIABILITIES:		
Accounts payable	797,809	\$ -
Due to brokers	712,780,625	-
Payable for collateral received - securities lending program	53,494,183	-
Due to other funds of the primary government	212,080	-
Due to component units	9,958	-
Funds held in custody for others	-	51,359,000
Other liabilities	-	25,757,449
Total liabilities	<u>767,294,655</u>	<u>\$ 77,116,449</u>
NET POSITION:		
Restricted for pensions	3,366,132,647	
Held in trust for other employee benefits	1,808,597	
Total net position	<u>\$ 3,367,941,244</u>	

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, 2019

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS:	
Investment income:	
Interest and dividend income	\$ 93,432,772
Net appreciation (depreciation) of investments	206,929,721
Miscellaneous	127,315
	<u>300,489,808</u>
Net increase (decrease) in fair value of investments	
	<u>300,489,808</u>
Net income earned on securities lending transactions:	
Securities lending income	208,944
Securities lending expense	(41,772)
	<u>167,172</u>
Net income earned on securities lending transactions	
	<u>167,172</u>
Less investment expenses	(52,418,734)
	<u>(52,418,734)</u>
Net investment income (loss)	248,238,246
	<u>248,238,246</u>
Contributions:	
Employee contributions	2,552,504
Employer contributions	110,819,570
Transfers in	317,040
Contributions from the State of Tennessee	14,096,974
Miscellaneous	2,597,961
	<u>130,384,049</u>
Total contributions	
	<u>130,384,049</u>
Total additions	378,622,295
	<u>378,622,295</u>
DEDUCTIONS:	
Pension and other employee benefits	222,613,231
Administrative expenses	3,891,545
Transfers out	2,951,924
	<u>229,456,700</u>
Total deductions	
	<u>229,456,700</u>
Change in net position	149,165,595
	<u>149,165,595</u>
NET POSITION, beginning of year	3,218,775,649
	<u>3,218,775,649</u>
NET POSITION, end of year	\$ 3,367,941,244
	<u><u>3,367,941,244</u></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, 2019

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
ASSETS:				
Cash and cash equivalents	\$ 3,001	\$ 221,739	\$ 15,949,740	\$ 646,955
Investments	-	-	-	-
Accounts receivable	33,000	-	1,486,438	11,038,027
Allowance for doubtful accounts	-	-	-	-
Accrued interest receivable	-	-	46,059	1,307
Due from the primary government	-	-	505	-
Inventories of supplies	-	-	-	-
Other current assets	3,520	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	15,035,644	-
Investments	-	-	850,340	-
Accounts receivable	-	-	818,307	-
Accrued interest receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Due from the primary government	-	-	-	-
Other restricted assets	-	-	-	-
Notes receivable	-	-	28,872,213	-
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	-	-	336,922	-
Less accumulated depreciation	(154,206)	(37,119)	(231,582,888)	-
Other noncurrent assets	-	-	-	-
Total assets	39,521	230,944	424,609,231	11,686,289
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	-	-	2,327,265	-
Effective portion of fuel hedging	-	-	-	-
Other post employment benefits (OPEB)	-	-	-	-
Pensions	-	-	-	-
Total deferred outflows of resources	-	-	2,327,265	-

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, 2019

Total Governmental Types	Hospital Authority	Metropolitan Development and Housing Agency	Electric Power Board
\$ 16,821,435	\$ 3,603,996	\$ 54,720,017	\$ 387,690,000
-	-	2,540,272	50,510,000
12,557,465	42,337,989	10,215,405	153,672,000
-	(35,077,324)	(5,385,211)	(948,000)
47,366	-	-	-
505	-	-	-
-	2,155,872	1,527,110	28,119,000
3,520	3,213,932	1,833,280	9,653,000
-	-	-	-
15,035,644	-	58,185,603	143,000
850,340	-	-	118,228,000
818,307	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
28,872,213	-	22,598,497	928,000
-	-	-	1,526,189,000
75,698,192	-	103,114,477	3,901,000
472,547,113	53,951,751	419,093,530	74,925,000
1,859,972	-	-	-
42,891,204	50,659,048	8,983,133	112,747,000
-	-	23,265,476	-
-	-	-	-
336,922	1,054,684	17,507,796	64,222,000
(231,774,213)	(78,465,313)	(214,662,007)	(726,819,000)
-	-	39,667,612	6,409,000
<u>436,565,985</u>	<u>43,434,635</u>	<u>543,204,990</u>	<u>1,809,569,000</u>
2,327,265	-	-	13,870,000
-	-	-	-
-	-	-	27,438,000
-	1,932,307	-	37,865,000
<u>2,327,265</u>	<u>1,932,307</u>	<u>-</u>	<u>79,173,000</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, 2019

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
ASSETS:			
Cash and cash equivalents	\$ 4,576,832	\$ 189,270,185	\$ 368,915
Investments	-	-	12,338,198
Accounts receivable	1,673,674	7,137,272	-
Allowance for doubtful accounts	(6,000)	(88,485)	-
Accrued interest receivable	-	-	-
Due from the primary government	-	-	-
Inventories of supplies	2,737,465	540,570	-
Other current assets	606,914	2,274,445	172,069
Restricted assets:			
Cash and cash equivalents	1,330,473	135,623,942	-
Investments	-	1,580,000	-
Accounts receivable	-	-	-
Accrued interest receivable	-	-	-
Due from other governmental agencies	8,099,358	6,339,338	-
Due from the primary government	-	-	-
Other restricted assets	-	4,413,961	-
Notes receivable	-	-	-
Capital assets:			
Utility plant in service	-	-	-
Land	14,733,025	96,968,771	-
Buildings and improvements	100,246,362	422,874,975	-
Improvements other than buildings	-	588,980,302	-
Furniture, machinery and equipment	162,260,259	183,211,887	11,478,947
Infrastructure	-	-	-
Public art	-	-	-
Construction in progress	32,766,665	233,273,254	-
Less accumulated depreciation	(137,978,540)	(627,078,708)	(10,425,930)
Other noncurrent assets	350,000	596,356	-
Total assets	191,396,487	1,245,918,065	13,932,199
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	3,229,216	-
Effective portion of fuel hedging	524,954	-	-
Other post employment benefits (OPEB)	4,360,605	503,855	-
Pensions	5,259,877	4,739,292	-
Total deferred outflows of resources	10,145,436	8,472,363	-

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, 2019

Convention Center Authority	Total Proprietary Types	Total Component Units
\$ 191,291,853	\$ 831,521,798	\$ 848,343,233
-	65,388,470	65,388,470
1,229,669	216,266,009	228,823,474
-	(41,505,020)	(41,505,020)
424,029	424,029	471,395
380	380	885
-	35,080,017	35,080,017
477,273	18,230,913	18,234,433
41,140,149	236,423,167	251,458,811
39,925,349	159,733,349	160,583,689
-	-	818,307
222,297	222,297	222,297
-	14,438,696	14,438,696
12,335,574	12,335,574	12,335,574
3,503,708	7,917,669	7,917,669
-	23,526,497	52,398,710
-	1,526,189,000	1,526,189,000
91,308,016	310,025,289	385,723,481
652,006,884	1,723,098,502	2,195,645,615
-	588,980,302	590,840,274
6,156,386	535,496,660	578,387,864
-	23,265,476	23,265,476
1,183,844	1,183,844	1,183,844
47,991,408	396,815,807	397,152,729
(100,405,488)	(1,895,834,986)	(2,127,609,199)
-	47,022,968	47,022,968
988,791,331	4,836,246,707	5,272,812,692
-	17,099,216	19,426,481
-	524,954	524,954
-	32,302,460	32,302,460
457,995	50,254,471	50,254,471
457,995	100,181,101	102,508,366

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, 2019

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
LIABILITIES:				
Accounts payable	\$ 140,132	\$ 88,382	\$ 4,932,762	\$ 11,038,132
Accrued payroll	-	-	10,670	-
Due to the primary government	-	-	4,230	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Current portion of long-term liabilities	-	-	-	-
Current portion of capitalized lease obligations	-	-	-	-
Other current liabilities	171	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued interest	-	-	2,993,242	-
Current portion of long-term liabilities	-	-	6,225,000	-
Revenue bonds payable	-	-	118,087,926	-
Capitalized lease obligations	-	-	-	-
Other long-term liabilities	-	-	15,459,898	-
Total liabilities	<u>140,303</u>	<u>88,382</u>	<u>147,713,728</u>	<u>11,038,132</u>
DEFERRED INFLOWS OF RESOURCES:				
Tax increment financing	-	-	28,000,000	-
Other post employment benefits (OPEB)	-	-	-	-
Pensions	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>28,000,000</u>	<u>-</u>
NET POSITION:				
Net investment in capital assets	-	9,205	224,124,285	-
Restricted for debt retirement	-	-	12,347,319	-
Restricted for other purposes	-	-	-	-
Unrestricted	<u>(100,782)</u>	<u>133,357</u>	<u>14,751,164</u>	<u>648,157</u>
Total net position	<u>\$ (100,782)</u>	<u>\$ 142,562</u>	<u>\$ 251,222,768</u>	<u>\$ 648,157</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, 2019

Total Governmental Types	Hospital Authority	Metropolitan Development and Housing Agency	Electric Power Board
\$ 16,199,408	\$ 5,956,590	\$ 8,916,596	\$ 195,654,000
10,670	3,725,127	669,260	-
4,230	-	-	-
-	-	2,145,599	18,766,000
-	-	-	-
-	-	7,449,520	-
-	2,908,161	-	-
171	-	10,245,479	-
-	-	-	2,330,000
2,993,242	-	-	3,297,000
6,225,000	-	-	36,010,000
118,087,926	-	-	562,779,000
-	15,648,433	-	-
15,459,898	2,200,840	134,915,834	424,021,000
-	-	-	-
158,980,545	30,439,151	164,342,288	1,242,857,000
28,000,000	-	-	-
-	-	-	24,749,000
-	2,929,385	-	9,853,000
28,000,000	2,929,385	-	34,602,000
224,133,490	8,643,575	231,867,876	510,702,000
12,347,319	-	-	72,287,000
-	-	51,128,515	-
15,431,896	3,354,831	95,866,311	28,294,000
\$ 251,912,705	\$ 11,998,406	\$ 378,862,702	\$ 611,283,000

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, 2019

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
LIABILITIES:			
Accounts payable	\$ 4,257,520	\$ 60,054,700	\$ 107,935
Accrued payroll	2,321,980	4,944,248	-
Due to the primary government	-	-	-
Customer deposits	-	-	-
Unearned revenue	-	4,051,195	-
Current portion of long-term liabilities	-	622,182	-
Current portion of capitalized lease obligations	-	-	-
Other current liabilities	11,110,788	296,638	-
Liabilities payable from restricted assets:			
Accounts payable	-	3,593,195	-
Accrued interest	-	5,966,036	-
Current portion of long-term liabilities	-	18,420,000	-
Revenue bonds payable	-	259,619,806	-
Capitalized lease obligations	-	-	-
Other long-term liabilities	90,845,284	166,213,233	-
Total liabilities	108,535,572	523,781,233	107,935
DEFERRED INFLOWS OF RESOURCES:			
Tax increment financing	-	-	-
Other post employment benefits (OPEB)	1,679,064	4,316,471	-
Pensions	2,286,571	5,063	-
Total deferred inflows of resources	3,965,635	4,321,534	-
NET POSITION:			
Net investment in capital assets	162,033,477	529,485,036	1,053,017
Restricted for debt retirement	-	23,155,535	-
Restricted for other purposes	833,731	61,060,542	-
Unrestricted	(73,826,492)	112,586,548	12,771,247
Total net position	\$ 89,040,716	\$ 726,287,661	\$ 13,824,264

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, 2019

Convention Center Authority	Total Proprietary Types	Total Component Units
\$ 3,316,770	\$ 278,264,111	\$ 294,463,519
1,734,246	13,394,861	13,405,531
6,016	6,016	10,246
-	20,911,599	20,911,599
9,190,541	13,241,736	13,241,736
-	8,071,702	8,071,702
-	2,908,161	2,908,161
-	21,652,905	21,653,076
471,227	6,394,422	6,394,422
19,702,036	28,965,072	31,958,314
13,425,000	67,855,000	74,080,000
576,698,461	1,399,097,267	1,517,185,193
-	15,648,433	15,648,433
521,642	818,717,833	834,177,731
625,065,939	2,695,129,118	2,854,109,663
-	-	28,000,000
-	30,744,535	30,744,535
694,322	15,768,341	15,768,341
694,322	46,512,876	74,512,876
110,969,209	1,554,754,190	1,778,887,680
74,102,194	169,544,729	181,892,048
31,503,064	144,525,852	144,525,852
146,914,598	325,961,043	341,392,939
\$ 363,489,065	\$ 2,194,785,814	\$ 2,446,698,519

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, 2019

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Nashville District Management Corporation	\$ 2,618,299	\$ 2,508,979	\$ -	\$ -
Gulch Business Improvement District, Inc.	475,785	465,654	-	-
Sports Authority	49,692,128	5,916,460	24,841,109	10,127,939
Industrial Development Board	27,342,294	-	27,341,970	-
Hospital Authority	104,853,291	59,106,800	44,112,100	2,003,259
Metropolitan Development and Housing Agency	129,108,027	40,956,587	101,240,479	7,459,007
Electric Power Board	1,264,840,000	1,342,217,000	-	-
Metropolitan Transit Authority	104,162,320	11,179,481	57,945,980	67,889,153
Metropolitan Nashville Airport Authority	173,649,446	216,543,808	-	18,178,942
Emergency Communications District	6,276,547	7,685,023	196,000	-
Convention Center Authority	82,220,627	29,493,361	126,820,172	-
Total component units	<u>\$ 1,945,238,764</u>	<u>\$ 1,716,073,153</u>	<u>\$ 382,497,810</u>	<u>\$ 105,658,300</u>

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, 2019

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
\$ (109,320)	\$ -	\$ -	\$ -	\$ (109,320)	\$ -	\$ -	\$ -	\$ -
-	(10,131)	-	-	(10,131)	-	-	-	-
-	-	(8,806,620)	-	(8,806,620)	-	-	-	-
-	-	-	(324)	(324)	-	-	-	-
-	-	-	-	-	368,868	-	-	-
-	-	-	-	-	-	20,548,046	-	-
-	-	-	-	-	-	-	77,377,000	-
-	-	-	-	-	-	-	-	32,852,294
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(109,320)	(10,131)	(8,806,620)	(324)	(8,926,395)	368,868	20,548,046	77,377,000	32,852,294
5,372	2,687	1,839,355	15,257	1,862,671	-	1,414,572	12,649,000	-
-	-	1,871,460	-	1,871,460	-	6,820,188	-	35,831
5,372	2,687	3,710,815	15,257	3,734,131	-	8,234,760	12,649,000	35,831
(103,948)	(7,444)	(5,095,805)	14,933	(5,192,264)	368,868	28,782,806	90,026,000	32,888,125
3,166	150,006	256,318,573	633,224	257,104,969	11,629,538	350,079,896	521,257,000	56,152,591
\$ (100,782)	\$ 142,562	\$ 251,222,768	\$ 648,157	\$ 251,912,705	\$ 11,998,406	\$ 378,862,702	\$ 611,283,000	\$ 89,040,716

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, 2019

	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	\$ -	\$ -	\$ -	\$ -	\$ (109,320)
Gulch Business Improvement District, Inc.	-	-	-	-	(10,131)
Sports Authority	-	-	-	-	(8,806,620)
Industrial Development Board	-	-	-	-	(324)
Hospital Authority	-	-	-	368,868	368,868
Metropolitan Development and Housing Agency	-	-	-	20,548,046	20,548,046
Electric Power Board	-	-	-	77,377,000	77,377,000
Metropolitan Transit Authority	-	-	-	32,852,294	32,852,294
Metropolitan Nashville Airport Authority	61,073,304	-	-	61,073,304	61,073,304
Emergency Communications District	-	1,604,476	-	1,604,476	1,604,476
Convention Center Authority	-	-	74,092,906	74,092,906	74,092,906
Total component units	61,073,304	1,604,476	74,092,906	267,916,894	258,990,499
General revenues:					
Revenues from the use of money or property	7,703,826	262,411	6,297,469	28,327,278	30,189,949
Compensation for loss, sale or damage to property	-	1,906	-	6,857,925	8,729,385
Total general revenues	7,703,826	264,317	6,297,469	35,185,203	38,919,334
Changes in net position	68,777,130	1,868,793	80,390,375	303,102,097	297,909,833
Net position - beginning of year	657,510,531	11,955,471	283,098,690	1,891,683,717	2,148,788,686
Net position - end of year	\$ 726,287,661	\$ 13,824,264	\$ 363,489,065	\$ 2,194,785,814	\$ 2,446,698,519

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 both the Nashville arena and stadium. The Sports Authority administers and manages these facilities and other sports projects, including the ballpark, for the Government. The Government is responsible for annual funding for both the Nashville arena and stadium. 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 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 GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 15th 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 5th 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, 2019.

The primary government includes \$10,246 due from component units and \$12,336,459 due to component units in the Statement of Net Position. The component units include \$10,246 due to the primary government and \$12,336,459 due from the primary government.

B. Accounting Pronouncements

The Government adopted GASB Statement No. 83, Certain Asset Retirement Obligations, required for fiscal periods beginning after June 15, 2018, in fiscal 2019. This Statement enhances comparability of financial statements among governments by establishing uniform criteria for recognizing and measuring certain asset retirement obligations (ARO's) and enhances the usefulness of information by requiring disclosures related to ARO's.

The Government plans to adopt GASB Statement No. 84, Fiduciary Activities, required for fiscal periods beginning after December 15, 2018, in fiscal 2020. 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 December 15, 2019, in fiscal 2021. 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 METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Government adopted GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, required for fiscal periods beginning after June 15, 2018, in fiscal 2019. This Statement improves the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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, 2019, in fiscal 2021. This Statement 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, 2018, in fiscal 2020. 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, 2020, in fiscal 2022. This Statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

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.

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 **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 METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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, 2019, 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, 2019. 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. 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 \$2,799,753 for the year ended June 30, 2019.

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 METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2019. The claims liabilities are based on the estimated cost of settling the claim, including nonincremental claim 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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$6,565,570.

Bordeaux Sanitary Landfill – This landfill has stopped accepting solid waste, and closure procedures are 100% complete. Estimated postclosure costs of \$3,831,129 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 \$814,809 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 \$1,326,296 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 \$593,336 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 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-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$14,096,974 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 allowances for uncollectible accounts at June 30, 2019 of \$560,089.

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%	
- 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, 2019. Amounts available at June 30, 2019 have been recorded as revenue in the governmental fund statements. Current tax collections of \$981,026,792 for the fiscal year ended June 30, 2019 were approximately 99% of the tax levy.

Of the \$1,023,636,454 property tax receivable, \$1,012,833,158 represents the 2020 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 – RESTATEMENT OF NET POSITION

For the year ended June 30, 2018, depreciation on certain capital assets of the Department of Water and Sewer Services was incorrectly calculated. The impact on the financial statements was a decrease to beginning net position as follows:

	Statement of Activities Business-type Activities	Statement of Revenue, Expenses and Changes in Net Position Proprietary Funds
Net position - beginning of year, as previously reported	\$ 1,320,356,807	\$ 1,364,351,735
Adjustment to record revision to accumulated depreciation	(6,402,700)	(6,402,700)
Net position - beginning of year, as restated	<u>\$ 1,313,954,107</u>	<u>\$ 1,357,949,035</u>

NOTE 3 – 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, 2019.

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2019-2020 was submitted to the Metropolitan Council and subsequently approved by Substitute Bill Number BL 2019-1624. Fund balance resources at June 30, 2019 have been assigned to the 2019-2020 fiscal year operating budget as follows:

Urban Services District General Fund

\$7,300,000

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, 2019 were as follows:

	Outstanding Encumbrances
General Fund	\$ 3,822,405
Special Revenue Funds:	
General Purpose School	4,057,233
Metropolitan Action Commission	984,308
General Fund 4% Reserve	6,418,517
Solid Waste Operations	851,445
Education Services	8,760,041
Other Governmental Services	374,873
Capital Projects Funds:	
GSD Capital Projects	123,633,053
Education Capital Projects	74,944,113
USD Capital Projects	4,014,075

C. Deficit Balances and Excess Expenditures

Primary Government

The following funds have deficit balances at June 30, 2019:

	Unassigned Fund Balance/ Unrestricted Net Position
Capital Project Funds:	
GSD Capital Projects	\$ (199,329,070)
Education Capital Projects	(47,772,212)
USD Capital Projects	(7,492,138)

The deficits in the GSD, Education, and USD Capital Project Funds will be funded by the future issuance of general obligation bonds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the year ended June 30, 2019, 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:			
Transfers Out:			
Nonmajor Governmental Funds	\$ 56,019,800	\$ 56,061,489	\$ (41,689)
Internal Service Funds	9,318,600	9,337,738	(19,138)
Fiduciary Funds	76,100	168,270	(92,170)
GSD General Purposes Debt Service Fund:			
Principal Retirement	84,467,200	84,467,213	(13)
Fiscal Charges	1,188,500	2,158,365	(969,865)
GSD School Purposes Debt Service Fund:			
Fiscal Charges	723,000	1,474,236	(751,236)
USD General Purposes Debt Service Fund:			
Interest	5,727,600	8,464,485	(2,736,885)
Fiscal Charges	187,100	321,917	(134,817)

Transfers Out to Nonmajor Governmental Funds in the General Fund is over budget due to transfers to grant funds for local match requirements or to cover unallowable costs recorded in the grant funds from department budgets that 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, and transfers to the General Government Self Insurance Fund related to Police secondary employment from the Police Department which is under budget in total.

Transfers Out to Fiduciary Funds in the General Fund are over budget due to transfers in excess of expected amounts to the Metropolitan Employees' Benefit Trust Fund related to pension fund reimbursements from departmental budgets that 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.

Component Units

The unrestricted net position for the Nashville District Management Corporation is (\$100,782) at June 30, 2019 as a result of delivering services consistent with property owner expectations. It is expected that future revenues will offset the deficit.

NOTE 4 – 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); the State of Tennessee Intermediate Term Investment Fund (ITIF); the First Tennessee Bank Advisors Direct Holdings; 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, the ITIF, and the Direct Holdings. Primary oversight for the LGIP and the ITIF rests with the State of Tennessee Funding Board. The Government's amounts included in the LGIP and ITIF are reported at the fair value of its position in the LGIP or ITIF, which approximates the value of the shares at amortized cost. The Government's amounts in the Direct Holdings are reported at fair value. 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, 2019, 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, 2019, 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	\$ 502,725,077	0.12
Tennessee Intermediate Term Investment Fund	64,458,473	2.71
First Tennessee Bank Advisors Direct Holdings	194,283,468	0.57
Total Metro Investment Pool (a)	<u>\$ 761,467,018</u>	
Separate Portfolios:		
U.S. Treasuries (a)	<u>\$ 17,826,110</u>	0.05
Total Separate Portfolios	<u>\$ 17,826,110</u>	
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan:		
Bank Debt Notes	\$ 96,877	(b)
Commingled Funds US Debt	34,861,721	(b)
Conventional Mortgages	62,514,690	0.32
Preferred Stock	5,406,608	0.05
Common Stock	330,803,677	(b)
Corporate Bonds and Notes	255,721,896	2.29
Emerging Market	1,115,128	0.00
Equity Commingled Funds	67,040,163	(b)
Bank Loans	9,996,476	0.01
Commercial Paper	1,598,751	0.00
Non Agency Mortgages/CMO	55,788,652	0.14
Other Fixed Income	251,957,036	(b)
Other Securities	356,049,158	(b)
Venture Capital and Partnerships	1,867,537,455	(b)
Municipals	254,466	0.01
Registered Investment Companies	115,418,126	(b)
U.S. Treasury Securities	<u>151,524,255</u>	2.78
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	<u>\$ 3,567,685,135</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, 2019, 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, 2019, the investments of the Government had credit ratings as follows:

Investment Type	Fair Value	A	AA	AAA	B	BB	BBB	CC - D	Not Rated
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan									
Conventional Mortgages	\$ 62,514,690	\$ -	\$ 62,514,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred Stock	5,406,608	250,055	-	-	-	502,020	3,985,056	-	669,477
Corporates	255,721,896	48,104,272	2,467,825	-	9,898,228	26,311,357	154,713,558	3,428,743	10,797,913
Emerging Markets	1,115,128	-	-	-	-	-	-	-	1,115,128
Bank Loans	9,996,476	-	-	-	2,690,689	1,150,394	4,902,519	1,252,874	-
Non Agency Mortgages/CMO	55,788,652	3,109,161	3,725,540	3,209,165	4,941,769	852,595	2,548,420	18,453,681	18,948,321
Commercial Paper	1,598,751	1,598,751	-	-	-	-	-	-	-
Municipals	254,466	-	-	254,466	-	-	-	-	-
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	\$ 392,396,667	\$ 53,062,239	\$ 68,708,055	\$ 3,463,631	\$ 17,530,686	\$ 28,816,366	\$ 166,149,553	\$ 23,135,298	\$ 31,530,839

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, 2019.

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, 2019, 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, 2019, 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, 2019, the Government's exposure to foreign currency risk is as follows:

Base Currency	Fair Value
Argentina Peso	\$ 4,843,402
Australian Dollar	(1,686,624)
Brazil Real	2,218,780
Canadian Dollar	4,141,088
Chilean Peso	3,247,236
Chinese Yuan Renminbi	(5,103)
Danish Krone	1,943,093
Euro	116,195,527
Indian Rupee	(478,785)
Indonesian Rupiah	1,900,405
Israeli Shekel	1,212,743
Japanese Yen	15,098,785
Mexican Peso	(534,241)
New Taiwan Dollar	(2,228,119)
New Zealand Dollar	36,287
Norwegian Krone	2,387,781
Peruvian Sol	37,326
Pound Sterling	19,000,521
Russian Ruble	2,260,970

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Base Currency	Fair Value
Singapore Dollar	\$ (1,892,789)
South African Rand	1,239,590
Swedish Krona	4,504,949
Swiss Franc	4,886,666
Turkish Lira	910
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	\$ 178,330,398 (1)

(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, 2019 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, 2019 was \$53,494,183 and \$52,413,136 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, 2019 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 \$397,632 and borrower's rebates were \$188,688 for total income of \$208,944, and the related expenses were \$41,772 in agent fees, netting \$167,172 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 investments in ITIF are considered Level 2, and the Direct Holdings are considered Level 1.

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 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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	\$ 502,725,077	\$ n/a	\$ n/a	\$ n/a
Tennessee Intermediate Term Investment Fund	64,458,473	-	64,458,473	-
First Tennessee Bank Advisors Direct Holdings	194,283,468	194,283,468	-	-
Total Metro Investment Pool	<u>\$ 761,467,018</u>	<u>\$ 194,283,468</u>	<u>\$ 64,458,473</u>	<u>\$ -</u>
Separate Portfolios:				
U.S. Treasuries	\$ 17,826,110	\$ 17,826,110	\$ -	\$ -
Total Separate Portfolios	<u>\$ 17,826,110</u>	<u>\$ 17,826,110</u>	<u>\$ -</u>	<u>\$ -</u>
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan:				
Common Stock	\$ 446,489,493	\$ 331,630,991	\$ 3,940,566	\$ 110,917,936
Equity Commingled Funds	67,040,163	67,040,163	-	-
Fixed Income Funds	191,159,041	5,628,920	-	185,530,121
Futures	2,126,717	2,126,717	-	-
Registered Investment Companies	115,418,126	115,418,126	-	-
U.S. Government Securities	277,396,490	270,581,356	6,815,134	-
Asset Backed Securities	156,844,124	-	156,844,124	-
Corporate Debt Instruments	221,584,027	-	221,584,027	-
Municipals	705,046	-	705,046	-
Non U.S. Government Bonds	10,436,613	-	10,436,613	-
Non U.S. Government Private Placement	12,291,617	-	12,291,617	-
Swaps	(4,507,097)	-	(4,507,097)	-
U.S. Private Placement	68,028,232	-	68,028,232	-
Bank Debt Notes	20,295,856	-	10,230,042	10,065,814
Commingled Funds US Debt	34,861,721	-	-	34,861,721
Partnership Joint Venture Interest	1,867,537,455	-	-	1,867,537,455
Add Amounts Reported as Cash and Cash Equivalents (1)	79,977,511	79,977,511	-	-
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	<u>\$ 3,567,685,135</u>	<u>\$ 872,403,784</u>	<u>\$ 486,368,304</u>	<u>\$ 2,208,913,047</u>

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 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2019 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, 2019, 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	\$ 668,046	n/a	n/a
Developed Market International Equity	301,702	n/a	n/a
Emerging Market International Equity	86,201	n/a	n/a
U.S. Fixed Income	430,986	n/a	n/a
Real Estate	215,502	n/a	n/a
Short-term Securities	21,542	n/a	n/a
Investments at Amortized Cost Using the NAV:			
Private Equity and Strategic Lending	430,986	n/a	n/a
Total	<u>\$ 2,154,965</u>		

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	\$ 668,046	\$ 668,046	\$ -	\$ -	\$ -
Developed Market International Equity	301,702	301,702	-	-	-
Emerging Market International Equity	86,201	86,201	-	-	-
U.S. Fixed Income	430,986	-	430,986	-	-
Real Estate	215,502	-	-	215,502	-
Short-term Securities	21,542	-	21,542	-	-
Private Equity and Strategic Lending	430,986	-	-	-	430,986
Total	<u>\$ 2,154,965</u>	<u>\$ 1,055,949</u>	<u>\$ 452,528</u>	<u>\$ 215,502</u>	<u>\$ 430,986</u>

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 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

Primary Government

Governmental activities:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 490,608,387	\$ 39,052,127	\$ (60,352)	\$ 529,600,162
Transportation infrastructure	1,581,735,628	18,323,353	-	1,600,058,981
Public art	4,831,212	587,656	-	5,418,868
Construction in progress	408,703,502	160,428,621	(328,777,288)	240,354,835
Total capital assets, not being depreciated	2,485,878,729	218,391,757	(328,837,640)	2,375,432,846
Capital assets, being depreciated:				
Buildings and improvements	2,212,894,634	334,589,285	(3,552,420)	2,543,931,499
Furniture, machinery and equipment	483,697,638	33,563,596	(17,010,190)	500,251,044
Stormwater infrastructure	171,109,529	9,613,332	-	180,722,861
Total capital assets, being depreciated	2,867,701,801	377,766,213	(20,562,610)	3,224,905,404
Less accumulated depreciation:				
Building and improvements	(944,277,520)	(74,192,745)	2,215,311	(1,016,254,954)
Furniture, machinery and equipment	(352,189,252)	(38,850,999)	16,840,548	(374,199,703)
Stormwater infrastructure	(52,955,641)	(3,437,993)	-	(56,393,634)
Total accumulated depreciation	(1,349,422,413)	(116,481,737)	19,055,859	(1,446,848,291)
Total capital assets, being depreciated, net	1,518,279,388	261,284,476	(1,506,751)	1,778,057,113
Governmental activities capital assets, net	<u>\$ 4,004,158,117</u>	<u>\$ 479,676,233</u>	<u>\$ (330,344,391)</u>	<u>\$ 4,153,489,959</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, 2018 (1)	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 24,583,200	\$ -	\$ -	\$ 24,583,200
Construction in progress	260,136,972	109,807,949	(133,996,304)	235,948,617
Total capital assets, not being depreciated	284,720,172	109,807,949	(133,996,304)	260,531,817
Capital assets, being depreciated:				
Utility plant in service	3,032,291,725	141,550,533	-	3,173,842,258
Buildings and improvements	101,597,179	287,702	-	101,884,881
Improvements other than buildings	60,863,062	4,681,313	-	65,544,375
Furniture, machinery and equipment	122,701,903	7,666,120	-	130,368,023
Property under capital lease	3,645,000	-	-	3,645,000
Total capital assets, being depreciated	3,321,098,869	154,185,668	-	3,475,284,537
Less accumulated depreciation:				
Utility plant in service	(1,289,526,152)	(77,113,397)	-	(1,366,639,549)
Buildings and improvements	(59,531,189)	(2,995,979)	-	(62,527,168)
Improvements other than buildings	(44,699,986)	(2,152,729)	-	(46,852,715)
Furniture, machinery and equipment	(58,956,167)	(11,354,791)	-	(70,310,958)
Property under capital lease	(2,012,219)	(91,125)	-	(2,103,344)
Total accumulated depreciation	(1,454,725,713)	(93,708,021)	-	(1,548,433,734)
Total capital assets, being depreciated, net	1,866,373,156	60,477,647	-	1,926,850,803
Business-type activities capital assets, net	\$ 2,151,093,328	\$ 170,285,596	\$ (133,996,304)	\$ 2,187,382,620

(1) Balances at July 1, 2018 were restated to reflect the adjustment to accumulated depreciation discussed in Note 2.

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	\$ 18,706,444
Fiscal administration	741,708
Administration of justice	2,786,579
Law enforcement and care of prisoners	6,948,361
Fire prevention and control	2,410,568
Education	41,760,281
Regulation and inspection	5,971
Public welfare	1,525,692
Public health and hospitals	1,369,812
Public library system	3,055,005
Public works, highways and streets, including depreciation of stormwater infrastructure	5,743,725
Recreational and cultural	12,364,560
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	19,063,031
Total depreciation expense, governmental activities	<u>\$ 116,481,737</u>
Business-type activities:	
Department of Water and Sewerage Services	\$ 90,316,161
District Energy System	2,351,930
Board of Fair Commissioners	369,975
Farmers Market	292,750
Municipal Auditorium	377,205
Total depreciation expense, business-type activities	<u>\$ 93,708,021</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, 2019 was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 374,306,821	\$ 13,425,295	\$ (2,008,635)	\$ 385,723,481
Public art	1,183,844	-	-	1,183,844
Construction in progress	318,669,580	309,804,833	(231,321,684)	397,152,729
Total capital assets, not being depreciated	694,160,245	323,230,128	(233,330,319)	784,060,054
Capital assets, being depreciated:				
Utility plant in service	1,457,638,000	93,101,000	(24,550,000)	1,526,189,000
Buildings and improvements	2,048,366,454	171,541,322	(24,262,161)	2,195,645,615
Improvements other than buildings	578,856,713	34,196,152	(22,212,591)	590,840,274
Furniture, machinery and equipment	528,013,774	64,524,569	(14,150,479)	578,387,864
Infrastructure	22,537,906	727,570	-	23,265,476
Total capital assets, being depreciated	4,635,412,847	364,090,613	(85,175,231)	4,914,328,229
Less accumulated depreciation:				
Utility plant in service	(620,515,000)	(54,041,000)	38,168,000	(636,388,000)
Buildings and improvements	(726,979,040)	(68,016,965)	15,174,111	(779,821,894)
Improvements other than buildings	(370,293,708)	(19,769,696)	15,379,230	(374,684,174)
Furniture, machinery and equipment	(295,058,000)	(37,420,155)	13,895,626	(318,582,529)
Infrastructure	(17,490,113)	(642,489)	-	(18,132,602)
Total accumulated depreciation	(2,030,335,861)	(179,890,305)	82,616,967	(2,127,609,199)
Total capital assets, being depreciated, net	2,605,076,986	184,200,308	(2,558,264)	2,786,719,030
Component units activities capital assets, net	\$ 3,299,237,231	\$ 507,430,436	\$ (235,888,583)	\$ 3,570,779,084

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

NOTE 6 – BONDS, NOTES AND OTHER OBLIGATIONS

Primary Government

A. Transaction Summary

Bonds, notes and other obligations activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental activities:					
General obligation bonds payable:					
General Services District (1)	\$ 1,539,205,129	\$ 487,502,922	\$ (84,467,213)	\$ 1,942,240,838	\$ 110,709,715
Schools (1)	793,406,897	212,601,170	(55,615,214)	950,392,853	58,559,145
Urban Services District (1)	166,545,191	14,291,393	(11,357,597)	169,478,987	10,507,875
Deferred premium (discount)	348,315,909	60,815,772	(36,162,813)	372,968,868	-
Total general obligation bonds payable	2,847,473,126	775,211,257	(187,602,837)	3,435,081,546	179,776,735
Qualified zone academy notes payable:					
Qualified Zone Academy Notes	1,243,697	-	(414,567)	829,130	414,567
Deferred premium (discount)	(25,912)	-	10,364	(15,548)	-
Total qualified zone academy notes payable	1,217,785	-	(404,203)	813,582	414,567
Qualified school construction bond loans payable	31,191,550	-	(3,536,429)	27,655,121	3,536,429
Other obligations payable:					
Net pension liability	198,995,100	366,833,189	(356,283,182)	209,545,107	-
Total OPEB liability	3,889,062,264	829,002,936	(155,241,109)	4,562,824,091	-
Compensated absences	92,137,212	68,931,465	(70,240,979)	90,827,698	52,697,513
Claims and judgments	11,255,451	2,804,723	(2,316,556)	11,743,618	65,000
Landfill closure costs	6,409,317	326,460	(170,207)	6,565,570	575,746
Fair value of derivative financial instruments	4,990,067	906,887	-	5,896,954	-
Total other obligations payable	4,202,849,411	1,268,805,660	(584,252,033)	4,887,403,038	53,338,259
Total governmental activities long-term liabilities	\$ 7,082,731,872	\$ 2,044,016,917	\$ (775,795,502)	\$ 8,350,953,287	\$ 237,065,990
Business-type activities:					
Department of Water and Sewerage Services:					
Revenue bonds payable	\$ 892,365,000	\$ -	\$ (38,225,000)	\$ 854,140,000	\$ 39,120,000
Deferred premium (discount)	70,825,129	-	(6,549,494)	64,275,635	-
Net pension liability	7,443,050	25,507,721	(23,323,780)	9,626,991	-
Total Department of Water and Sewerage Services	970,633,179	25,507,721	(68,098,274)	928,042,626	39,120,000
District Energy System:					
General obligation bonds payable	50,887,783	1,559,515	(2,384,976)	50,062,322	2,133,265
Deferred premium (discount)	7,730,384	-	(562,633)	7,167,751	-
Net pension liability	30,518	105,047	(95,958)	39,607	-
Total District Energy System	58,648,685	1,664,562	(3,043,567)	57,269,680	2,133,265
Other business-type activities:					
Net pension liability	1,336,603	4,975,260	(4,472,483)	1,839,380	-
Total other business-type activities	1,336,603	4,975,260	(4,472,483)	1,839,380	-
Total business-type activities long-term liabilities	\$ 1,030,618,467	\$ 32,147,543	\$ (75,614,324)	\$ 987,151,686	\$ 41,253,265

(1) Additions for general obligation bonds payable include the issuance of bonds of \$715,955,000. The distribution between General Services District, Schools, and Urban Services District is net of the usage of the excess bond proceeds resulted in a decrease of \$17,329,911 to General Services District, an increase of \$13,529,169 to Schools, and reallocation of excess bond proceeds originally recorded under General Services District. The actual and increase of \$3,800,742 to Urban Services District.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Description of Amounts Payable

	Interest Rate	Amount
Governmental activities:		
General obligation bonds payable from ad valorem taxes:		
General Services District - General Purposes, due in varying amounts to July 1, 2038	.30 - 5.71%	\$ 1,942,240,838
General Services District - School Purposes, due in varying amounts to July 1, 2038	.30 - 5.71%	950,392,853
Urban Services District - General Purposes, due in varying amounts to July 1, 2038	.30 - 5.71%	169,478,987
Deferred premium (discount)		372,968,868
Total general obligation bonds payable from ad valorem taxes		3,435,081,546
Qualified zone academy notes payable:		
Qualified Zone Academy Notes, due in varying amounts to December 28, 2020	N/A	829,130
Deferred premium (discount)		(15,548)
Total qualified zone academy notes payable		813,582
Qualified school construction bond loans payable	1.515%	27,655,121
Other obligations payable:		
Net pension liability		209,545,107
Total OPEB liability		4,562,824,091
Compensated absences		90,827,698
Claims and judgments		11,743,618
Landfill closure		6,565,570
Fair value of derivative financial instruments		5,896,954
Total other obligations payable		4,887,403,038
Total governmental activities long-term liabilities		\$ 8,350,953,287
Business-type activities:		
Bonds payable:		
Department of Water and Sewerage Revenue Refunding Bonds, Series 2008A, due in varying amounts to January 1, 2022	3.25 - 5.25%	\$ 14,275,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2010A, due in varying amounts to July 1, 2027	3.00 - 5.00%	70,590,000
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%	76,715,000
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
Deferred premium (discount)		64,275,635
Total Department of Water and Sewerage Services		918,415,635
District Energy System G. O. Multi-purpose Bonds, Series 2010A, due in varying amounts to July 1, 2026	2.75 - 5.00%	39,672
District Energy System G. O. Refunding Bonds, Series 2010D, due in varying amounts to July 1, 2024	1.50 - 5.00%	573,996
District Energy System G. O. Refunding Bonds, Series 2011, due in varying amounts to July 1, 2023	2.00 - 5.00%	504,088
District Energy System Revenue Refunding Bonds, Series 2012A, due in varying amounts to October 1, 2033	2.00 - 5.00%	37,855,000
District Energy System G. O. Refunding Bonds, Series 2012B, due in varying amounts to July 1, 2024	.32 - 2.767%	1,813,160
District Energy System G. O. Refunding Bonds, Series 2013A, due in varying amounts to July 1, 2033	3.00 - 5.00%	990,183
District Energy System G. O. Improvement Bonds, Series 2015C, due in varying amounts to July 1, 2034	4.00 - 5.00%	636,008
District Energy System G. O. Refunding Bonds, Series 2016, due in varying amounts to January 1, 2033	2.00 - 5.00%	5,560,640
District Energy System G. O. Improvement Bonds, Series 2017, due in varying amounts to July 1, 2036	4.00 - 5.00%	530,060
District Energy System G. O. Improvement Bonds, Series 2018, due in varying amounts to July 1, 2038	4.00 - 5.00%	1,559,515
Deferred premium (discount)		7,167,751
Total District Energy System		57,230,073
Total bonds payable		975,645,708

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Interest Rate	Amount
Net pension liability:		
Department of Water and Sewerage Services		\$ 9,626,991
District Energy System		39,607
Other business-type activities		1,839,380
Total net pension liability		11,505,978
Total business-type activities long-term liabilities		\$ 987,151,686

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

Governmental activities:	
Noncurrent Liabilities:	
Due within one year	\$ 221,937,204
Due in more than one year	8,129,016,083
Total governmental activities	\$ 8,350,935,287
Business-type activities:	
Liabilities payable from restricted assets:	
Current portion of long-term liabilities	\$ 41,253,265
Noncurrent liabilities:	
Due in more than one year	945,898,421
Total business-type activities	\$ 987,151,686

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, 2019, 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, 2019 are as follows:

Year Ending June 30	General Obligation Bonds		Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 181,910,000	\$ 139,348,069	\$ 39,120,000	\$ 44,225,115	\$ 221,030,000	\$ 183,573,184
2021	190,035,000	131,223,219	25,080,000	42,304,977	215,115,000	173,528,196
2022	194,655,000	122,181,105	29,955,000	40,984,827	224,610,000	163,165,932
2023	205,025,000	112,816,044	36,775,000	39,449,077	241,800,000	152,265,121
2024	217,420,000	103,398,979	27,475,000	37,987,378	244,895,000	141,386,357
2025-2029	940,930,000	374,868,485	118,170,000	172,635,905	1,059,100,000	547,504,390
2030-2034	776,600,000	179,415,956	148,375,000	137,030,539	924,975,000	316,446,495
2035-2039	405,600,000	32,860,838	187,265,000	89,923,575	592,865,000	122,784,413
2040-2044	-	-	195,170,000	33,764,959	195,170,000	33,764,959
2045-2047	-	-	46,755,000	3,584,625	46,755,000	3,584,625
Total	3,112,175,000	1,196,112,695	854,140,000	641,890,977	3,966,315,000	1,838,003,672
Deferred Premium Discount)	380,136,619	-	64,275,635	-	444,412,254	-
Total	<u>\$ 3,492,311,619</u>	<u>\$ 1,196,112,695</u>	<u>\$ 918,415,635</u>	<u>\$ 641,890,977</u>	<u>\$ 4,410,727,254</u>	<u>\$ 1,838,003,672</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, 2019, the amount of principal outstanding could not exceed \$700 million.

In April 2015, the Government established a \$200 million Water and Sewerage commercial paper program. The program allows the Government to issue short-term notes to finance water and sewer 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 bank has agreed to pay the principal amount of any maturing commercial paper notes pursuant to a revolving credit agreement. If the 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 semi-annual 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 October 2015, the revolving credit agreement was replaced by a letter of credit and reimbursement agreement (LOC). The par amount of the commercial paper program was also

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

reduced from \$200 million to \$183 million, the payment of which is now supported by the LOC on substantially the same terms as the revolving credit agreement as described above. This program expired July 12, 2018.

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 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, 2019, the amount of principal outstanding could not exceed \$300 million.

Commercial paper obligations of \$450,000,000 with interest rates ranging from .87% to 2.10% were outstanding at June 30, 2019. The obligations are considered short-term debt at June 30, 2019 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, 2019 was as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Commercial paper payable	\$ 775,000,000	\$ 325,000,000	\$ (650,000,000)	\$ 450,000,000

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

Governmental activities:

Commercial paper payable	\$ 249,363,256
Total governmental activities	249,363,256

Business-type activities:

Commercial paper payable	200,636,744
Total business-type activities	200,636,744
Total commercial paper payable	\$ 450,000,000

G. Issuance of Bonds

On October 25, 2018, the Government issued \$715,955,000 of General Obligation Improvement Bonds, Series 2018, maturing on July 1, 2038, with interest rates ranging from 4.00% to 5.00%. The net proceeds of the Series 2018 Bonds totaled \$776,770,772 (including original issue premium). \$650,000,000 of the net proceeds were used to fund maturing commercial paper notes, \$125,001,008 was used to fund future capital spending, and \$1,769,764 was used to cover underwriting fees and other costs of issuance.

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, 2019, \$428,405,000 of general obligation bonds and \$30,905,000 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, 2019 are summarized below:

Year Ending June 30	Principal	Investment Credit (1)
2020	\$ 414,567	\$ 97,031
2021	414,563	97,031
Total qualified zone academy notes payable	<u>\$ 829,130</u>	<u>\$ 194,063</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, 2019 are summarized below:

Year Ending June 30	Principal	Interest	Subsidy
2020	\$ 3,536,429	\$ 2,043,674	\$ 1,723,706
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
2025-2028	9,972,976	6,007,478	6,032,973
Total qualified school construction bond loan payable	<u>\$ 27,655,121</u>	<u>\$ 16,225,848</u>	<u>\$ 14,651,503</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 \$29,950,000 at June 30, 2019. The SIFMA rate at June 30, 2019 was 1.90%. All terms of the swap remain in effect and expire May 15, 2026. The credit rating of the Counterparty at June 30, 2019 is Baa1. The fair value of this swap contract was a liability of \$5,081,053 at June 30, 2019 and is recorded in noncurrent liabilities in the Statement of Net Position. The liability increased by \$90,986 for the year ended June 30, 2019. 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, 2019 are summarized below. The amounts assume that the current reference rate (1.90%) 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
2020	\$ 1,048,250
2021	922,075
2022	788,725
2023	647,850
2024	498,925
2025-2026	517,300
Total hedging derivative, net payments	<u>\$ 4,423,125</u>

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, 2019. 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2019, authorized but unissued general obligation bonds totaled \$1,160,313,294. 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, 2019 was as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental types:					
Revenue bonds payable:					
Sports Authority	\$ 132,325,957	\$ -	\$ (8,013,031)	\$ 124,312,926	\$ 6,225,000
Total revenue bonds payable – governmental types	132,325,957	-	(8,013,031)	124,312,926	6,225,000
Proprietary types:					
Revenue bonds payable:					
Electric Power Board	642,655,000	-	(43,866,000)	598,789,000	36,010,000
Metropolitan Nashville Airport Authority	294,397,211	-	(16,357,405)	278,039,806	18,420,000
Convention Center Authority	602,458,957	-	(12,335,496)	590,123,461	13,425,000
Total revenue bonds payable - proprietary types	1,539,511,168	-	(72,558,901)	1,466,952,267	67,855,000
Notes payable:					
Metropolitan Development and Housing Agency	163,369,258	25,655,204	(48,383,312)	140,641,150	7,449,520
Metropolitan Nashville Airport Authority	16,361,647	143,135,360	(595,516)	158,901,491	622,182
Total notes payable – proprietary types	179,730,905	168,790,564	(48,978,828)	299,542,641	8,071,702
Total revenue bonds and notes payable	1,851,568,030	168,790,564	(129,550,760)	1,890,807,834	82,151,702
Governmental types:					
Other liabilities payable:					
Sports Authority:					
Other liabilities	18,478,262	1,536	(3,019,900)	15,459,898	-
Total other liabilities payable - governmental types	18,478,262	1,536	(3,019,900)	15,459,898	-
Proprietary types:					
Other liabilities payable:					
Hospital Authority:					
Capitalized lease obligation	21,285,050	-	(2,728,456)	18,556,594	2,908,161
Net pension liability	1,779,101	5,753,821	(5,332,082)	2,200,840	-
Metropolitan Development and Housing Agency:					
Other liabilities	1,865,001	1,280,291	(1,421,088)	1,724,204	-
Electric Power Board:					
TVA advances and other	8,340,000	13,092,000	(14,053,000)	7,379,000	-
Net pension liability	194,620,000	93,841,000	(66,917,000)	221,544,000	-
Net OPEB liability	207,517,000	40,545,000	(52,964,000)	195,098,000	-
Metropolitan Transit Authority:					
Advance lease receipts	8,557,462	-	(590,005)	7,967,457	-
Refundable grants	1,131,959	-	(676,307)	455,652	-
Net pension liability	15,207,913	7,730,719	(9,943,948)	12,994,684	-
Net OPEB liability	62,759,296	11,823,918	(5,155,723)	69,427,491	-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Metropolitan Nashville Airport Authority:					
Fair value of derivative financial instruments	\$ 118,789	\$ -	\$ (110,344)	\$ 8,445	\$ -
Unearned income	1,831,630	62,047	(34,904)	1,858,773	-
Net pension liability	-	14,769,265	(13,048,512)	1,278,902	-
Net OPEB liability	10,795,289	2,608,522	(8,616,007)	4,787,804	-
Convention Center Authority:					
Net pension liability	380,133	1,405,316	(1,263,807)	521,642	-
Total other liabilities payable – proprietary types	536,188,623	192,911,899	(183,297,034)	545,803,488	2,908,161
Total revenue bonds, notes and other liabilities payable - component units	\$ 2,406,234,915	\$ 361,703,999	\$ (315,867,694)	\$ 2,452,071,220	\$ 85,059,863

B. Description of Amounts Payable

Amounts payable at June 30, 2019 are as follows:

	Interest Rates	Amount
Governmental types:		
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%	\$ 18,095,000
Taxable Public Improvement Revenue Refunding Bonds, Series 2013A, due in varying amounts to July 1, 2033	.793 - 5.150%	11,510,000
Public Improvement Revenue Bonds (Ballpark Project), Series 2013B, due in varying amounts to July 1, 2025	.793 - 4.050%	15,270,000
Taxable Public Improvement Revenue Bonds (Ballpark Project), Series 2013A, due in varying amounts to August 1, 2043	3.00 - 5.250%	50,685,000
Public Improvement Revenue Refunding Bonds, Series 2013B, due in varying amounts to August 1, 2043	1.25 - 5.625%	10,570,000
Deferred premium (discount)	4.00 - 5.000%	15,005,000
Series 2014, due in varying amounts to July 1, 2026		3,177,926
Total revenue bonds payable - governmental types		124,312,926
Proprietary types:		
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%	7,594,000
Electric Power Board Electric System Revenue Bonds, 2011 Series A, due in varying amounts to May 15, 2036	1.50 - 5.00%	40,830,000
Electric Power Board Electric System Revenue Bonds, 2011 Series B, due in varying amounts to May 15, 2026	2.00 - 5.00%	53,242,000
Electric Power Board Electric System Revenue Bonds, 2013 Series A, due in varying amounts to May 15, 2029	3.25 - 5.00%	59,770,000
Electric Power Board Electric System Revenue Bonds, 2014 Series A, due in varying amounts to May 15, 2039	2.00 - 5.00%	106,841,000
Electric Power Board Electric System Revenue Bonds, 2015 Series A, due in varying amounts to May 15, 2039	5.00%	122,176,000
Electric Power Board Electric System Revenue Bonds, 2017 Series A, due in varying amounts to May 15, 2042	3.00 - 5.00%	119,319,000
Electric Power Board Electric System Revenue Bonds, 2017 Series B, due in varying amounts to May 15, 2031	5.00%	89,017,000
Airport Improvement Revenue Bonds, Series 2003B, due in varying amounts to July 1, 2033	5.49 - 5.94%	13,235,000
Airport Improvement Revenue Bonds, Series 2008A, due in varying amounts to July 1, 2019	4.49%	3,800,000
Airport Improvement Revenue Bonds, Series 2009A, due in varying amounts to July 1, 2019	4.125 - 5.25%	7,970,000
Airport Improvement Revenue Bonds, Series 2010A, due in varying amounts to July 1, 2029 (includes terms bonds at 6.79%)	2.25 - 6.19%	5,840,000
Airport Improvement Revenue Bonds, Series 2015A, due in varying amounts to July 1, 2040	4.00 - 5.00%	90,205,000
Airport Improvement Revenue Bonds, Series 2015B, due in varying amounts to July 1, 2040	4.00 - 5.00%	106,615,000
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
Metropolitan Nashville Airport Authority:		
Deferred premium (discount)		23,016,511

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Interest Rates	Amount
Convention Center Authority Revenue Bonds, 2010A-1 due in varying amounts to July 1, 2026	3.35 - 5.00%	\$ 37,795,000
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%	399,370,000
Convention Center Authority: Deferred premium (discount)		563,461
Total revenue bonds payable - proprietary types		<u>1,466,952,267</u>
Notes payable:		
Metropolitan Development and Housing Agency		140,641,150
Metropolitan Nashville Airport Authority		158,901,491
Total notes payable - proprietary types		<u>299,542,641</u>
Total revenue bonds and notes payable		<u>1,890,807,834</u>
Other liabilities payable:		
Sports Authority:		
Other liabilities		15,459,898
Hospital Authority:		
Capitalized lease obligation		18,556,594
Net pension liability		2,200,840
Metropolitan Development and Housing Agency:		
Other liabilities		1,724,204
Electric Power Board:		
TVA advances		928,000
Other		6,451,000
Net pension liability		221,544,000
Net OPEB liability		195,098,000
Metropolitan Transit Authority:		
Advance lease receipts		7,967,457
Refundable grants		455,652
Net pension liability		12,994,684
Net OPEB liability		69,427,491
Metropolitan Nashville Airport Authority:		
Fair value of derivative financial instruments		8,445
Unearned income		1,858,773
Net pension liability		1,278,902
Net OPEB liability		4,787,804
Convention Center Authority:		
Net pension liability		521,642
Total other liabilities payable - proprietary types		<u>561,263,386</u>
Total bonds, notes and other liabilities payable - component units		<u>\$ 2,452,071,220</u>

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	\$ 74,080,000
Noncurrent liabilities:	
Due within one year	10,979,863
Due in more than one year	<u>2,367,011,357</u>
Total component units long-term liabilities	<u>\$ 2,452,071,220</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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2019 for the Industrial Revenue Bonds issued after April 1, 1996 was approximately \$701,097,964. 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.

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 \$6,476,736,865. 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 \$10,000,000 revolving credit line with First Tennessee Bank (Bank) for the purpose of financing capital improvements at the Bridgestone Arena. Interest is calculated monthly at a variable rate as set forth in the loan agreement based on the outstanding principal balance of the loan. The monthly interest is payable from capital improvement fees received by the Metropolitan Government, and any excess monthly revenues over the interest due are paid against the outstanding principal balance. The loan expires December 31, 2020 at which time the principal outstanding balance and any interest will be due to the Bank. Furthermore, the loan may be extended one

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

or more times to a subsequent date or dates at the discretion of the Bank. As a condition of lending, the loan agreement requires the Metropolitan Government provide a line of credit loan (Metro loan) of \$2,000,000 to the Authority. Upon the occurrence of any event of default, the Bank may require that the Authority draw the full amount of the Metro loan and pay those proceeds to the Bank to be applied against the Bank loan. The total outstanding bank loan balance as of June 30, 2019 is \$3,837,193. The outstanding loan balance was paid in full subsequent to June 30, 2019.

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, 2019 is \$11,608,405.

G. Annual Debt Service Requirements

The annual principal maturities of all bonds and notes payable as of June 30, 2019 for the component units are as follows:

Year Ending June 30	Revenue Bonds and Notes Payable	
	Principal	Interest
2020	\$ 82,724,904	\$ 91,380,941
2021	69,467,923	88,027,939
2022	225,900,325	83,086,670
2023	75,495,067	77,948,054
2024	67,533,351	74,265,966
2025-2029	364,918,537	317,642,049
2030-2034	292,242,219	230,424,100
2035-2039	291,201,169	144,837,046
2040-2044	292,255,845	58,426,247
2045-2049	33,535,617	4,575,588
2050-2054	6,203,286	721,795
2055-2059	1,609,522	57,721
Total	1,803,087,765	1,171,394,116
Deferred charges	87,720,069	-
Total	<u>\$ 1,890,807,834</u>	<u>\$ 1,171,394,116</u>

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

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 – PENSION PLANS

The Government has the following single-employer pension plans:

<u>Name</u>	<u>Type</u>	<u>Status</u>	<u>Administering Fund</u>
<u>Primary Government</u>			
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.

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.

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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
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. The investment policy was revised in the current year to adjust the target asset allocation as noted on the table above.

Concentrations

There are no individual investments in the Metro Plan or the Metro Education Plan that exceed 5% of plan assets at June 30, 2019.

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments of the Metro Plan and Metro Education Plan, net of investment expense, was 6.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

D. Net Pension Liability

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2018 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	7.10 %	5.10 %
International Equity	7.00	5.30
Equity Hedge	8.40	7.90
Fixed Income	4.30	2.30
Fixed Income Alternatives	6.10	2.70
Real Assets	3.20	4.90
Private Equity	10.50	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	\$ 5,555,736	\$ 5,338,143	\$ 5,124,018
Metro	518,397,117	122,525,076	(223,256,432)
County Education	18,322,605	17,514,607	16,770,277
Metro Education	51,501,913	46,089,960	41,247,161
City	28,138,579	27,002,223	25,884,585
City Education	8,298,035	7,948,842	7,626,973
Total net pension liability (asset)	<u>\$ 630,213,985</u>	<u>\$ 226,418,851</u>	<u>\$ (136,603,418)</u>

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

E. Pension Expense

For the year ended June 30, 2019, the Government recognized pension expense for each of the plans as follows:

	<u>Pension Expense</u>
County	\$ 419,764
Metro	109,318,207
County Education	1,458,562
Metro Education	4,101,221
City	2,057,770
City Education	<u>741,839</u>
Total pension expense	<u>\$ 118,091,363</u>

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	72.03	%	39.92	%	70.98	%
Collective pension expense	\$ 2,024,937		\$ 10,273,600		\$ 1,045,138	
Proportionate share of pension expense	1,458,562		4,101,221		741,839	
Support of State of Tennessee	(566,375)		(6,172,379)		(303,299)	
Collective net pension liability	24,314,157		115,468,521		11,199,032	
Proportionate share of net pension liability	17,514,607		46,089,960		7,948,842	
Proportionate share of deferred outflows of resources	94,550		81,186		74,427	

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

	County	Metro	County Education
ACTUARIAL VALUATION INFORMATION			
Valuation date	July 1, 2018	July 1, 2018	July 1, 2018
Measurement date	June 30, 2019	June 30, 2019	June 30, 2019
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			
PLAN MEMBERSHIP			
Active:			
Fully vested	-	7,806	-
Non-vested and partially vested	-	3,840	-
Total active	-	11,646	-
Retirees and beneficiaries receiving benefits			
Terminated vested	-	3,466	-
Total	59	24,028	151

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

SELECTED PENSION INFORMATION

Metro Education	City	County Education
July 1, 2018	July 1, 2018	July 1, 2018
June 30, 2019	June 30, 2019	June 30, 2019
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%
-	-	-
-	-	-
-	-	-
859	298	78
1	-	-
860	298	78

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)
<u>County Plan (Closed)</u>			
Balance at June 30, 2018	\$ 5,942,121	\$ -	\$ 5,942,121
Changes for the year:			
Interest	395,459	-	395,459
Difference between expected and actual experience	24,411	-	24,411
Contributions – employer	-	1,023,934	(1,023,934)
Net investment income (loss)	-	(86)	86
Benefit payments, including refunds of member contributions	(1,023,848)	(1,023,848)	-
Net changes	(603,978)	-	(603,978)
Balance at June 30, 2019	\$ 5,338,143	\$ -	\$ 5,338,143
Plan fiduciary net position as a percentage of the total pension liability		-	%
<u>Metro Plan (Open)</u>			
Balance at June 30, 2018	\$ 3,198,179,701	\$ 3,116,571,742	\$ 81,607,959
Changes for the year:			
Service cost	54,975,545	-	54,975,545
Interest	234,271,280	-	234,271,280
Difference between expected and actual experience	66,297,147	-	66,297,147
Contributions – employer	-	77,242,171	(77,242,171)
Contributions – members	-	34,011	(34,011)
Transfers in	-	317,040	(317,040)
Net investment income	-	240,858,276	(240,858,276)
Benefit payments, including refunds of member contributions	(176,248,788)	(176,248,788)	-
Administrative expenses	34,011	(3,790,632)	3,824,643
Net changes	179,329,195	138,412,078	40,917,117
Balance at June 30, 2019	\$ 3,377,508,896	\$ 3,254,983,820	\$ 122,525,076
Plan fiduciary net position as a percentage of the total pension liability		96.37	%
<u>County Education Plan (Closed)</u>			
Balance at June 30, 2018	\$ 28,365,067	\$ 1,174,372	\$ 27,190,695
Changes for the year:			
Interest	1,889,633	-	1,889,633
Difference between expected and actual experience	161,058	-	161,058
Contributions – employer	-	2,729,955	(2,729,955)
Contributions - State of Tennessee	-	2,170,140	(2,170,140)
Net investment income	-	27,134	(27,134)
Benefit payments, including refunds of member contributions	(4,924,449)	(4,924,449)	-
Net changes	(2,873,758)	2,780	(2,876,538)
Balance at June 30, 2019	\$ 25,491,309	\$ 1,177,152	\$ 24,314,157
Plan fiduciary net position as a percentage of the total pension liability		4.62	%
Proportionate share of collective net pension liability:			
Employer			\$ 17,514,607
State of Tennessee			6,799,550

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)
<u>Metro Education Plan (Closed)</u>			
Balance at June 30, 2018	\$ 238,406,734	\$ 98,114,754	\$ 140,291,980
Changes for the year:			
Interest	16,197,740	-	16,197,740
Difference between expected and actual experience	147,505	-	147,505
Contributions – employer	-	23,525,080	(23,525,080)
Contributions - State of Tennessee	-	10,482,030	(10,482,030)
Net investment income	-	7,262,507	(7,262,507)
Benefit payments, including refunds of member contributions	(30,274,284)	(30,274,284)	-
Administrative expenses	-	(100,913)	100,913
Net changes	(13,929,039)	10,894,420	(24,823,459)
Balance at June 30, 2019	<u>\$ 224,477,695</u>	<u>\$ 109,009,174</u>	<u>\$ 115,468,521</u>
Plan fiduciary net position as a percentage of the total pension liability		48.56	%
Proportionate share of collective net pension liability:			
Employer			\$ 46,089,960
State of Tennessee			69,378,561
<u>City Plan (Closed)</u>			
Balance at June 30, 2018	\$ 30,009,484	\$ -	\$ 30,009,484
Changes for the year:			
Interest	1,996,349	-	1,996,349
Difference between expected and actual experience	56,340	-	56,340
Contributions – employer	-	5,060,376	(5,060,376)
Net investment income (loss)	-	(426)	426
Benefit payments, including refunds of member contributions	(5,059,950)	(5,059,950)	-
Net changes	(3,007,261)	-	(3,007,261)
Balance at June 30, 2019	<u>\$ 27,002,223</u>	<u>\$ -</u>	<u>\$ 27,002,223</u>
Plan fiduciary net position as a percentage of the total pension liability		-	%
<u>City Education Plan (Closed)</u>			
Balance at June 30, 2018	\$ 13,759,687	\$ 922,126	\$ 12,837,561
Changes for the year:			
Interest	912,142	-	912,142
Difference between expected and actual experience	153,472	-	153,472
Contributions – employer	-	1,238,054	(1,238,054)
Contributions - State of Tennessee	-	1,444,804	(1,444,804)
Net investment income	-	21,285	(21,285)
Benefit payments, including refunds of member contributions	(2,663,768)	(2,663,768)	-
Net changes	(1,598,154)	40,375	(1,638,529)
Balance at June 30, 2019	<u>\$ 12,161,533</u>	<u>\$ 962,501</u>	<u>\$ 11,199,032</u>
Plan fiduciary net position as a percentage of the total pension liability		7.91	%
Proportionate share of collective net pension liability:			
Employer			\$ 7,948,842
State of Tennessee			3,250,190

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	\$ -	\$ (28)
Balance at June 30, 2019	<u>\$ -</u>	<u>\$ (28)</u>

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,	
2020	\$ (103)
2021	34
2022	24
2023	17

Metro Plan

Changes in assumptions	\$ 77,959,742	\$ -
Difference between expected and actual experience	58,010,004	(57,511,318)
Net difference between projected and actual earnings on pension plan investments	-	(148,618,787)
Balance at June 30, 2019	<u>\$ 135,969,746</u>	<u>\$ (206,130,105)</u>

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,	
2020	\$ (27,769,271)
2021	(64,985,955)
2022	(22,664,507)
2023	452,649
2024	17,956,640
Thereafter	26,850,085

County Education Plan

Net difference between projected and actual earnings on pension plan investments	\$ 94,550	\$ -
Balance at June 30, 2019	<u>\$ 94,550</u>	<u>\$ -</u>

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,	
2020	\$ 38,116
2021	29,515
2022	18,690
2023	8,229

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	\$ 81,186	\$ -
Balance at June 30, 2019	<u>\$ 81,186</u>	<u>\$ -</u>

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,	
2020	\$ 255,772
2021	(205,239)
2022	32,053
2023	(1,400)

City Plan

Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (525)
Balance at June 30, 2019	<u>\$ -</u>	<u>\$ (525)</u>

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,	
2020	\$ (903)
2021	161
2022	128
2023	89

City Education Plan

Net difference between projected and actual earnings on pension plan investments	\$ 74,427	\$ -
Balance at June 30, 2019	<u>\$ 74,427</u>	<u>\$ -</u>

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,	
2020	\$ 30,073
2021	23,127
2022	14,659
2023	6,568

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 publically available financial report that can be obtained at www.treasury.state.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2019 to the Teacher Legacy Pension Plan were \$26,954,692 which is 10.46% of covered payroll. Employer contributions for the year ended June 30, 2019 to the Teacher Retirement Plan were \$2,077,091 which is 1.94% 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, 2019, the Government reported an asset of (\$28,078,491) for its proportionate share of net pension asset of the Teacher Legacy Pension Plan. The net pension asset was measured as of June 30, 2018, 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, 2018 measurement date, the Government's proportion was 7.98%. The proportion measured as of June 30, 2017 was 8.14%.

At June 30, 2019, the Government reported an asset of (\$5,253,194) for its proportionate share of the net pension asset of Teacher Retirement Plan. The net pension asset was measured as of June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial value 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, 2018 relative to the contributions of all LEA's for the year ended June 30, 2018. At the June 30, 2018 measurement date, the Government's proportion was 11.58%. The proportion measured as of June 30, 2017 was 12.27%.

Pension Income and Expense

For the year ended June 30, 2019, the Government recognized a (negative) pension expense of (\$9,690,696) in the Teacher Legacy Pension Plan.

For the year ended June 30, 2019, the Government recognized a pension expense of \$1,813,973 in the Teacher Retirement Plan.

Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, 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	\$ 5,675,620	\$ 37,880,108
Net difference between projected and actual earnings on pension plan investments	-	6,111,051
Changes in assumptions	16,583,292	-
Change in proportion of net pension liability (asset)	-	3,729,739
Contributions subsequent to the measurement date of June 30, 2018	26,954,692	-
Total	<u>\$ 49,213,604</u>	<u>\$ 47,720,898</u>
<u>Teacher Retirement Plan</u>		
Difference between expected and actual experience	\$ 297,526	\$ 209,237
Net difference between projected and actual earnings on pension plan investments	-	296,738
Changes in assumptions	247,830	-
Change in proportion of net pension liability (asset)	239,695	-
Contributions subsequent to the measurement date of June 30, 2018	2,077,091	-
Total	<u>\$ 2,862,142</u>	<u>\$ 505,975</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Government's employer contributions of \$26,954,692 reported as pension related deferred outflows of resources, made subsequent to the measurement date but before June 30, 2019, 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 \$2,077,091 reported as pension related deferred outflows of resources, made subsequent to the measurement date but before June 30, 2019, 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:

Year Ending June 30,	Teacher Legacy Pension Plan	Teacher Retirement Plan
2020	\$ 4,135,128)	\$ (18,478)
2021	(10,620,022	(27,894)
2022	(16,269,247)	(70,189)
2023	(2,707,942)	7,350
2024	-	46,882
Thereafter	-	341,406

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

Actuarial Assumptions

The total pension liability in the June 30, 2018 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 are customized based on the June 30, 2016 actuarial experience study and included some adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2018 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 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
		<u>100.00 %</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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.

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	\$ 216,446,699	\$ (28,078,491)	\$ (230,389,019)
Teacher Retirement Plan	812,147	(5,253,194)	(9,721,914)

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, 2019, the Government reported a payable of \$889,385 for the outstanding amount of contributions to the pension plans required at the year ended June 30, 2019.

L. Defined Contribution Component to the Teacher Retirement Plan

The Teacher Retirement Plan is a hybrid plan that consists of a define 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 \$5,550,353 to the defined contribution plan for the fiscal year ended June 30, 2019, equal to 5% of the covered payroll of \$111,007,060.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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	\$ 5,338,143	\$ -	\$ 28
Metro	122,525,076	135,969,746	206,130,105
County Education	17,514,607	94,550	-
Metro Education	46,089,960	81,186	-
City	27,002,223	-	525
City Education	7,948,842	74,427	-
Teacher Legacy (TCRS)	(28,078,491)	49,213,604	47,720,898
Teacher Retirement (TCRS)	(5,253,194)	2,862,142	505,975
Total by plan	<u>\$ 193,087,166</u>	<u>\$ 188,295,655</u>	<u>\$ 254,357,531</u>
Reconciliation:			
Statement of Net Position:			
Primary government:			
Governmental activities	\$ 209,545,107	\$ 173,480,745	231,898,058
Business-type activities	11,505,978	10,102,090	15,314,810
Total primary government	<u>221,051,085</u>	<u>183,582,835</u>	<u>247,212,868</u>
Component units:			
Hospital Authority	2,200,840	1,932,307	2,929,385
Convention Center Authority	521,642	457,995	694,322
Total component units	<u>2,722,482</u>	<u>2,390,302</u>	<u>3,623,707</u>
Total Statement of Net Position	<u>223,773,567</u>	<u>185,973,137</u>	<u>250,836,575</u>
Add Charter Schools (1)	<u>2,645,284</u>	<u>2,322,518</u>	<u>3,520,956</u>
Less Statement of Net Position other assets	<u>(33,331,685)</u>	<u>-</u>	<u>-</u>
Total allocation	<u>\$ 193,087,166</u>	<u>\$ 188,295,655</u>	<u>\$ 254,357,531</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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 – 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%.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan	Total
Active employees	12,820	14,853	27,673
Active employees (with medical coverage)	11,060	5,682	16,742
Retired employees (with medical and life coverage)	8,080	3,736	11,816
Retired employees (with life coverage only)	1,386	1,415	2,801
Retiree spouses (with medical coverage)	-	1,246	1,246
Deferred vested employees	3,584	47	3,631
Retired employees receiving IOD benefits	768	-	768
Retired disabled employees receiving IOD benefits	107	-	107
Total participants	37,805	26,979	64,784

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Total OPEB Liability

The Government's total OPEB liability of \$4,562,824,091 (\$3,478,753,908 for the Metropolitan Government and \$1,084,070,183 for Metropolitan Nashville Public Schools) was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 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, 2019	June 30, 2019
Measurement date	June 30, 2019	June 30, 2019
Actuarial valuation method	entry age normal	entry age normal
Healthcare cost trends:		
Medical and Rx prescription drug	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	2.79%	2.79%
Salary increases	age weighted, decreasing increases at 10 year increments	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, 2019.

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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

C. Changes in the Total OPEB Liability

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan	Total
Balance at June 30, 2018	\$ 3,046,674,160	\$ 842,388,104	\$ 3,889,062,264
Changes for the year:			
Service cost	102,953,900	47,857,188	150,811,088
Interest	85,537,309	23,973,454	109,510,763
Difference between expected and actual experience	(38,208,225)	(2,276,475)	(40,484,700)
Changes in assumptions	365,571,459	203,109,626	568,681,085
Benefit payments	(83,774,695)	(30,981,714)	(114,756,409)
Net changes	432,079,748	241,682,079	673,761,827
Balance at June 30, 2019	<u>\$ 3,478,753,908</u>	<u>\$ 1,084,070,183</u>	<u>\$ 4,562,824,091</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 (1.79%) or 1-percentage-point higher (3.79%) than the current discount rate:

	1% Decrease (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
Metro Employees' Medical Benefit Plan	\$ 4,112,553,481	\$ 3,478,753,908	\$ 2,980,866,598
School Professional Employees' Insurance Plan	1,258,732,849	1,084,070,183	943,030,362
Total OPEB liability	<u>\$ 5,371,286,330</u>	<u>\$ 4,562,824,091</u>	<u>\$ 3,923,896,960</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 (6.5% decreasing to 5.75% over 3 years) or 1-percentage-point higher (8.5% decreasing to 7.75% over 3 years) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 5.75% over 3 years and following the Getzen model thereafter)	Cost Trend Rates (7.5% decreasing to 6.75% over 3 years and following the Getzen model thereafter)	1% Increase (8.5% decreasing to 7.75% over 3 years and following the Getzen model thereafter)
Metro Employees' Medical Benefit Plan	\$ 2,934,117,812	\$ 3,478,753,908	\$ 4,184,036,349
School Professional Employees' Insurance Plan	922,774,972	1,084,070,183	1,291,688,069
Total OPEB liability	<u>\$ 3,856,892,784</u>	<u>\$ 4,562,824,091</u>	<u>\$ 5,475,724,418</u>

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

For the year ended June 30, 2019, the Government recognized OPEB expense of \$242,572,313 for the Metro Employee's Medical Benefits Plan and \$94,145,436 for the School Professional Employee' Insurance Plan. For the year ended June 30, 2019, the Government reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Metro Employees' Medical Benefit Plan</u>		
Experience losses (gains)	\$ -	\$ (32,989,060)
Changes in assumptions	306,271,190	-
Total	<u>\$ 306,271,190</u>	<u>\$ (32,989,060)</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,	
2020	\$ 53,361,952
2021	53,361,952
2022	53,361,952
2023	53,361,952
2024	53,361,952

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>School Professional Employees' Insurance Plan</u>		
Experience losses (gains)	\$ -	\$ (2,023,533)
Changes in assumptions	180,541,890	-
Total	<u>\$ 180,541,890</u>	<u>\$ (2,023,533)</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,		
2020	\$ 22,314,794	
2021	22,314,794	
2022	22,314,794	
2023	22,314,794	
2024	22,314,794	
Thereafter	66,944,387	

Component Units

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

NOTE 9 – 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 10 – 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, 2019. 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, 2019 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, 2019 totaled \$1,979,268. Future minimum rental payments are as follows:

<u>Year Ending June 30</u>	
2020	\$ 2,165,601
2021	2,209,164
2022	2,253,111
2023	2,297,895
2024	727,156
Total future minimum lease payments	<u>\$ 9,652,927</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2019 was \$115,788. Future minimum rental payments are as follows:

<u>Year Ending June 30</u>	
2020	\$ 119,262
2021	122,840
2022	124,333
2023	130,707
2024	134,603
Total future minimum lease payments	<u>\$ 641,745</u>

The Government entered into two lease agreements in 2016 for temporary office space for employees of the Police Department during the construction of a new Police headquarters building which was completed in January 2019. Rent expense for the year ended June 30, 2019 for the two leases was \$1,190,838.

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, 2019 was \$295,800. Future minimum rental payments are as follows:

<u>Year Ending June 30</u>	
2020	\$ 310,764
2021	310,764
2022	310,764
2023	326,076
2024	326,076
2025	27,173
Total future minimum lease payments	<u>\$ 1,611,617</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 runs 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, 2019 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, 2019.

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 originally expired December 2017. The space is paid for and used by Nashville Downtown Partnership, Inc., a related nonprofit organization. In connection with the lease, the lessor provided rent reductions totaling \$42,120 for the year ended December 31, 2017 that has been reflected in the financial statements as contributions with an offsetting charge to expense. Under the terms of the lease, the lessor will continue to provide rent reductions of similar amounts each year of the lease. 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 \$104,985 for the year ended December 31, 2018.

During 2017, the above lease was amended to expire in December 2027. Beginning January 1, 2019, the lease no longer provides for reduced rent. Future minimum lease payments at December 31, 2017 are as follows:

<u>Years Ending December 31,</u>	<u>Annual Rent</u>
2019	\$ 107,400
2020	109,870
2021	112,397
2022	114,982
2023	117,627
Thereafter	498,191
Total	<u>\$ 1,060,467</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, 2019, 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, 2019 follows:

<u>Year Ending June 30</u>	
2020	\$ 4,188,611
2021	4,187,361
2022	4,180,962
2023	4,147,729
2024	4,147,729
2025	<u>1,766,624</u>
Total future minimum lease payments	22,619,016
Less:	
Amount representing interest	4,062,420
Current portion of capital lease	<u>2,908,163</u>
Long-term capitalized lease obligation	<u>\$ 15,648,433</u>

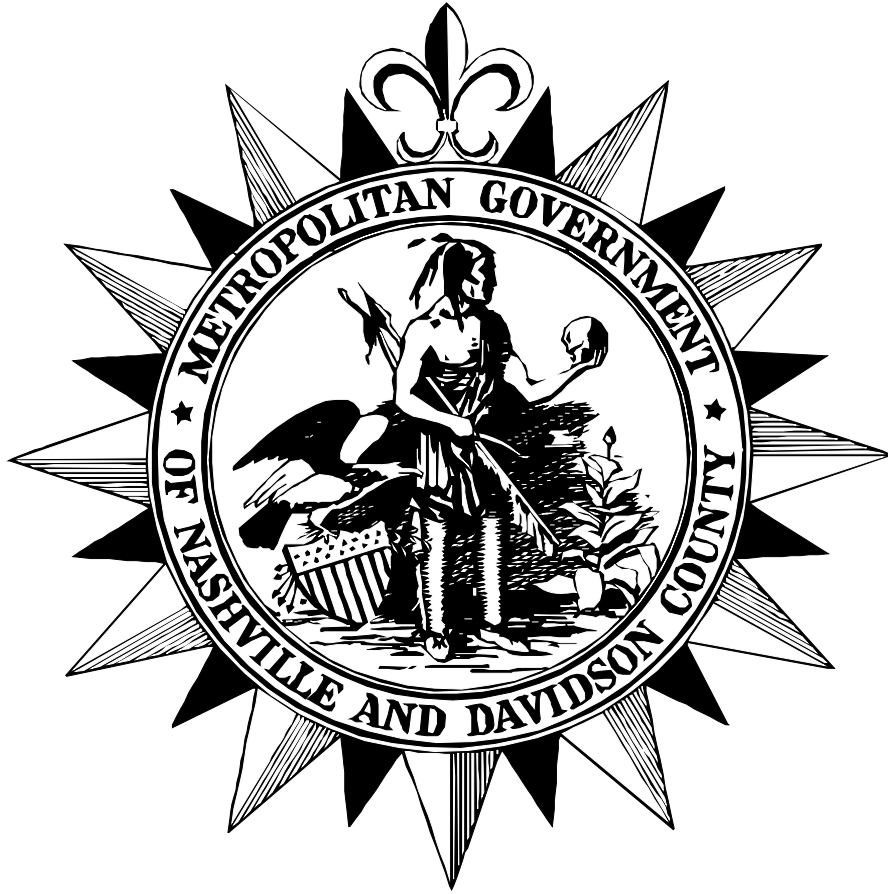
Convention Center Authority

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>
2020-2024	\$ 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, 2019 is \$32,533,640.

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 11 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2019, are attributable to unsettled balances at year-end, primarily for internal service billings and transfers between funds.

Balances at June 30, 2019 are as follows:

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES

For the Year Ended June 30, 2019

Due To	Due From					
	General Fund	General Purpose School 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,934
General Purpose School Fund	100,164	-	-	-	-	-
GSD General Purpose Debt Service Fund	-	-	-	-	-	-
USD General Purpose Debt Service Fund	-	-	-	-	-	-
GSD Capital Projects Fund	83,162	-	-	-	-	-
Education Capital Projects Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	7,844,821	1,585,289	-	-	-	36,353
Department of Water and Sewerage Services	555,432	206,886	-	-	-	-
Nonmajor Enterprise Funds	96,801	41,275	-	-	-	-
Internal Service Funds	371,635	141,464	11,962	6,166	1,690	40,959
Fiduciary Funds	6,221,642	60,644	-	-	-	-
Total Due to Other Funds of the Primary Government	<u>\$ 15,273,657</u>	<u>\$ 2,035,558</u>	<u>\$ 11,962</u>	<u>\$ 6,166</u>	<u>\$ 1,690</u>	<u>\$ 242,246</u>

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, 2019

Due From							
Education Capital Projects Fund	Nonmajor Governmental Funds	Department of Water and Sewerage Services	District Energy System	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Due from Other Funds of the Primary Government
\$ -	\$ 4,741,281	\$ 364,664	\$ 7,815	\$ 27,453	\$ 106,656	\$ 44,444	\$ 5,457,247
1,658,669	2,298,725	-	-	656,657	139,880	-	4,854,095
-	258,615	-	-	-	-	-	258,615
-	-	-	39,899	-	-	-	39,899
37,388	5,111,081	-	-	-	-	-	5,231,631
-	807	-	-	-	-	-	807
1,300,000	4,056,815	518	-	2,155	56,232	-	14,882,183
-	19,323,585	-	63,776	73,132	1,430	-	20,224,241
-	1,193,327	1,859,412	300	1,600	-	-	3,192,715
-	110,962	12,896	-	7,611	5,913	108,618	819,876
-	-	-	-	-	-	59,018	6,341,304
<u>\$ 2,996,057</u>	<u>\$ 37,095,198</u>	<u>\$ 2,237,490</u>	<u>\$ 111,790</u>	<u>\$ 768,608</u>	<u>\$ 310,111</u>	<u>\$ 212,080</u>	<u>\$ 61,302,613</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 – 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, 2019 consist of the following:

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 2019

Transferred From	Transferred To					
	General Fund	General Purpose School 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	\$ -	\$ 2,000,000	\$ 49,191,100	\$ 1,400,000	\$ 2,000,000	\$ -
General Purpose School Fund	192,000	-	-	-	-	-
GSD Capital Projects Fund	30,000	-	673,360	-	-	-
USD Capital Projects Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	18,660,012	3,412,681	2,398,135	1,618,699	583,400	6,000,000
Department of Water and Sewerage Services	5,988,700	-	-	-	-	-
District Energy System	4,200	-	-	-	-	-
Nonmajor Enterprise Funds	1,516,800	-	-	-	1,225,200	-
Internal Service Funds	1,933,000	-	4,000,000	-	-	-
Fiduciary Funds	-	584	-	-	-	-
Total Transfers In	<u>\$ 28,324,712</u>	<u>\$ 5,413,265</u>	<u>\$ 56,262,595</u>	<u>\$ 3,018,699</u>	<u>\$ 3,808,600</u>	<u>\$ 6,000,000</u>

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, 2019

Transferred To							
Education Capital Projects Fund	USD Capital Projects Fund	Nonmajor Governmental Funds	District Energy System	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Transfers Out
\$ -	\$ -	\$ 70,667,789	\$ 1,640,300	\$ 312,800	\$ 10,002,838	\$ 168,270	\$ 137,383,097
-	-	134,329,305	-	-	1,250,000	128,820	135,900,125
21,210,683	4,037,174	153,963	77,026	26,882,398	7,037,465	-	60,102,069
-	-	-	51,589	-	-	-	51,589
-	-	3,738	-	43,215	11,545,850	19,950	44,285,680
-	-	5,003,755	-	-	2,915,438	-	13,907,893
-	-	-	-	-	-	-	1,229,400
-	-	-	-	-	1,682,343	-	7,199,143
-	-	-	-	-	-	-	1,933,000
-	-	-	-	-	2,951,340	-	2,951,924
<u>\$ 21,210,683</u>	<u>\$ 4,037,174</u>	<u>\$ 210,158,550</u>	<u>\$ 1,768,915</u>	<u>\$ 27,238,413</u>	<u>\$ 37,385,274</u>	<u>\$ 317,040</u>	<u>\$ 404,943,920</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 – 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 \$38,798,428 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, 2018 and 2019

	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, 2017	\$ 2,674,931	\$ 7,412,375	\$ 9,219,267	\$ 15,777,000	\$ 5,226,000	\$ 40,309,573
Add: Provision for events of the current fiscal year	1,292,654	2,463,750	118,912,761	230,598,694	13,500,782	366,768,641
Deduct: Payments on claims during the fiscal year	917,372	3,869,894	119,544,174	229,678,694	14,656,782	368,666,916
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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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 \$36,395,467 at June 30, 2019 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, 2019, the governmental activities of the Government had commitments of \$202,591,241 for construction contracts.

At June 30, 2019, the Department of Water and Sewerage Services had commitments of \$40,250,921 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 are selected on a case by case basis.

The future related capital expenditures are expected to be between \$1 billion and \$1.5 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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

demand letter in fiscal year 2020. No penalties have been demanded for any delays in submitting reports and 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, 2020. 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 \$44.0 million for the year ended June 30, 2019 and reflected a net surplus of \$12.0 million at June 30, 2019. 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, 2019 (including total future interest of \$485,723,592) are as follows:

Component Unit Revenue Bonds or Agreements	Pledged Non-Tax Revenues of:	Date of Final Maturity/Payment	Outstanding at June 30, 2019
Sports Authority Refunding Series 2013B Taxable Revenue Bonds (Refunded 2004 Revenue Stadium)	GSD General Fund	Jul. 1, 2025	\$ 17,089,966
Sports Authority Refunding Series 2014 Bonds (Refunded 2004 Revenue Stadium)	GSD General Fund	Jul. 1, 2026	18,634,250
Sports Authority Taxable Revenue Bonds Series 2013A (Hockey Facility)	GSD General Fund	Jul. 1, 2033	16,248,160
Sports Authority Series 2012A Taxable Revenue Bonds (Upgrade to LP Field)	GSD General Fund	Jul. 1, 2033	25,685,894
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	189,000,000
Sports Authority Series 2013B Taxable Revenue Bonds (Ballpark)	USD General Fund	Jul. 1, 2043	19,287,585
Sports Authority Series 2013A Revenue Bonds (Ballpark)	USD General Fund	Jul. 1, 2043	87,929,321
Convention Center Authority Tourism Tax Taxable Revenue Bonds Series 2010B	GSD General Fund	Jul. 1, 2043	790,405,197
Public Finance Authority Taxable Parking Revenue Bonds Series 2014	USD General Fund	Nov. 1, 2044	72,038,219
Total Guarantees Extended			<u>\$ 1,236,318,592</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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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. 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, 2019:

Company	Grant Approval Date	Grant Commencement Date	Grant Period	Additional Grant Terms	Amount Payable for June 30, 2019	Amount Budgeted for 2019-2020
Dell Computer Corporation	August 1999	October 1, 1999	40 years	None	\$ 500,000	\$ 500,000
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.	360,500	410,500
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.	-	500,000
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.	764,500	668,500
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.	14,000	60,500
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.	-	-
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.	-	-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 will be paid at the time of conveyance to the Government.

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 expires of June 30, 2020. Either party shall be entitled to terminate the agreement at the end of each lease year, or the agreement will terminate in the event that Signature begins operation at the Relocation Site. The total paid to Signature during the year ended June 30, 2019 was \$3,492,008.

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, 2020. 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 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, 2019 was \$1,851,390.

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 statutes 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 substantially 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 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 by the Government upon thirty days' notice.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. During the year ended December 31, 2018, the Corporation recognized expense of \$2,500,804 related to the agreement. The agreement expires December 31, 2022.

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%. All unpaid principal and interest are due 180 days from the note's execution.

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 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 to provide cleaning and safety services for the Gulch Business Improvement District in exchange for a monthly fee. During the year ended December 31, 2018, \$35,288 was recognized as expense related to the agreement. 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.

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 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, 2019 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>
2020-2026	\$ 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 January 2017 the Authority committed \$19.9 million to begin construction of various capital projects on the convention center campus. These capital projects began immediately and were completed in fiscal 2019.

In May 2018 the Government and the Authority entered an agreement under which the Authority transferred a portion of certain "revenues" to the Government. "Revenues" refer to hotel motel tax revenues, room occupancy revenues, and campus sales tax revenues. 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. Beginning with fiscal 2020, the Authority was to transfer to the Government on an annual basis the greater of \$2.5 million or 5% of "revenues" in excess of \$2 million. The transfer was contingent on the Authority's ability to fully fund its operating expenses, debt service expenses, 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 to be paid no later than August 31, 2020.

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 14 - 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, 2019					
	General Fund	General Purpose School Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund
FUND BALANCES (DEFICITS):					
Nonspendable:					
Inventories of supplies	\$ 231,099	\$ 1,572,499	\$ -	\$ -	\$ -
Prepaid expenditures	281,014	1,000	-	-	-
Permanent fund principal	-	-	-	-	-
Total nonspendable	512,113	1,573,499	-	-	-
Restricted for:					
Public welfare	-	-	-	-	-
Convention center and tourism promotion	-	-	-	-	-
Education	-	-	-	-	-
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	-	-	-	-	-
Committed for:					
Education	-	37,173,788	-	-	-
Debt service	-	-	6,276,864	11,390,257	285,379
Equipment acquisitions (appropriated)	-	-	-	-	-
Equipment acquisitions (unappropriated)	-	-	-	-	-
Solid waste	-	-	-	-	-
General government	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Total committed	-	37,173,788	6,276,864	11,390,257	285,379
Assigned for:					
Subsequent year budgetary appropriation	7,300,000	-	-	-	-
Specific projects	6,307,278	2,569,824	-	-	-
Total assigned	13,607,278	2,569,824	-	-	-
Unassigned	77,325,526	-	-	-	-
Total fund balances (deficits)	\$ 91,444,917	\$ 41,317,111	\$ 6,276,864	\$ 11,390,257	\$ 285,379

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

FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2019

GSD Capital Projects Fund	Education Capital Projects Fund	USD Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,645,741	\$ 3,449,339
-	-	-	27	282,041
-	-	-	185,112	185,112
-	-	-	1,830,880	3,916,492
-	-	-	2,418,240	2,418,240
-	-	-	15,622,609	15,622,609
-	-	-	19,332,286	19,332,286
-	-	-	889,191	889,191
-	-	-	11,238,978	11,238,978
-	-	-	1,159,885	1,159,885
-	-	-	3,379,616	3,379,616
-	-	-	3,427,720	3,427,720
-	-	-	591,843	591,843
-	-	-	1,409,364	1,409,364
-	-	-	90,306	90,306
-	-	-	1,127,887	1,127,887
-	-	-	60,687,925	60,687,925
-	-	-	-	37,173,788
-	-	-	-	17,952,500
-	-	-	28,719,969	28,719,969
-	-	-	19,832,837	19,832,837
-	-	-	2,618,319	2,618,319
-	-	-	25,172,042	25,172,042
-	-	-	680,707	680,707
-	-	-	77,023,874	132,150,162
-	-	-	-	7,300,000
-	-	-	-	8,877,102
-	-	-	-	16,177,102
(199,329,070)	(47,772,212)	(7,492,138)	-	(177,267,894)
\$ (199,329,070)	\$ (47,772,212)	\$ (7,492,138)	\$ 139,542,679	\$ 35,663,787

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 – 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, 2019 are as follows:

Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
21,000 gallons, diesel	July 1, 2019	June 30, 2020	Pay \$2.2000 per gallon; Settlement based on NYMEX HO	A3
42,000 gallons, diesel	July 1, 2019	June 30, 2020	Pay \$2.2400 per gallon; Settlement based on NYMEX HO	Aa2
42,000 gallons, diesel	July 1, 2019	June 30, 2020	Pay \$2.3060 per gallon; Settlement based on NYMEX HO	Aa2
35,600 gallons, diesel	July 1, 2019	June 30, 2020	Pay \$2.1125 per gallon; Settlement based on NYMEX HO	Aa2
29,839 gallons, gasoline	July 1, 2019	June 30, 2020	Pay \$2.0400 per gallon; Settlement based on NYMEX HO RBOB	A3
29,839 gallons, gasoline	July 1, 2019	June 30, 2020	Pay \$2.0460 per gallon; Settlement based on XB-NYMEX-FUTURES	Aa2
29,839 gallons, gasoline	July 1, 2019	June 30, 2020	Pay \$1.9500 per gallon; Settlement based on XB-NYMEX-FUTURES	Aa2
29,484 gallons, gasoline	July 1, 2019	June 30, 2020	Pay \$1.9000 per gallon; Settlement based on XB-NYMEX-FUTURES	Aa2

The fair value of the fuel hedging instruments was a liability of \$815,901 at June 30, 2019, 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 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 16 – 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 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the fiscal year ended June 30, 2019 there were twelve PILOT agreements in force with tax abatements totaling \$8,782,711. 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.
- 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.
- 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.
- 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 that used in connection with the existing facilities expansion. Following a formal appeal by HCA, the personal property values for tax years 2014-2016 were reduced as per certified re-assessments by the State Board of Equalization. Consequently, these reductions are reflected in the abatement shown in the table below.
- Standard Candy Company, Inc. – The abatement commenced October 9, 2012 with the expansion of Standard's existing location. Standard will remit 50% of the standard tax for real property applicable to the building addition and 50% of the standard tax for personal property used in the building addition. The agreement expired December 31, 2018.
- 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.
- JGC Food Co., LLC – The abatement commenced December 31, 2013 with the renovation and improvement of an existing manufacturing facility under the original agreement with Oberto Sausage Company. On May 10, 2016, the Board accepted notice of assignment of the real property PILOT agreement to JCG Foods Co., LLC. Additionally, on that date the Board approved the equipment purchase option exercised by Oberto Sausage Company which ended the PILOT agreement on personal property.

JCG retained the Oberto Nashville plant employees. JGC will remit tax for real property equal to \$89,846 (tax year 2011 standard tax) plus 50% of the current year standard tax less \$89,846. The agreement expired December 30, 2018.

- 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 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- 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.
- 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).
- 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.

The following is a summary of the property tax abatements for the fiscal year ended June 20, 2019:

PILOT Agreement	Start Date	End Date	Abatement
Dell Computer Corporation	September 28, 1999	December 31, 2039	\$ 261,173
Omni Nashville, LLC	September 20, 2011	December 31, 2030	2,262,743
HealthSpring, Inc.	August 16, 2011	August 15, 2021	181,977
LifePoint Hospitals, Inc.	December 1, 2013	November 30, 2028	404,627
HCA Information and Technology Services, Inc.	December 31, 2013	December 30, 2020	556,967
Standard Candy Company, Inc.	December 9, 2012	December 31, 2018	-
AmSurg Corp.	January 23, 2015	December 31, 2023	323,425
JGC Food Co., LLC	December 31, 2013	December 30, 2018	15,368
Asurion, LLC	January 1, 2016	December 31, 2019	45,820
WCP Properties, LLC - affiliate of HCA Holdings, Inc.	December 28, 2016	December 27, 2031	2,071,206
Bridgestone Americas, Inc.	August 7, 2017	August 6, 2037	2,659,405
RHP Hotels, LLC (Ryman)	June 15, 2017	December 31, 2025	-
Total Abatement			<u>\$ 8,782,711</u>

NOTE 17 – SUBSEQUENT EVENTS

Primary Government

On August 5, 2019, the Government issued general obligation commercial paper notes in the amount of \$50,000,000 maturing on November 6, 2019 at an interest rate of 1.35%. These obligations were or will be refunded with rollover notes at their maturity dates.

On September 27, 2019, the Government issued general obligation commercial paper notes in the amount of \$50,000,000 maturing on January 7, 2020 at an interest rate of 1.43%. These obligations were or will be refunded with rollover notes at their maturity dates.

On September 3, 2019, the Government issued Water and Sewer commercial paper notes in the amount of \$25,000,000 with maturing on November 20, 2019, with various interest rates ranging from 1.40% to 1.70%. These obligations were or will be refunded with rollover notes at their maturity dates.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Component Units

On July 11, 2019 the Convention Center Authority approved the sponsorship of the National Museum of African American Music in the amount of \$6,000,000 to include the exclusive naming rights for "The Francis S. Guess Theatre" and other sponsorship benefits.

On December 13, 2018, the Metropolitan Development and Housing Agency (MDHA) assisted in the financing of the new construction of 101 mixed income affordable and market rate housing in the form of loans and equity contributions to CP II, LP. The MDHA Housing Trust Corporation has a .01% general partner interest in CP II, LP. The entity will be presented as a discretely presented component unit of MDHA in 2019.

On January 1, 2019, the Investor Member and Special Member of the Preston Taylor LLC (Company) sold their interests in the Company to MDHA for \$250,000. Effective March 31, 2019, subject to the necessary approvals by the U.S. Department of Housing and Urban Development and the Tennessee Housing Development Agency, the Preston Taylor directors and shareholders will terminate all leases, transfer the assets of the Company to MDHA as satisfaction of all indebtedness, and approve the dissolution of the Preston Taylor Corporation and the Preston Taylor LLC.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

CONDITION RATING OF TRANSPORTATION NETWORK (CONTINUED)

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

Percentage of Lane Miles in Fair or Better Condition

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
71.3 %	71.6 %	71.6 %	66.2 %	60.5 %

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 2018. 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 19 lane miles of roads added in 2019, bringing the total to 5,930 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Needed	<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>	<u>\$ 20,000,000</u>
Budgeted	\$ 30,000,000	\$ 35,000,000	\$ 35,000,000	\$ 20,000,000	\$ 30,000,000	\$ 20,000,000
Cumulative Spent	<u>4,001,201</u>	<u>25,939,374</u>	<u>33,309,756</u>	<u>19,315,136</u>	<u>27,995,953</u>	<u>19,225,912</u>
Difference	<u>\$ 25,998,799</u>	<u>\$ 9,060,626</u>	<u>\$ 1,690,244</u>	<u>\$ 684,864</u>	<u>\$ 2,004,047</u>	<u>\$ 774,088</u>

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

CONDITION RATING OF TRANSPORTATION NETWORK (CONTINUED)

Unaudited – See Accompanying Accountants' Report

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.

BRIDGES AND UNDERPASSES

<u>Percentage of Deck Area in Fair or Better Condition</u>					
<u>2019</u>		<u>2018</u>		<u>2017</u>	
98.0	%	98.0	%	97.0	%
				97.1	%
					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 late in calendar year 2017 and reported for fiscal 2018. 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 2017 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Needed	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ 15,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>
Budgeted	\$ 4,000,000	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 6,000,000	\$ -
Cumulative Spent	<u>1,808,856</u>	<u>-</u>	<u>9,749,856</u>	<u>8,654,198</u>	<u>5,847,484</u>	<u>-</u>
Difference	<u>\$ 2,191,144</u>	<u>\$ -</u>	<u>\$ 250,144</u>	<u>\$ 1,345,802</u>	<u>\$ 152,516</u>	<u>\$ -</u>

The **needed** amount represents the estimated amount that would need to be spent annually to maintain 75% of the bridges and underpasses 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. For 2014, the capital spending plan including \$18 million for bridges, which was all designated for the construction of a new Gulch connector bridge. There was no amount for bridges included in the 2018 capital spending plan.

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 continual funding in the capital plans and as reflected in the consistently high condition ratings.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>County Plan</u>			
Actuarially determined contribution	\$ 1,023,934	\$ 1,098,462	\$ 1,226,793
Contributions	1,023,934	1,098,462	1,226,793
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	- %	- %	- %
<u>Metro Plan</u>			
Actuarially determined contribution	\$ 70,638,794	\$ 66,281,669	\$ 58,957,156
Contributions	77,242,171	76,539,373	73,868,818
Contribution deficiency (excess)	\$ (6,603,377)	\$ (10,257,704)	\$ (14,911,662)
Covered payroll	\$ 623,435,266	\$ 577,129,309	\$ 538,698,977
Contributions as a percentage of covered payroll	12.39 %	13.26 %	13.71 %
<u>County Education Plan</u>			
Actuarially determined contribution	\$ 2,729,955	\$ 2,932,320	\$ 3,451,079
Contributions	2,729,955	2,932,320	3,451,079
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	- %	- %	- %
<u>Metro Education Plan</u>			
Actuarially determined contribution	\$ 7,900,193	\$ 9,424,805	\$ 10,943,447
Contributions	23,525,080	22,681,681	21,539,285
Contribution deficiency (excess)	\$ (15,624,887)	\$ (13,256,876)	\$ (10,595,838)
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	- %	- %	- %
<u>City Plan</u>			
Actuarially determined contribution	\$ 5,060,376	\$ 5,466,526	\$ 5,760,814
Contributions	5,060,376	5,466,526	5,760,814
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	- %	- %	- %
<u>City Education Plan</u>			
Actuarially determined contribution	\$ 1,238,054	\$ 1,307,430	\$ 1,512,381
Contributions	1,238,054	1,307,430	1,512,381
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	- %	- %	- %

(1) Information regarding contributions is only available for the last six fiscal years.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 1,376,864	\$ 1,473,420	\$ 1,413,489
1,376,864	1,473,442	1,571,769
<u>\$ -</u>	<u>\$ (22)</u>	<u>\$ (158,280)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %
\$ 60,266,986	\$ 79,682,979	\$ 87,643,045
85,676,490	94,045,896	87,643,045
<u>\$ (25,409,504)</u>	<u>\$ (14,362,917)</u>	<u>\$ -</u>
<u>\$ 531,266,978</u>	<u>\$ 513,759,048</u>	<u>\$ 556,220,289</u>
16.13 %	18.31 %	15.76 %
\$ 3,760,411	\$ 4,594,448	\$ 4,570,592
3,760,411	4,594,448	3,975,666
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,926</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %
\$ 12,289,725	\$ 13,593,369	\$ 14,708,257
20,620,889	18,340,834	18,808,832
<u>\$ (8,331,164)</u>	<u>\$ (4,747,465)</u>	<u>\$ (4,100,575)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %
\$ 6,134,921	\$ 6,688,724	\$ 6,650,683
6,134,921	6,688,827	7,223,872
<u>\$ -</u>	<u>\$ (103)</u>	<u>\$ (573,189)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
- %	- %	- %
\$ 1,600,371	\$ 2,427,465	\$ 2,190,063
1,600,371	2,427,465	1,932,219
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,844</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 SIX FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	County Plan	Metro Plan	County Education Plan	Metro Education Plan
Notes to Schedule				
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 SIX FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

City Plan	City Education Plan
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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>County Plan</u>			
Total pension liability			
Interest	\$ 395,459	\$ 438,808	\$ 504,073
Difference between expected and actual experience	24,411	(352,447)	(151,873)
Changes in assumptions	-	342,520	-
Benefit payments, including refunds of member contributions	(1,023,848)	(1,098,425)	(1,226,758)
Net change in total pension liability	(603,978)	(669,544)	(874,558)
Total pension liability - beginning	5,942,121	6,611,665	7,486,223
Total pension liability - ending (a)	<u>\$ 5,338,143</u>	<u>\$ 5,942,121</u>	<u>\$ 6,611,665</u>
Plan fiduciary net position			
Contributions - employer	\$ 1,023,934	\$ 1,098,462	\$ 1,226,793
Net investment income (loss)	(86)	(37)	(35)
Benefit payments, including refunds of member contributions	(1,023,848)	(1,098,425)	(1,226,758)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability - ending (a) - (b)	<u>\$ 5,338,143</u>	<u>\$ 5,942,121</u>	<u>\$ 6,611,665</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 six 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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 570,348	\$ 638,093	\$ 695,032
(115,892)	68,376	-
-	-	-
<u>(1,377,519)</u>	<u>(1,473,420)</u>	<u>(1,571,769)</u>
(923,063)	(766,951)	(876,737)
<u>8,409,286</u>	<u>9,176,237</u>	<u>10,052,974</u>
<u>\$ 7,486,223</u>	<u>\$ 8,409,286</u>	<u>\$ 9,176,237</u>
\$ 1,376,864	\$ 1,473,442	\$ 1,571,769
655	(22)	(39)
<u>(1,377,519)</u>	<u>(1,473,420)</u>	<u>(1,571,730)</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 7,486,223</u>	<u>\$ 8,409,286</u>	<u>\$ 9,176,237</u>
- %	- %	- %
\$ -	\$ -	\$ -
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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>Metro Plan</u>			
Total pension liability			
Service cost	\$ 55,009,556	\$ 51,260,915	\$ 47,633,085
Interest	234,271,280	221,805,983	215,468,983
Difference between expected and actual experience	66,297,147	(21,739,996)	(4,850,344)
Changes in assumptions	-	103,946,322	-
Benefit payments, including refunds of member contributions	(176,248,788)	(166,196,565)	(158,693,272)
Net change in total pension liability	179,329,195	189,076,659	99,558,452
Total pension liability - beginning	3,198,179,701	3,009,103,042	2,909,544,590
Total pension liability - ending (a)	<u>\$ 3,377,508,896</u>	<u>\$ 3,198,179,701</u>	<u>\$ 3,009,103,042</u>
Plan fiduciary net position			
Contributions - employer	\$ 77,242,171	\$ 76,539,373	\$ 73,868,818
Contributions - members	34,011	79,136	60,916
Net investment income	240,858,276	242,164,720	369,032,095
Transfers in	317,040	316,543	281,871
Benefit payments, including refunds of member contributions	(176,248,788)	(166,196,565)	(158,693,272)
Administrative expense	(3,790,632)	(4,590,257)	(4,518,466)
Net change in plan fiduciary net position	138,412,078	148,312,950	280,031,962
Plan fiduciary net position - beginning	3,116,571,742	2,968,258,792	2,688,226,830
Plan fiduciary net position - ending (b)	<u>\$ 3,254,983,820</u>	<u>\$ 3,116,571,742</u>	<u>\$ 2,968,258,792</u>
Net pension liability - ending (a) - (b)	<u>\$ 122,525,076</u>	<u>\$ 81,607,959</u>	<u>\$ 40,844,250</u>
Plan fiduciary net position as a percentage of the total pension liability	96.37 %	97.45 %	98.64 %
Covered payroll	\$ 623,435,266	\$ 577,129,309	\$ 538,698,977
Net pension liability as a percentage of covered payroll	19.65 %	14.14 %	7.58 %

(1) Information regarding the change in the net pension liability is only available for the last six 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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
<u>\$ 47,248,901</u>	<u>\$ 45,995,228</u>	<u>\$ 49,413,232</u>
208,309,697	202,724,640	200,086,120
(25,817,354)	(67,376,484)	-
-	-	-
<u>(152,601,796)</u>	<u>(146,745,385)</u>	<u>(140,187,828)</u>
77,139,448	34,597,999	109,311,524
<u>2,832,405,142</u>	<u>2,797,807,144</u>	<u>2,688,495,620</u>
<u>\$ 2,909,544,590</u>	<u>\$ 2,832,405,143</u>	<u>\$ 2,797,807,144</u>
\$ 85,676,490	\$ 94,045,896	\$ 87,643,045
73,171	57,996	73,973
6,343,038	124,578,432	410,309,219
244,632	169,363	132,383
(152,601,796)	(146,745,385)	(140,187,828)
<u>(15,004,614)</u>	<u>(5,974,504)</u>	<u>(2,888,963)</u>
(75,269,079)	66,131,798	355,081,829
<u>2,763,495,909</u>	<u>2,697,364,111</u>	<u>2,342,282,282</u>
<u>\$ 2,688,226,830</u>	<u>\$ 2,763,495,909</u>	<u>\$ 2,697,364,111</u>
<u>\$ 221,317,760</u>	<u>\$ 68,909,234</u>	<u>\$ 100,443,033</u>
92.39 %	97.57 %	96.41 %
\$ 531,266,978	\$ 513,759,048	\$ 556,220,289
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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>County Education Plan</u>			
Total pension liability			
Interest	\$ 1,889,633	\$ 2,094,216	\$ 2,410,942
Difference between expected and actual experience	161,058	(526,214)	(270,339)
Changes in assumptions	-	349,762	-
Benefit payments, including refunds of member contributions	(4,924,449)	(5,229,770)	(5,759,535)
Net change in total pension liability	(2,873,758)	(3,312,006)	(3,618,932)
Total pension liability - beginning	28,365,067	31,677,073	35,296,005
Total pension liability - ending (a)	<u>\$ 25,491,309</u>	<u>\$ 28,365,067</u>	<u>\$ 31,677,073</u>
Plan fiduciary net position			
Contributions - employer	\$ 2,729,955	\$ 2,932,320	\$ 3,451,079
Contributions - State of Tennessee	2,170,140	2,286,856	2,502,109
Net investment income	27,134	12,047	5,177
Benefit payments, including refunds of member contributions	(4,924,449)	(5,229,770)	(5,759,535)
Net change in plan fiduciary net position	2,780	1,453	198,830
Plan fiduciary net position - beginning	1,174,372	1,172,919	974,089
Plan fiduciary net position - ending (b)	<u>\$ 1,177,152</u>	<u>\$ 1,174,372</u>	<u>\$ 1,172,919</u>
Net pension liability - ending (a) - (b)	<u>\$ 24,314,157</u>	<u>\$ 27,190,695</u>	<u>\$ 30,504,154</u>
Plan fiduciary net position as a percentage of the total pension liability	4.62 %	4.14 %	3.70 %
Covered payroll	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A
Proportionate share of collective net pension liability:			
Employer	\$ 17,514,607	\$ 19,479,165	\$ 21,856,380
State of Tennessee	6,799,550	7,711,530	8,647,774
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 six 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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 2,679,861	\$ 2,944,102	\$ 3,138,071
(16,830)	1,090,757	-
-	-	-
<u>(6,230,661)</u>	<u>(6,670,328)</u>	<u>(6,959,832)</u>
(3,567,630)	(2,635,469)	(3,821,761)
<u>38,863,635</u>	<u>41,499,104</u>	<u>45,320,865</u>
<u>\$ 35,296,005</u>	<u>\$ 38,863,635</u>	<u>\$ 41,499,104</u>
\$ 3,760,411	\$ 4,594,448	\$ 3,975,666
2,683,194	2,831,644	2,983,251
4,979	402	915
<u>(6,230,661)</u>	<u>(6,670,328)</u>	<u>(6,959,832)</u>
217,923	756,166	-
<u>756,166</u>	<u>-</u>	<u>-</u>
<u>\$ 974,089</u>	<u>\$ 756,166</u>	<u>\$ -</u>
<u>\$ 34,321,916</u>	<u>\$ 38,107,469</u>	<u>\$ 41,499,104</u>
2.76 %	1.95 %	- %
\$ -	\$ -	\$ -
N/A	N/A	N/A
\$ 25,230,145	\$ 28,119,171	\$ 30,819,136
9,091,771	9,988,298	10,679,968
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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>Metro Education Plan</u>			
Total pension liability			
Interest	\$ 16,197,740	\$ 17,166,802	\$ 18,530,511
Difference between expected and actual experience	147,505	(1,192,513)	(3,102,795)
Changes in assumptions	-	3,758,964	-
Benefit payments, including refunds of member contributions	(30,274,284)	(31,087,074)	(31,686,860)
Net change in total pension liability	(13,929,039)	(11,353,821)	(16,259,144)
Total pension liability - beginning	238,406,734	249,760,555	266,019,699
Total pension liability - ending (a)	<u>\$ 224,477,695</u>	<u>\$ 238,406,734</u>	<u>\$ 249,760,555</u>
Plan fiduciary net position			
Contributions - employer	\$ 23,525,080	\$ 22,681,681	\$ 21,539,285
Contributions - State of Tennessee	10,482,030	10,935,092	11,315,146
Net investment income	7,262,507	6,156,974	8,965,201
Benefit payments, including refunds of member contributions	(30,274,284)	(31,087,074)	(31,686,860)
Administrative expense	(100,913)	(20,154)	(17,914)
Net change in plan fiduciary net position	10,894,420	8,666,519	10,114,858
Plan fiduciary net position - beginning	98,114,754	89,448,235	79,333,377
Plan fiduciary net position - ending (b)	<u>\$ 109,009,174</u>	<u>\$ 98,114,754</u>	<u>\$ 89,448,235</u>
Net pension liability - ending (a) - (b)	<u>\$ 115,468,521</u>	<u>\$ 140,291,980</u>	<u>\$ 160,312,320</u>
Plan fiduciary net position as a percentage of the total pension liability	48.56 %	41.15 %	35.81 %
Covered payroll	-	-	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A
Proportionate share of collective net pension liability:			
Employer	46,089,960	65,572,138	\$ 80,651,942
State of Tennessee	69,378,561	74,719,842	79,660,378
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 six 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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 19,702,025	\$ 20,961,496	\$ 22,092,743
(4,470,482)	(2,986,289)	-
-	-	-
(32,751,992)	(33,815,913)	(34,563,595)
(17,520,449)	(15,840,706)	(12,470,852)
283,540,148	299,380,854	311,851,706
<u>\$ 266,019,699</u>	<u>\$ 283,540,148</u>	<u>\$ 299,380,854</u>
\$ 20,620,889	\$ 18,340,834	\$ 18,808,832
11,713,047	12,196,548	12,635,252
180,416	3,663,454	12,453,816
(32,751,992)	(33,815,913)	(34,563,595)
(64,951)	(29,951)	(30,318)
(302,591)	354,972	9,303,987
79,635,968	79,280,996	69,977,009
<u>\$ 79,333,377</u>	<u>\$ 79,635,968</u>	<u>\$ 79,280,996</u>
<u>\$ 186,686,322</u>	<u>\$ 203,904,180</u>	<u>\$ 220,099,858</u>
29.82 %	28.09 %	26.48 %
\$ -	\$ -	-
N/A	N/A	N/A
\$ 101,574,332	\$ 112,853,583	123,003,473
85,111,990	91,050,597	97,096,385
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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>City Plan</u>			
Total pension liability			
Interest	\$ 1,996,349	\$ 2,213,373	\$ 2,528,113
Difference between expected and actual experience	56,340	(2,051,468)	2,347,731
Changes in assumptions	-	1,957,960	-
Benefit payments, including refunds of member contributions	(5,059,950)	(5,466,337)	(5,760,650)
Net change in total pension liability	(3,007,261)	(3,346,472)	(884,806)
Total pension liability - beginning	30,009,484	33,355,956	34,240,762
Total pension liability - ending (a) hard coded - should be per formula	<u>\$ 27,002,223</u>	<u>\$ 30,009,484</u>	<u>\$ 33,355,956</u>
Plan fiduciary net position			
Contributions - employer	\$ 5,060,376	\$ 5,466,526	\$ 5,760,814
Net investment income (loss)	(426)	(189)	(164)
Benefit payments, including refunds of member contributions	(5,059,950)	(5,466,337)	(5,760,650)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability - ending (a) - (b)	<u>\$ 27,002,223</u>	<u>\$ 30,009,484</u>	<u>\$ 33,355,956</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 six 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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 2,603,078	\$ 2,946,519	\$ 3,276,664
(1,111,344)	(722,290)	-
-	-	-
<u>(6,140,053)</u>	<u>(6,688,724)</u>	<u>(7,223,872)</u>
(4,648,319)	(4,464,495)	(3,947,208)
<u>38,889,081</u>	<u>43,353,576</u>	<u>47,300,784</u>
<u>\$ 34,240,762</u>	<u>\$ 38,889,081</u>	<u>\$ 43,353,576</u>
\$ 6,134,921	\$ 6,688,827	\$ 7,223,872
5,132	(103)	(186)
<u>(6,140,053)</u>	<u>(6,688,724)</u>	<u>(7,223,686)</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 34,240,762</u>	<u>\$ 38,889,081</u>	<u>\$ 43,353,576</u>
- %	- %	- %
\$ -	\$ -	\$ -
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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018	2017
<u>City Education Plan</u>			
Total pension liability			
Interest	\$ 912,142	\$ 1,027,350	\$ 1,105,404
Difference between expected and actual experience	153,472	1,129,389	(823,677)
Changes in assumptions	-	158,057	-
Benefit payments, including refunds of member contributions	(2,663,768)	(2,876,029)	(3,046,404)
Net change in total pension liability	(1,598,154)	(561,233)	(2,764,677)
Total pension liability - beginning	13,759,687	14,320,920	17,085,597
Total pension liability - ending (a)	<u>\$ 12,161,533</u>	<u>\$ 13,759,687</u>	<u>\$ 14,320,920</u>
Plan fiduciary net position			
Contributions - employer	\$ 1,238,054	\$ 1,307,430	\$ 1,512,381
Contributions - State of Tennessee	1,444,804	1,560,512	1,667,091
Net investment income	21,285	9,464	4,096
Benefit payments, including refunds of member contributions	(2,663,768)	(2,876,029)	(3,046,404)
Net change in plan fiduciary net position	40,375	1,377	137,164
Plan fiduciary net position - beginning	922,126	920,749	783,585
Plan fiduciary net position - ending (b)	<u>\$ 962,501</u>	<u>\$ 922,126</u>	<u>\$ 920,749</u>
Net pension liability - ending (a) - (b)	<u>\$ 11,199,032</u>	<u>\$ 12,837,561</u>	<u>\$ 13,400,171</u>
Plan fiduciary net position as a percentage of the total pension liability	7.91 %	6.70 %	6.43 %
Covered payroll	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A
Proportionate share of collective net pension liability:			
Employer	\$ 7,948,842	\$ 9,125,373	\$ 9,431,053
State of Tennessee	3,250,190	3,712,188	3,969,118
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 six 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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 1,305,770	\$ 1,463,455	\$ 1,567,660
(102,207)	830,248	-
-	-	-
<u>(3,260,870)</u>	<u>(3,666,567)</u>	<u>(3,908,042)</u>
(2,057,307)	(1,372,864)	(2,340,382)
<u>19,142,904</u>	<u>20,515,768</u>	<u>22,856,150</u>
<u>\$ 17,085,597</u>	<u>\$ 19,142,904</u>	<u>\$ 20,515,768</u>
\$ 1,600,371	\$ 2,427,465	\$ 1,932,219
1,804,508	1,874,231	1,975,167
4,141	306	656
<u>(3,260,870)</u>	<u>(3,666,567)</u>	<u>(3,908,042)</u>
148,150	635,435	-
<u>635,435</u>	<u>-</u>	<u>-</u>
<u>\$ 783,585</u>	<u>\$ 635,435</u>	<u>\$ -</u>
<u>\$ 16,302,012</u>	<u>\$ 18,507,469</u>	<u>\$ 20,515,768</u>
4.59 %	3.32 %	- %
\$ -	\$ -	\$ -
N/A	N/A	N/A
\$ 11,599,369	\$ 13,104,977	\$ 14,738,952
4,702,643	5,402,492	5,776,816
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,

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
2010	15.17



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE GOVERNMENT'S CONTRIBUTIONS
TEACHER PENSION PLANS OF THE TCRS

LAST SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019 (3)	2018	2017
<u>Teacher Legacy Pension Plan</u>			
Contractually required contribution	\$ 26,954,693	\$ 25,370,355	\$ 26,023,655
Contributions	26,954,693	25,370,355	26,023,655
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 257,690,123	\$ 279,409,159	\$ 288,101,769
Contributions as a percentage of covered payroll	10.46 %	9.08 %	9.03 %
<u>Teacher Retirement Plan (2)</u>			
Contractually required contribution	\$ 2,077,091	\$ 1,650,658	\$ 3,222,337
Contributions	2,077,091	4,048,842	3,222,337
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,398,184)</u>	<u>\$ -</u>
Covered payroll	\$ 112,675,025	\$ 101,721,173	\$ 80,335,323
Contributions as a percentage of covered payroll	1.94 %	3.98 %	4.01 %

(1) Information regarding contributions is only available for the last six 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.

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 SIX FISCAL YEARS (1)

Unaudited - See Accompanying Accountants' Report

2016	2015	2014
\$ 27,095,828	\$ 28,722,365	\$ 30,470,761
27,095,828	28,722,365	30,470,761
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 299,732,644	\$ 317,726,673	\$ 343,139,202
9.04 %	9.04 %	8.88 %
\$ 1,401,866	\$ 29,367	\$ N/A
2,240,133	1,174,675	N/A
<u>\$ (838,267)</u>	<u>\$ (1,145,308)</u>	<u>\$ N/A</u>
\$ 56,002,899	\$ 29,366,650	\$ N/A
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

	2018	2017	2016
<u>Teacher Legacy Pension Plan</u>			
The Government's proportion of the net pension liability (asset)	(7.98) %	(8.14) %	8.30 %
The Government's proportionate share of the net pension liability (asset)	\$ (28,078,491)	\$ (2,664,452)	\$ 51,891,059
The Government's covered payroll	\$ 279,409,159	\$ 288,101,769	\$ 299,732,644
The Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(10.05) %	(0.92) %	17.31 %
Plan fiduciary net position as a percentage of the total pension liability	101.49 %	100.14 %	97.14 %
<u>Teacher Retirement Plan (2)</u>			
The Government's proportion of the net pension liability (asset)	(11.58) %	(12.27) %	(12.73) %
The Government's proportionate share of the net pension liability (asset)	\$ (5,253,192)	\$ (3,238,283)	\$ (1,325,015)
The Government's covered payroll	\$ 101,221,173	\$ 80,335,323	\$ 56,002,899
The Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(5.19) %	(4.03) %	(2.37) %
Plan fiduciary net position as a percentage of the total pension liability	126.97 %	126.81 %	121.88 %

(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

2015	2014
8.49 %	(8.74) %
\$ 3,476,720	\$ (1,420,602)
\$ 317,726,673	\$ 343,139,202
1.09 %	(0.41) %
99.81 %	(100.08) %
(14.13) %	N/A %
\$ (568,609)	\$ N/A
\$ 29,366,650	\$ N/A
(1.94) %	N/A %
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 TWO YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018
<u>Metro Employees Medical Benefit Plan</u>		
Total OPEB liability		
Service cost	\$ 102,953,900	\$ 89,976,557
Interest	85,537,309	88,163,614
Differences between expected and actual experience	(38,208,225)	-
Changes in assumptions	365,571,459	-
Benefit payments	(83,774,695)	(75,805,562)
Net change in total OPEB liability	432,079,748	102,334,609
Total OPEB liability - beginning	3,046,674,160	2,944,339,551
Total OPEB liability - ending	<u>\$ 3,478,753,908</u>	<u>\$ 3,046,674,160</u>
Covered-employee payroll	\$ 563,034,083	\$ 551,057,810
Total OPEB liability as a percentage of covered-employee payroll	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, 2019, the following changes were made: The discount rate is 2.79% based on the S&P Municipal Bond 20 year High Grade Rate Index as of June 30, 2019, compared to the prior discount rate of 2.98%; the assumed trend rate for the medical claims was changed from 8% grading uniformly to an ultimate rate of 5.00% over 10 years to 7.50% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.

(1) Information regarding the change in the total OPEB liability is only available for the last two 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 TWO YEARS (1)

Unaudited - See Accompanying Accountants' Report

	2019	2018
<u>School Professional Employees' Insurance Plan</u>		
Total OPEB liability		
Service cost	\$ 47,857,188	\$ 40,017,730
Interest	23,973,454	24,376,739
Differences between expected and actual experience	(2,276,475)	-
Changes in assumptions	203,109,626	-
Benefit payments	(30,981,714)	(32,370,649)
Net change in total OPEB liability	241,682,079	32,023,820
Total OPEB liability - beginning	842,388,104	810,364,284
Total OPEB liability - ending	<u>\$ 1,084,070,183</u>	<u>\$ 842,388,104</u>
Covered-employee payroll	\$ 317,261,633	\$ 327,042,788
Total OPEB liability as a percentage of covered-employee payroll	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, 2019, the following changes were made: The discount rate is 2.79% based on the S&P Municipal Bond 20 year High Grade Rate Index as of June 30, 2019, compared to the prior discount rate of 2.98%; the assumed trend rate for the medical claims was changed from 8% grading uniformly to an ultimate rate of 5.00% over 10 years to 7.50% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075; the mortality rates were changed from based on historical assumptions to the decrement rate study completed for the State of Tennessee Teacher Plans.

(1) Information regarding the change in the total OPEB liability is only available for the last two years.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

	Special Revenue Funds		
	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations
ASSETS:			
Cash and cash equivalents	\$ 106,761	\$ 50,233,649	\$ 5,027,561
Investments	-	-	-
Accounts receivable	3,096,119	-	1,029,444
Accrued interest receivable	2,279	110,386	10,069
Due from other funds of the primary government	187,223	2,426,819	124,450
Inventories of supplies	-	-	-
Other assets	-	-	-
Total assets	<u>\$ 3,392,382</u>	<u>\$ 52,770,854</u>	<u>\$ 6,191,524</u>
LIABILITIES:			
Accounts payable	\$ 736,314	\$ 2,527,833	\$ 2,379,015
Accrued payroll	623,730	-	298,255
Due to other funds of the primary government	88,589	1,690,215	6,744
Due to component units	-	-	-
Other liabilities	<u>2,520</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,451,153</u>	<u>4,218,048</u>	<u>2,684,014</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - grants	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):			
Nonspendable	-	-	-
Restricted for other purposes	1,941,229	-	889,191
Committed for:			
Equipment acquisitions (appropriated)	-	28,719,969	-
Equipment acquisitions (unappropriated)	-	19,832,837	-
Other purposes	<u>-</u>	<u>-</u>	<u>2,618,319</u>
Total fund balances (deficits)	<u>1,941,229</u>	<u>48,552,806</u>	<u>3,507,510</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,392,382</u>	<u>\$ 52,770,854</u>	<u>\$ 6,191,524</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, 2019

Special Revenue Funds					
Flood 2010 Recovery	Education Services	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	CBID Events And Marketing
\$ 30,543,568	\$ 6,546,433	\$ 17,372,708	\$ 2,084,424	\$ 1,386,616	\$ 5,437,645
-	2,154,965	-	-	-	-
8,954,328	16,655,379	7,876,594	1,867,169	355,261	397,645
137,651	7,265	26,501	1,718	2,404	11,468
-	5,355,995	3,935,567	-	-	-
-	1,346,463	-	-	-	-
-	17	500,000	-	-	-
<u>\$ 39,635,547</u>	<u>\$ 32,066,517</u>	<u>\$ 29,711,370</u>	<u>\$ 3,953,311</u>	<u>\$ 1,744,281</u>	<u>\$ 5,846,758</u>
\$ 125,966	\$ 3,722,019	\$ 5,337,528	\$ -	\$ 1,087,500	\$ 50,000
-	755,560	-	-	-	-
19,316,275	2,388,249	2,886,941	3,935,567	-	-
-	-	12,317,831	17,744	-	-
-	-	-	-	-	-
<u>19,442,241</u>	<u>6,865,828</u>	<u>20,542,300</u>	<u>3,953,311</u>	<u>1,087,500</u>	<u>50,000</u>
<u>8,954,328</u>	<u>4,634,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,954,328</u>	<u>4,634,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,346,480	-	-	-	-
11,238,978	19,219,314	9,169,070	-	656,781	5,796,758
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,238,978</u>	<u>20,565,794</u>	<u>9,169,070</u>	<u>-</u>	<u>656,781</u>	<u>5,796,758</u>
<u>\$ 39,635,547</u>	<u>\$ 32,066,517</u>	<u>\$ 29,711,370</u>	<u>\$ 3,953,311</u>	<u>\$ 1,744,281</u>	<u>\$ 5,846,758</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, 2019

	Special Revenue Funds	Permanent Funds		Total Nonmajor Governmental Funds
	Other Government Services	General Government	Education	
ASSETS:				
Cash and cash equivalents	\$ 38,432,363	\$ 170,047	\$ 191,836	\$ 157,533,611
Investments	-	-	-	2,154,965
Accounts receivable	16,075,122	-	-	56,307,061
Accrued interest receivable	87,914	371	417	398,443
Due from other funds of the primary government	2,852,129	-	-	14,882,183
Inventories of supplies	299,278	-	-	1,645,741
Other assets	5,541	-	-	505,558
Total assets	<u>\$ 57,752,347</u>	<u>\$ 170,418</u>	<u>\$ 192,253</u>	<u>\$ 233,427,562</u>
LIABILITIES:				
Accounts payable	\$ 7,497,049	\$ -	\$ 163	\$ 23,463,387
Accrued payroll	1,146,873	-	-	2,824,418
Due to other funds of the primary government	6,782,618	-	-	37,095,198
Due to component units	-	-	-	12,335,575
Other liabilities	1,563,353	-	-	1,565,873
Total liabilities	<u>16,989,893</u>	<u>-</u>	<u>163</u>	<u>77,284,451</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	<u>3,011,209</u>	<u>-</u>	<u>-</u>	<u>16,600,432</u>
Total deferred inflows of resources	<u>3,011,209</u>	<u>-</u>	<u>-</u>	<u>16,600,432</u>
FUND BALANCES (DEFICITS):				
Nonspendable	299,288	105,994	79,118	1,830,880
Restricted for other purposes	11,599,208	64,424	112,972	60,687,925
Committed for:				
Equipment acquisitions (appropriated)	-	-	-	28,719,969
Equipment acquisitions (unappropriated)	-	-	-	19,832,837
Other purposes	25,852,749	-	-	28,471,068
Total fund balances (deficits)	<u>37,751,245</u>	<u>170,418</u>	<u>192,090</u>	<u>139,542,679</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 57,752,347</u>	<u>\$ 170,418</u>	<u>\$ 192,253</u>	<u>\$ 233,427,562</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

For the Year Ended June 30, 2019

	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	26,338	1,121,806	115,656
Revenues from other governmental agencies	21,277,451	-	437,430
Commissions and fees	-	-	-
Charges for current services	240,574	-	6,482,769
Compensation for loss, sale or damage to property	6,403	-	-
Contributions and gifts	23,980	-	-
Miscellaneous	390	-	37,776
Total revenues	21,575,136	1,121,806	7,073,631
EXPENDITURES:			
Current:			
General government	-	-	-
Fiscal administration	-	-	-
Administration of justice	-	-	-
Law enforcement and care of prisoners	-	-	-
Fire prevention and control	-	-	-
Regulation and inspection	-	-	-
Public welfare	26,625,240	-	-
Public health and hospitals	-	-	-
Public library system	-	-	-
Public works, highways and streets	-	-	28,981,649
Recreational and cultural	-	-	-
Education	-	-	-
Capital outlay	246	25,324,158	-
Total expenditures	26,625,486	25,324,158	28,981,649
Excess (deficiency) of revenues over expenditures	(5,050,350)	(24,202,352)	(21,908,018)
OTHER FINANCING SOURCES (USES):			
Transfers in	5,474,900	32,472,605	20,321,600
Transfers out	(19,950)	(17,592,803)	(636,800)
Total other financing sources (uses)	5,454,950	14,879,802	19,684,800
Net change in fund balances (deficits)	404,600	(9,322,550)	(2,223,218)
FUND BALANCES (DEFICITS), beginning of year	1,536,629	57,875,356	5,730,728
FUND BALANCES (DEFICITS), end of year	\$ 1,941,229	\$ 48,552,806	\$ 3,507,510

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, 2019

Special Revenue Funds					
Flood 2010 Recovery	Education Services	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	CBID Events And Marketing
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	87,167,245	21,251,448	4,076,961	-
-	-	-	-	-	-
1,353,183	140,819	223,289	17,744	26,308	104,222
1,975,848	151,588,602	-	-	-	2,423,711
-	-	-	-	-	-
-	13,780,300	-	-	-	-
-	1,948,922	-	-	-	-
-	4,011,361	-	-	-	-
-	3,031	-	-	-	-
<u>3,329,031</u>	<u>171,473,035</u>	<u>87,390,534</u>	<u>21,269,192</u>	<u>4,103,269</u>	<u>2,527,933</u>
698,208	-	69,584,889	21,269,192	4,175,000	1,100,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	294,639,813	-	-	-	-
-	4,839,453	-	-	-	-
<u>698,208</u>	<u>299,479,266</u>	<u>69,584,889</u>	<u>21,269,192</u>	<u>4,175,000</u>	<u>1,100,000</u>
<u>2,630,823</u>	<u>(128,006,231)</u>	<u>17,805,645</u>	<u>-</u>	<u>(71,731)</u>	<u>1,427,933</u>
-	129,579,576	-	-	-	-
-	(5,031,380)	(14,555,496)	-	-	-
-	124,548,196	(14,555,496)	-	-	-
2,630,823	(3,458,035)	3,250,149	-	(71,731)	1,427,933
<u>8,608,155</u>	<u>24,023,829</u>	<u>5,918,921</u>	<u>-</u>	<u>728,512</u>	<u>4,368,825</u>
<u>\$ 11,238,978</u>	<u>\$ 20,565,794</u>	<u>\$ 9,169,070</u>	<u>\$ -</u>	<u>\$ 656,781</u>	<u>\$ 5,796,758</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, 2019

	Special Revenue Funds	Permanent Funds		Total Nonmajor Governmental Funds
	Other Government Services	General Government	Education	
REVENUES:				
Property taxes	\$ 3,344,493	-	-	\$ 3,344,493
Other taxes, licenses and permits	519,705	-	-	113,015,359
Fines, forfeits and penalties	3,225,246	-	-	3,225,246
Revenues from the use of money or property	867,295	4,140	4,189	4,004,989
Revenues from other governmental agencies	49,275,689	-	-	226,978,731
Commissions and fees	8,893,569	-	-	8,893,569
Charges for current services	9,820,965	-	-	30,324,608
Compensation for loss, sale or damage to property	54,657	-	-	2,009,982
Contributions and gifts	9,533,599	-	-	13,568,940
Miscellaneous	1,088	-	-	42,285
Total revenues	85,536,306	4,140	4,189	405,408,202
EXPENDITURES:				
Current:				
General government	7,731,815	39,939	-	104,599,043
Fiscal administration	285,175	-	-	285,175
Administration of justice	10,538,338	-	-	10,538,338
Law enforcement and care of prisoners	23,107,385	-	-	23,107,385
Fire prevention and control	33,184	-	-	33,184
Regulation and inspection	96,487	-	-	96,487
Public welfare	20,291,829	-	-	46,917,069
Public health and hospitals	22,963,130	-	-	22,963,130
Public library system	1,053,862	-	-	1,053,862
Public works, highways and streets	13,897,285	-	-	42,878,934
Recreational and cultural	2,058,992	-	-	2,058,992
Education	-	-	1,102	294,640,915
Capital outlay	2,319,181	-	-	32,483,038
Total expenditures	104,376,663	39,939	1,102	581,655,552
Excess (deficiency) of revenues over expenditures	(18,840,357)	(35,799)	3,087	(176,247,350)
OTHER FINANCING SOURCES (USES):				
Transfers in	22,309,869	-	-	210,158,550
Transfers out	(6,449,251)	-	-	(44,285,680)
Total other financing sources (uses)	15,860,618	-	-	165,872,870
Net change in fund balances (deficits)	(2,979,739)	(35,799)	3,087	(10,374,480)
FUND BALANCES (DEFICITS), beginning of year	40,730,984	206,217	189,003	149,917,159
FUND BALANCES (DEFICITS), end of year	\$ 37,751,245	170,418	192,090	\$ 139,542,679

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Property taxes	\$ 95,402,400	\$ 95,402,400	\$ 95,105,677	\$ (296,723)
Local option sales tax	2,618,200	2,618,200	2,876,685	258,485
Fines, forfeits and penalties	287,500	287,500	207,489	(80,011)
Revenues from other governmental agencies	7,324,300	7,324,300	5,572,748	(1,751,552)
Compensation for loss, sale or damage to property	15,000,000	15,000,000	-	(15,000,000)
Bond interest tax credit	4,843,400	4,843,400	4,895,429	52,029
Total revenues	125,475,800	125,475,800	108,658,028	(16,817,772)
EXPENDITURES:				
Principal retirement	84,467,200	84,467,200	84,467,213	(13)
Interest	83,640,500	83,640,500	77,681,334	5,959,166
Fiscal charges	1,188,500	1,188,500	2,158,365	(969,865)
Total expenditures	169,296,200	169,296,200	164,306,912	4,989,288
Excess (deficiency) of revenues over expenditures	(43,820,400)	(43,820,400)	(55,648,884)	(11,828,484)
OTHER FINANCING SOURCES (USES):				
Transfers in	43,820,400	43,820,400	56,262,595	12,442,195
Total other financing sources (uses)	43,820,400	43,820,400	56,262,595	12,442,195
Net change in fund balances	-	-	613,711	613,711
FUND BALANCES, beginning of year	5,663,153	5,663,153	5,663,153	-
FUND BALANCES, end of year	\$ 5,663,153	\$ 5,663,153	\$ 6,276,864	\$ 613,711

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Property taxes	\$ 40,473,300	\$ 40,473,300	\$ 40,347,596	\$ (125,704)
Local option sales taxes	61,103,300	61,103,300	63,449,269	2,345,969
Revenues from the use of money or property	97,000	97,000	992,583	895,583
Total revenues	101,673,600	101,673,600	104,789,448	3,115,848
EXPENDITURES:				
Principal retirement	61,610,000	61,610,000	59,566,210	2,043,790
Interest	41,490,200	40,940,200	40,041,480	898,720
Fiscal charges	723,000	723,000	1,474,236	(751,236)
Total expenditures	103,823,200	103,273,200	101,081,926	2,191,274
Excess (deficiency) of revenues over expenditures	(2,149,600)	(1,599,600)	3,707,522	5,307,122
OTHER FINANCING SOURCES (USES):				
Transfers in	1,599,600	1,599,600	3,018,699	1,419,099
Total other financing sources (uses)	1,599,600	1,599,600	3,018,699	1,419,099
Net change in fund balances	(550,000)	-	6,726,221	6,726,221
FUND BALANCE, beginning of year	4,664,036	4,664,036	4,664,036	-
FUND BALANCE, end of year	\$ 4,114,036	\$ 4,664,036	\$ 11,390,257	\$ 6,726,221

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES:				
Property taxes	\$ 17,848,700	\$ 17,848,700	\$ 16,096,626	\$ (1,752,074)
Total revenues	17,848,700	17,848,700	16,096,626	(1,752,074)
EXPENDITURES:				
Principal retirement	13,742,600	13,742,600	11,357,597	2,385,003
Interest	5,727,600	5,727,600	8,464,485	(2,736,885)
Fiscal charges	187,100	187,100	321,917	(134,817)
Total expenditures	19,657,300	19,657,300	20,143,999	(486,699)
Excess (deficiency) of revenues over expenditures	(1,808,600)	(1,808,600)	(4,047,373)	(2,238,773)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,808,600	1,808,600	3,808,600	2,000,000
Total other financing sources (uses)	1,808,600	1,808,600	3,808,600	2,000,000
Net change in fund balances	-	-	(238,773)	(238,773)
FUND BALANCES, beginning of year	524,152	524,152	524,152	-
FUND BALANCES, end of year	\$ 524,152	\$ 524,152	\$ 285,379	\$ (238,773)

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.

EDUCATION SERVICES FUND

The Education Services Fund accounts for a variety of programs supporting educational activities including various state and federal grant programs, funds reserved for unemployment compensation claims of Metropolitan Nashville Public Schools employees, food service operations of the school system, and fund raising activities of individual schools.

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, 2019

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 543,464	\$ 337,919	\$ 3,076,251
Accounts receivable	100,915	-	7,816
Allowance for doubtful accounts	-	-	-
Accrued interest receivable	327	353	6,456
Due from other funds of the primary government	-	-	59,896
Due from component units	-	-	-
Other current assets	2,220	-	-
Total current assets	646,926	338,272	3,150,419
Noncurrent assets:			
Capital assets:			
Land	175,293	-	-
Buildings and improvements	8,693,917	3,451,463	-
Improvements other than buildings	3,781,300	163,589	-
Furniture, machinery and equipment	736,575	429,612	-
Property under capital lease	-	3,645,000	-
Construction in progress	27,681,398	125,017	-
Less accumulated depreciation	(11,338,265)	(4,296,249)	-
Capital assets - net	29,730,218	3,518,432	-
Total noncurrent assets	29,730,218	3,518,432	-
Total assets	30,377,144	3,856,704	3,150,419
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	161,946	48,337	69,785
Total deferred outflows of resources	161,946	48,337	69,785

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, 2019

Municipal Auditorium	Police Impound	Stormwater Operations	Total Nonmajor Enterprise Funds
\$ 3,118,330	\$ 726,294	\$ 37,756,433	\$ 45,558,691
19,231	-	4,175,245	4,303,207
-	-	(1,140,830)	(1,140,830)
6,527	1,578	84,468	99,709
-	-	3,132,819	3,192,715
-	-	300	300
-	-	-	2,220
<u>3,144,088</u>	<u>727,872</u>	<u>44,008,435</u>	<u>52,016,012</u>
587,400	-	-	762,693
12,887,896	-	-	25,033,276
84,651	-	-	4,029,540
844,496	-	-	2,010,683
-	-	-	3,645,000
4,841	-	-	27,811,256
(10,104,912)	-	-	(25,739,426)
<u>4,304,372</u>	<u>-</u>	<u>-</u>	<u>37,553,022</u>
<u>4,304,372</u>	<u>-</u>	<u>-</u>	<u>37,553,022</u>
<u>7,448,460</u>	<u>727,872</u>	<u>44,008,435</u>	<u>89,569,034</u>
<u>108,391</u>	<u>-</u>	<u>1,226,490</u>	<u>1,614,949</u>
<u>108,391</u>	<u>-</u>	<u>1,226,490</u>	<u>1,614,949</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, 2019

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 138,304	\$ 142,324	\$ 14,749
Accrued payroll	179,329	27,127	72,866
Due to other funds of the primary government	18,692	6,759	663,558
Due to component units	-	-	712
Customer deposits	-	10,190	-
Unearned revenue	39,950	-	-
Total current liabilities	376,275	186,400	751,885
Noncurrent liabilities:			
Net pension liability	184,452	55,055	79,483
Total noncurrent liabilities	184,452	55,055	79,483
Total liabilities	560,727	241,455	831,368
DEFERRED INFLOWS OF RESOURCES:			
Pensions	245,511	73,280	105,794
Total deferred inflows of resources	245,511	73,280	105,794
NET POSITION:			
Net investment in capital assets	29,730,218	3,518,432	-
Unrestricted	2,634	71,874	2,283,042
Total net position	\$ 29,732,852	\$ 3,590,306	\$ 2,283,042

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, 2019

Municipal Auditorium	Police Impound	Stormwater Operations	Total Nonmajor Enterprise Funds
\$ 82,973	\$ -	\$ 1,248,937	\$ 1,627,287
84,920	-	587,554	951,796
4,994	-	74,605	768,608
-	-	-	712
-	-	-	10,190
<u>1,748,786</u>	<u>-</u>	<u>-</u>	<u>1,788,736</u>
<u>1,921,673</u>	<u>-</u>	<u>1,911,096</u>	<u>5,147,329</u>
<u>123,455</u>	<u>-</u>	<u>1,396,935</u>	<u>1,839,380</u>
<u>123,455</u>	<u>-</u>	<u>1,396,935</u>	<u>1,839,380</u>
<u>2,045,128</u>	<u>-</u>	<u>3,308,031</u>	<u>6,986,709</u>
<u>164,322</u>	<u>-</u>	<u>1,859,364</u>	<u>2,448,271</u>
<u>164,322</u>	<u>-</u>	<u>1,859,364</u>	<u>2,448,271</u>
4,304,372	-	-	37,553,022
<u>1,043,029</u>	<u>727,872</u>	<u>40,067,530</u>	<u>44,195,981</u>
<u>\$ 5,347,401</u>	<u>\$ 727,872</u>	<u>\$ 40,067,530</u>	<u>\$ 81,749,003</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, 2019

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
OPERATING REVENUES:			
Charges for services	\$ 2,923,774	\$ 999,899	\$ 1,199,930
Total operating revenues	2,923,774	999,899	1,199,930
OPERATING EXPENSES:			
Personal services	1,385,494	351,651	471,703
Contractual services	1,420,849	1,344,594	136,176
Supplies and materials	113,475	27,322	4,951
Depreciation	369,975	292,750	-
Other	152,450	20,705	3,168
Total operating expenses	3,442,243	2,037,022	615,998
OPERATING INCOME (LOSS)	(518,469)	(1,037,123)	583,932
NONOPERATING REVENUE (EXPENSE):			
Investment income (expense)	4,784	(648)	56,555
Gain (loss) on sale of property	-	-	-
Other	-	-	-
Total nonoperating revenue (expense)	4,784	(648)	56,555
INCOME (LOSS) BEFORE TRANSFERS	(513,685)	(1,037,771)	640,487
TRANSFERS IN	26,200,596	1,025,017	-
TRANSFERS OUT	(193,500)	(93,600)	(312,400)
CHANGE IN NET POSITION	25,493,411	(106,354)	328,087
NET POSITION, beginning of year	4,239,441	3,696,660	1,954,955
NET POSITION, end of year	\$ 29,732,852	\$ 3,590,306	\$ 2,283,042

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, 2019

Municipal Auditorium	Police Impound	Stormwater Operations	Total Nonmajor Enterprise Funds
<u>\$ 2,314,255</u>	<u>\$ 502,184</u>	<u>\$ 36,016,714</u>	<u>\$ 43,956,756</u>
<u>2,314,255</u>	<u>502,184</u>	<u>36,016,714</u>	<u>43,956,756</u>
733,740	-	8,933,388	11,875,976
989,204	375,000	8,021,429	12,287,252
26,586	-	442,711	615,045
377,205	-	-	1,039,930
<u>62,039</u>	<u>-</u>	<u>189,730</u>	<u>428,092</u>
<u>2,188,774</u>	<u>375,000</u>	<u>17,587,258</u>	<u>26,246,295</u>
<u>125,481</u>	<u>127,184</u>	<u>18,429,456</u>	<u>17,710,461</u>
47,776	14,668	676,321	799,456
61	-	-	61
<u>-</u>	<u>-</u>	<u>237,000</u>	<u>237,000</u>
<u>47,837</u>	<u>14,668</u>	<u>913,321</u>	<u>1,036,517</u>
<u>173,318</u>	<u>141,852</u>	<u>19,342,777</u>	<u>18,746,978</u>
12,800	-	-	27,238,413
<u>(83,100)</u>	<u>-</u>	<u>(6,516,543)</u>	<u>(7,199,143)</u>
-	-	-	-
103,018	141,852	12,826,234	38,786,248
<u>5,244,383</u>	<u>586,020</u>	<u>27,241,296</u>	<u>42,962,755</u>
<u>\$ 5,347,401</u>	<u>\$ 727,872</u>	<u>\$ 40,067,530</u>	<u>\$ 81,749,003</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, 2019

	Board of Fair Commissioners	Farmers Market	Surplus Property Auction
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,861,482	\$ 1,019,899	\$ 1,752,221
Payments to suppliers	(1,704,597)	(1,493,804)	(131,738)
Payments to employees	(1,389,734)	(354,115)	(502,437)
Net cash provided by (used in) operating activities	(232,849)	(828,020)	1,118,046
Cash flows from noncapital financing activities:			
Transfers in	26,200,596	1,025,017	-
Transfers out	(193,500)	(93,600)	(312,400)
Net cash provided by (used in) noncapital financing activities	26,007,096	931,417	(312,400)
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(25,900,597)	(125,017)	-
Proceeds from the sale of property	-	-	-
Net cash provided by (used in) capital and related financing activities	(25,900,597)	(125,017)	-
Cash flows from investing activities:			
Interest on investments	5,225	(934)	53,069
Net cash provided by (used in) investing activities	5,225	(934)	53,069
Net changes in cash and cash equivalents	(121,125)	(22,554)	858,715
Cash and cash equivalents at beginning of year	664,589	360,473	2,217,536
Cash and cash equivalents at end of year	\$ 543,464	\$ 337,919	\$ 3,076,251

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, 2019

Municipal Auditorium	Police Impound	Stormwater Operations	Total Nonmajor Enterprise Funds
\$ 2,906,460	\$ 502,184	\$ 35,982,408	\$ 45,024,654
(1,069,411)	(375,000)	(7,697,780)	(12,472,330)
(767,956)	-	(8,441,052)	(11,455,294)
1,069,093	127,184	19,843,576	21,097,030
12,800	-	-	27,238,413
(83,100)	-	(6,516,543)	(7,199,143)
(70,300)	-	(6,516,543)	20,039,270
-	-	-	(26,025,614)
61	-	-	61
61	-	-	(26,025,553)
44,316	13,890	626,113	741,679
44,316	13,890	626,113	741,679
1,043,170	141,074	13,953,146	15,852,426
2,075,160	585,220	23,803,287	29,706,265
\$ 3,118,330	\$ 726,294	\$ 37,756,433	\$ 45,558,691

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, 2019

	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)	\$ (518,469)	\$ (1,037,123)	\$ 583,932
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	369,975	292,750	-
Provision for doubtful accounts	-	-	-
Other receipts	-	-	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	(41,941)	-	(1,998)
Due from other funds of the primary government	-	20,000	(59,896)
Due from component units	-	-	-
Other current assets	6,688	-	-
Deferred outflows pensions	(33,755)	(9,521)	(13,605)
Accounts payable	(18,617)	(102,663)	12,557
Accrued payroll	5,230	1,560	(24,617)
Due to other funds of the primary government	(5,894)	1,480	614,447
Due to component units	-	-	(262)
Unearned revenue	(20,351)	-	-
Net pension liability	18,761	4,884	6,869
Deferred inflows pensions	5,524	613	619
Total adjustments	285,620	209,103	534,114
Net cash provided by (used in) operating activities	\$ (232,849)	\$ (828,020)	\$ 1,118,046

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, 2019

Municipal Auditorium	Police Impound	Stormwater Operations	Total Nonmajor Enterprise Funds
<u>\$ 125,481</u>	<u>\$ 127,184</u>	<u>\$ 18,429,456</u>	<u>\$ 17,710,461</u>
377,205	-	-	1,039,930
-	-	193,322	193,322
-	-	237,000	237,000
2,518	-	(229,527)	(270,948)
-	-	2,099	(37,797)
-	-	(200)	(200)
569	-	-	7,257
(28,739)	-	(495,231)	(580,851)
7,081	-	666,095	564,453
(41,186)	-	45,437	(13,576)
768	-	52,995	663,796
-	-	-	(262)
589,687	-	-	569,336
20,503	-	451,760	502,777
15,206	-	490,370	512,332
<u>943,612</u>	<u>-</u>	<u>1,414,120</u>	<u>3,386,569</u>
<u>\$ 1,069,093</u>	<u>\$ 127,184</u>	<u>\$ 19,843,576</u>	<u>\$ 21,097,030</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, 2019

	Office of Fleet Management	Information Systems	School Self Insurance
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 6,534,794	\$ 4,871,224	\$ 4,250,351
Accounts receivable	12,460	226,194	-
Accrued interest receivable	13,801	12,793	9,394
Due from other funds of the primary government	48,811	398,763	-
Due from component units	-	96	-
Inventories of supplies	1,113,094	-	-
Other current assets	-	-	-
Total current assets	<u>7,722,960</u>	<u>5,509,070</u>	<u>4,259,745</u>
Noncurrent assets:			
Capital assets:			
Furniture, machinery and equipment	187,207,558	21,770,011	-
Less accumulated depreciation	<u>(134,456,284)</u>	<u>(13,206,503)</u>	<u>-</u>
Capital assets - net	<u>52,751,274</u>	<u>8,563,508</u>	<u>-</u>
Total assets	<u>60,474,234</u>	<u>14,072,578</u>	<u>4,259,745</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	2,622,400	798,977	31,888
Accrued payroll	734,447	2,116,600	-
Claims payable	-	-	1,689,051
Due to other funds of the primary government	<u>58,483</u>	<u>2,919</u>	<u>86</u>
Total current liabilities	<u>3,415,330</u>	<u>2,918,496</u>	<u>1,721,025</u>
Noncurrent liabilities:			
Claims payable	<u>-</u>	<u>-</u>	<u>1,952,206</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,952,206</u>
Total liabilities	<u>3,415,330</u>	<u>2,918,496</u>	<u>3,673,231</u>
NET POSITION:			
Net investment in capital assets	52,751,274	8,563,508	-
Unrestricted	<u>4,307,630</u>	<u>2,590,574</u>	<u>586,514</u>
Total net position	<u>\$ 57,058,904</u>	<u>\$ 11,154,082</u>	<u>\$ 586,514</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, 2019

General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured on Duty	Treasury Management
<u>\$ 18,353,246</u>	<u>\$ 23,906,346</u>	<u>\$ 96,717,437</u>	<u>\$ 28,812,160</u>	<u>\$ 33,846</u>
-	1,528,273	474,272	-	-
40,775	58,339	207,822	64,920	61
2,771	-	79,496	-	149,882
-	-	-	-	-
-	-	-	-	-
-	512,873	-	-	-
<u>18,396,792</u>	<u>26,005,831</u>	<u>97,479,027</u>	<u>28,877,080</u>	<u>183,789</u>
-	-	-	-	10,626
-	-	-	-	(10,626)
-	-	-	-	-
<u>18,396,792</u>	<u>26,005,831</u>	<u>97,479,027</u>	<u>28,877,080</u>	<u>183,789</u>
85,910	2,606,482	2,947,606	247,222	-
-	17,592	-	-	117,930
3,720,917	7,089,842	15,724,000	5,053,000	-
-	141,310	106,656	251	406
<u>3,806,827</u>	<u>9,855,226</u>	<u>18,778,262</u>	<u>5,300,473</u>	<u>118,336</u>
<u>3,569,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,569,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,376,239</u>	<u>9,855,226</u>	<u>18,778,262</u>	<u>5,300,473</u>	<u>118,336</u>
-	-	-	-	-
<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>\$ 11,020,553</u>	<u>\$ 16,150,605</u>	<u>\$ 78,700,765</u>	<u>\$ 23,576,607</u>	<u>\$ 65,453</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, 2019

	Technology Revolving	School Print Shop	Total Internal Service Funds
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 971,720	\$ 638,985	\$ 185,090,109
Accounts receivable	-	526	2,241,725
Accrued interest receivable	1,191	1,433	410,529
Due from other funds of the primary government	43,432	96,721	819,876
Due from component units	3,834	-	3,930
Inventories of supplies	-	-	1,113,094
Other current assets	-	-	512,873
Total current assets	1,020,177	737,665	190,192,136
Noncurrent assets:			
Capital assets:			
Furniture, machinery and equipment	-	276,896	209,265,091
Less accumulated depreciation	-	(276,896)	(147,950,309)
Capital assets - net	-	-	61,314,782
Total assets	1,020,177	737,665	251,506,918
LIABILITIES:			
Current liabilities:			
Accounts payable	30,066	2,648	9,373,199
Accrued payroll	-	22,036	3,008,605
Claims payable	-	-	33,276,810
Due to other funds of the primary government	-	-	310,111
Total current liabilities	30,066	24,684	45,968,725
Noncurrent liabilities:			
Claims payable	-	-	5,521,618
Total noncurrent liabilities	-	-	5,521,618
Total liabilities	30,066	24,684	51,490,343
NET POSITION:			
Net investment in capital assets	-	-	61,314,782
Unrestricted	990,111	712,981	138,701,793
Total net position	\$ 990,111	\$ 712,981	\$ 200,016,575

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, 2019

	Office of Fleet Management	Information Systems	School Self Insurance
OPERATING REVENUES:			
Charges for services	\$ 21,442,378	\$ 25,799,261	\$ -
Other	-	-	-
Total operating revenues	21,442,378	25,799,261	-
OPERATING EXPENSES:			
Personal services	5,183,237	13,656,250	82,778
Contractual services	6,587,493	6,988,536	706,501
Supplies and materials	9,613,595	470,465	-
Depreciation	16,669,949	2,391,894	-
Compensation for damages	-	-	1,280,795
Medical and insurance benefits	-	-	-
Other	92,645	4,230,493	3,965
Total operating expenses	38,146,919	27,737,638	2,074,039
OPERATING INCOME (LOSS)	(16,704,541)	(1,938,377)	(2,074,039)
NONOPERATING REVENUE (EXPENSE):			
Investment income	98,707	105,404	100,356
Gain (loss) on sale of property	(76,149)	-	-
Other	332,994	-	93,084
Total nonoperating revenue (expense)	355,552	105,404	193,440
INCOME (LOSS) BEFORE TRANSFERS	(16,348,989)	(1,832,973)	(1,880,599)
TRANSFERS IN	22,694,258	-	1,250,000
TRANSFERS OUT	-	-	-
CHANGE IN NET POSITION	6,345,269	(1,832,973)	(630,599)
NET POSITION, beginning of year	50,713,635	12,987,055	1,217,113
NET POSITION, end of year	\$ 57,058,904	\$ 11,154,082	\$ 586,514

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, 2019

General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	Treasury Management
\$ 6,873,036	\$ 132,117,484	\$ 231,018,913	\$ 1,235,500	\$ 810,723
-	809,863	13,333,930	398	-
<u>6,873,036</u>	<u>132,927,347</u>	<u>244,352,843</u>	<u>1,235,898</u>	<u>810,723</u>
214,876	399,111	454,821	-	793,057
3,249,034	6,762,116	6,337,440	2,120,636	33,681
-	66,241	12,968	-	3,782
-	-	-	-	-
4,702,109	-	-	-	-
-	118,245,916	242,950,029	13,369,547	-
-	231	10,000	115,788	4,401
<u>8,166,019</u>	<u>125,473,615</u>	<u>249,765,258</u>	<u>15,605,971</u>	<u>834,921</u>
<u>(1,292,983)</u>	<u>7,453,732</u>	<u>(5,412,415)</u>	<u>(14,370,073)</u>	<u>(24,198)</u>
413,184	443,434	2,080,478	689,296	1,137
-	-	-	-	-
-	88,555	(27,837)	-	-
<u>413,184</u>	<u>531,989</u>	<u>2,052,641</u>	<u>689,296</u>	<u>1,137</u>
<u>(879,799)</u>	<u>7,985,721</u>	<u>(3,359,774)</u>	<u>(13,680,777)</u>	<u>(23,061)</u>
225,176	-	2,951,340	9,764,500	-
(1,933,000)	-	-	-	-
<u>(2,587,623)</u>	<u>7,985,721</u>	<u>(408,434)</u>	<u>(3,916,277)</u>	<u>(23,061)</u>
<u>13,608,176</u>	<u>8,164,884</u>	<u>79,109,199</u>	<u>27,492,884</u>	<u>88,514</u>
<u>\$ 11,020,553</u>	<u>\$ 16,150,605</u>	<u>\$ 78,700,765</u>	<u>\$ 23,576,607</u>	<u>\$ 65,453</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, 2019

	Technology Revolving	School Print Shop	Total Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ 206,117	\$ 445,757	\$ 419,949,169
Other	-	-	14,144,191
Total operating revenues	206,117	445,757	434,093,360
OPERATING EXPENSES:			
Personal services	-	115,930	20,900,060
Contractual services	98,248	117,428	33,001,113
Supplies and materials	1,470,653	84,627	11,722,331
Depreciation	-	1,188	19,063,031
Compensation for damages	-	-	5,982,904
Medical and insurance benefits	-	-	374,565,492
Other	-	73,535	4,531,058
Total operating expenses	1,568,901	392,708	469,765,989
OPERATING INCOME (LOSS)	(1,362,784)	53,049	(35,672,629)
NONOPERATING REVENUE (EXPENSE):			
Investment income	26,496	14,628	3,973,120
Gain (loss) on sale of property	-	-	(76,149)
Other	-	-	486,796
Total nonoperating revenue (expense)	26,496	14,628	4,383,767
INCOME (LOSS) BEFORE TRANSFERS	(1,336,288)	67,677	(31,288,862)
TRANSFERS IN	500,000	-	37,385,274
TRANSFERS OUT	-	-	(1,933,000)
CHANGE IN NET POSITION	(836,288)	67,677	4,163,412
NET POSITION, beginning of year	1,826,399	645,304	195,853,163
NET POSITION, end of year	\$ 990,111	\$ 712,981	\$ 200,016,575

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, 2019

	Office of Fleet Management	Information Systems	School Self Insurance
Cash flows from operating activities:			
Receipts from customers and users	\$ 21,929,113	\$ 25,721,245	\$ 2,126
Payments to suppliers	(17,253,148)	(11,795,926)	(1,680,308)
Payments to employees	(5,152,514)	(13,727,015)	-
Other receipts	332,994	-	93,084
Other payments	-	-	-
Net cash provided by (used in) operating activities	(143,555)	198,304	(1,585,098)
Cash flows from noncapital financing activities:			
Transfers in	22,694,258	-	1,250,000
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	22,694,258	-	1,250,000
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(23,257,312)	-	-
Proceeds from the sale of property	13,026	-	-
Net cash provided by (used in) capital and related financing activities	(23,244,286)	-	-
Cash flows from investing activities:			
Interest on investments	94,022	99,714	97,112
Net cash provided by (used in) investing activities	94,022	99,714	97,112
Net changes in cash and cash equivalents	(599,561)	298,018	(237,986)
Cash and cash equivalents at beginning of year	7,134,355	4,573,206	4,488,337
Cash and cash equivalents at end of year	\$ 6,534,794	\$ 4,871,224	\$ 4,250,351

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, 2019

General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	Treasury Management
\$ 6,871,768	\$ 131,824,953	\$ 244,484,243	\$ 1,237,726	\$ 833,910
(7,059,053)	(125,839,882)	(252,784,662)	(14,530,916)	(42,355)
-	(401,510)	(454,821)	-	(787,702)
-	88,555	-	-	-
-	-	(27,837)	-	-
<u>(187,285)</u>	<u>5,672,116</u>	<u>(8,783,077)</u>	<u>(13,293,190)</u>	<u>3,853</u>
225,176	-	2,951,340	9,764,500	-
<u>(1,933,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,707,824)</u>	<u>-</u>	<u>2,951,340</u>	<u>9,764,500</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
399,824	413,870	2,004,999	669,666	1,106
<u>399,824</u>	<u>413,870</u>	<u>2,004,999</u>	<u>669,666</u>	<u>1,106</u>
(1,495,285)	6,085,986	(3,826,738)	(2,859,024)	4,959
<u>19,848,531</u>	<u>17,820,360</u>	<u>100,544,175</u>	<u>31,671,184</u>	<u>28,887</u>
<u>\$ 18,353,246</u>	<u>\$ 23,906,346</u>	<u>\$ 96,717,437</u>	<u>\$ 28,812,160</u>	<u>\$ 33,846</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, 2019

	Technology Revolving	School Print Shop	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 179,341	\$ 361,553	\$ 433,445,978
Payments to suppliers	(1,569,208)	(310,018)	(432,865,476)
Payments to employees	-	(115,713)	(20,639,275)
Other receipts	-	-	514,633
Other payments	-	-	(27,837)
Net cash provided by (used in) operating activities	(1,389,867)	(64,178)	(19,571,977)
Cash flows from noncapital financing activities:			
Transfers in	500,000	-	37,385,274
Transfers out	-	-	(1,933,000)
Net cash provided by (used in) noncapital financing activities	500,000	-	35,452,274
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	(23,257,312)
Proceeds from the sale of property	-	-	13,026
Net cash provided by (used in) capital and related financing activities	-	-	(23,244,286)
Cash flows from investing activities:			
Interest on investments	28,007	14,110	3,822,430
Net cash provided by (used in) investing activities	28,007	14,110	3,822,430
Net changes in cash and cash equivalents	(861,860)	(50,068)	(3,541,559)
Cash and cash equivalents at beginning of year	1,833,580	689,053	188,631,668
Cash and cash equivalents at end of year	\$ 971,720	\$ 638,985	\$ 185,090,109

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, 2019

	Office of Fleet Management	Information Systems	School Self Insurance
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (16,704,541)	\$ (1,938,377)	\$ (2,074,039)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	16,669,949	2,391,894	-
Other receipts	332,994	-	93,084
Other payments	-	-	-
Changes in assets and liabilities:			
Accounts receivable	339	(34,937)	-
Due from other funds of the primary government	486,396	(43,083)	2,126
Due from component units	-	4	-
Inventories of supplies	544,402	-	-
Accounts payable	444,380	(63,572)	(197,324)
Accrued payroll	30,723	(70,765)	-
Claims payable	-	-	591,044
Due to other funds of the primary government	(1,948,197)	(42,860)	11
Total adjustments	16,560,986	2,136,681	488,941
Net cash provided by (used in) operating activities	\$ (143,555)	\$ 198,304	\$ (1,585,098)

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, 2019

<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>
<u>\$ (1,292,983)</u>	<u>\$ 7,453,732</u>	<u>\$ (5,412,415)</u>	<u>\$ (14,370,073)</u>	<u>\$ (24,198)</u>
-	-	-	-	-
-	88,555	-	-	-
-	-	(27,837)	-	-
-	(1,528,157)	(51,909)	1,828	-
(1,268)	425,763	183,309	-	23,187
-	-	-	-	-
-	-	-	-	-
(175,006)	591,846	(2,590,894)	92,035	(491)
-	(2,399)	-	-	5,355
1,284,098	(1,498,012)	(973,000)	983,000	-
(2,126)	140,788	89,669	20	-
<u>1,105,698</u>	<u>(1,781,616)</u>	<u>(3,370,662)</u>	<u>1,076,883</u>	<u>28,051</u>
<u>\$ (187,285)</u>	<u>\$ 5,672,116</u>	<u>\$ (8,783,077)</u>	<u>\$ (13,293,190)</u>	<u>\$ 3,853</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, 2019

	Technology Revolving	School Print Shop	Total Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,362,784)	\$ 53,049	\$ (35,672,629)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	1,188	19,063,031
Other receipts	-	-	514,633
Other payments	-	-	(27,837)
Changes in assets and liabilities:			
Accounts receivable	-	(52)	(1,612,888)
Due from other funds of the primary government	(22,942)	(84,152)	969,336
Due from component units	(3,834)	-	(3,830)
Inventories of supplies	-	-	544,402
Accounts payable	(307)	(34,428)	(1,933,761)
Accrued payroll	-	217	(36,869)
Claims payable	-	-	387,130
Due to other funds of the primary government	-	-	(1,762,695)
Total adjustments	(27,083)	(117,227)	16,100,652
Net cash provided by (used in) operating activities	\$ (1,389,867)	\$ (64,178)	\$ (19,571,977)

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.

STORMWATER OPERATIONS

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

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DESCRIPTION OF PROPRIETARY FUNDS (CONTINUED)

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.

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, 2019

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
ASSETS:				
Cash and cash equivalents	\$ -	\$ 9,518,102	\$ 1,174,371	\$ 6,479,627
Investments, at fair value:				
Bank debt notes	-	94,018	-	2,859
Commingled funds U.S. debt	-	33,832,988	-	1,028,733
Conventional mortgages	-	60,669,947	-	1,844,743
Preferred stock	-	5,247,065	-	159,543
Common stock	-	321,042,007	-	9,761,670
Corporate bonds and notes	-	248,175,811	-	7,546,085
Emerging markets	-	1,082,222	-	32,906
Equity commingled funds	-	65,061,878	-	1,978,285
Bank loans	-	9,701,490	-	294,986
Commercial paper	-	1,551,574	-	47,177
Non agency mortgages/collateralized mortgage obligations	-	54,142,387	-	1,646,265
Other fixed income	-	244,522,048	-	7,434,988
Other securities	-	345,542,520	-	10,506,638
Venture capital and partnerships	-	1,812,428,381	-	55,109,074
Municipals	-	246,957	-	7,509
Registered investment companies	-	112,012,258	-	3,405,868
U.S. treasury securities	-	147,052,933	-	4,471,322
Cash collateral received - securities lending program	-	53,494,183	-	-
Accounts receivable	-	468,753,196	-	14,253,007
Accrued interest receivable	-	6,914,247	2,781	225,001
Due from other funds of the primary government	20	60,644	5	3,899,098
Total assets	20	4,001,146,856	1,177,157	130,135,384
LIABILITIES:				
Accounts payable	20	795,054	5	-
Due to brokers	-	691,747,215	-	21,033,410
Payable for collateral received - securities lending program	-	53,494,183	-	-
Due to other funds of the primary government	-	116,626	-	92,800
Due to component units	-	9,958	-	-
Total liabilities	20	746,163,036	5	21,126,210
NET POSITION:				
Restricted for pensions	-	3,254,983,820	1,177,152	109,009,174
Held in trust for other employee benefits	-	-	-	-
Total net position	\$ -	\$ 3,254,983,820	\$ 1,177,152	\$ 109,009,174

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, 2019

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
\$ -	\$ 960,324	\$ 1,309,607	\$ 500,393	\$ 19,942,424
-	-	-	-	96,877
-	-	-	-	34,861,721
-	-	-	-	62,514,690
-	-	-	-	5,406,608
-	-	-	-	330,803,677
-	-	-	-	255,721,896
-	-	-	-	1,115,128
-	-	-	-	67,040,163
-	-	-	-	9,996,476
-	-	-	-	1,598,751
-	-	-	-	55,788,652
-	-	-	-	251,957,036
-	-	-	-	356,049,158
-	-	-	-	1,867,537,455
-	-	-	-	254,466
-	-	-	-	115,418,126
-	-	-	-	151,524,255
-	-	-	-	53,494,183
-	-	-	-	483,006,203
-	2,177	2,824	1,065	7,148,095
92	-	-	-	3,959,859
92	962,501	1,312,431	501,458	4,135,235,899
92	-	2,638	-	797,809
-	-	-	-	712,780,625
-	-	-	-	53,494,183
-	-	2,654	-	212,080
-	-	-	-	9,958
92	-	5,292	-	767,294,655
-	962,501	-	-	3,366,132,647
-	-	1,307,139	501,458	1,808,597
\$ -	\$ 962,501	\$ 1,307,139	\$ 501,458	\$ 3,367,941,244

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, 2019

	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
ASSETS:					
Cash and cash equivalents	\$ 33,172,571	\$ 14,710,880	\$ 492,790	\$ 9,544,558	\$ 8,145,991
Investments:					
Mortgages and real estate	-	-	-	991,100	-
Mutual funds	-	19,113	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other funds of the primary government	-	-	-	-	-
Total assets	<u>\$ 33,172,571</u>	<u>\$ 14,729,993</u>	<u>\$ 492,790</u>	<u>\$ 10,535,658</u>	<u>\$ 8,145,991</u>
LIABILITIES:					
Funds held in custody for others	\$ 18,890,536	\$ 14,721,302	\$ -	\$ 7,919,529	\$ -
Other liabilities	<u>14,282,035</u>	<u>8,691</u>	<u>492,790</u>	<u>2,616,129</u>	<u>8,145,991</u>
Total liabilities	<u>\$ 33,172,571</u>	<u>\$ 14,729,993</u>	<u>\$ 492,790</u>	<u>\$ 10,535,658</u>	<u>\$ 8,145,991</u>

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, 2019

David Smith, Juvenile Court Clerk	Sold Property Tax Receivables	Sheriff Work Release and Inmate Trust	Planning Performance Bonds	Total Agency Funds
\$ 1,931,118	\$ 4,105,244	\$ 300,161	\$ 1,316,784	\$ 73,720,097
-	-	-	-	991,100
-	-	-	-	19,113
-	4,694	-	-	4,694
-	2,381,445	-	-	2,381,445
<u>\$ 1,931,118</u>	<u>\$ 6,491,383</u>	<u>\$ 300,161</u>	<u>\$ 1,316,784</u>	<u>\$ 77,116,449</u>
\$ 1,719,305	\$ 6,491,383	\$ 300,161	\$ 1,316,784	\$ 51,359,000
211,813	-	-	-	25,757,449
<u>\$ 1,931,118</u>	<u>\$ 6,491,383</u>	<u>\$ 300,161</u>	<u>\$ 1,316,784</u>	<u>\$ 77,116,449</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, 2019

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
ADDITIONS:				
Investment income:				
Interest and dividend income	\$ -	\$ 90,480,004	\$ 27,154	\$ 2,834,773
Net appreciation (depreciation) of investments	-	200,990,535	-	5,939,186
Miscellaneous	-	127,315	-	-
Net increase (decrease) in fair value of investments	-	291,597,854	27,154	8,773,959
Net income earned on securities lending transactions:				
Securities lending income	-	208,944	-	-
Securities lending expense	-	(41,772)	-	-
Net income earned on securities lending transactions	-	167,172	-	-
Less investment expenses	(86)	(50,906,750)	(20)	(1,511,452)
Net investment income (loss)	(86)	240,858,276	27,134	7,262,507
Contributions:				
Employee contributions	-	34,011	-	-
Employer contributions	1,023,934	77,242,171	2,729,955	23,525,080
Transfers in	-	317,040	-	-
Contributions from the State of Tennessee	-	-	2,170,140	10,482,030
Miscellaneous	-	-	-	-
Total contributions	1,023,934	77,593,222	4,900,095	34,007,110
Total additions	1,023,848	318,451,498	4,927,229	41,269,617
DEDUCTIONS:				
Pension and other employee benefits	1,023,848	176,248,788	4,924,449	30,274,284
Administrative expenses	-	3,790,632	-	100,913
Transfers out	-	-	-	-
Total deductions	1,023,848	180,039,420	4,924,449	30,375,197
Change in net position	-	138,412,078	2,780	10,894,420
NET POSITION, beginning of year	-	3,116,571,742	1,174,372	98,114,754
NET POSITION, end of year	\$ -	\$ 3,254,983,820	\$ 1,177,152	\$ 109,009,174

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, 2019

Closed City Plan	Teachers' Civil Service and Pension	Employees' Flexible Benefits Plan	Education Flexible Benefits Plan	Total Pension (and Other Employee Benefit) Trust Funds
\$ -	\$ 21,285	\$ 63,223	\$ 6,333	\$ 93,432,772
-	-	-	-	206,929,721
-	-	-	-	127,315
-	21,285	63,223	6,333	300,489,808
-	-	-	-	208,944
-	-	-	-	(41,772)
-	-	-	-	167,172
(426)	-	-	-	(52,418,734)
(426)	21,285	63,223	6,333	248,238,246
-	-	1,286,162	1,232,331	2,552,504
5,060,376	1,238,054	-	-	110,819,570
-	-	-	-	317,040
-	1,444,804	-	-	14,096,974
-	-	2,597,961	-	2,597,961
5,060,376	2,682,858	3,884,123	1,232,331	130,384,049
5,059,950	2,704,143	3,947,346	1,238,664	378,622,295
5,059,950	2,663,768	1,523,877	894,267	222,613,231
-	-	-	-	3,891,545
-	-	2,951,340	584	2,951,924
5,059,950	2,663,768	4,475,217	894,851	229,456,700
-	40,375	(527,871)	343,813	149,165,595
-	922,126	1,835,010	157,645	3,218,775,649
\$ -	\$ 962,501	\$ 1,307,139	\$ 501,458	\$ 3,367,941,244

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, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Richard R. Rooker, Circuit Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 18,892,665	\$ 84,284,210	\$ 70,004,304	\$ 33,172,571
LIABILITIES:				
Funds held in custody for others	\$ 9,991,399	\$ 12,898,564	\$ 3,999,427	\$ 18,890,536
Other liabilities	8,901,266	71,385,646	66,004,877	14,282,035
Total liabilities	\$ 18,892,665	\$ 84,284,210	\$ 70,004,304	\$ 33,172,571
<u>Maria M. Salas, Clerk and Master</u>				
ASSETS:				
Cash and cash equivalents	\$ 14,767,035	\$ 18,004,824	\$ 18,060,979	\$ 14,710,880
Mutual funds	18,583	1,496	966	19,113
Total assets	\$ 14,785,618	\$ 18,006,320	\$ 18,061,945	\$ 14,729,993
LIABILITIES:				
Funds held in custody for others	\$ 14,772,908	\$ 10,722,746	\$ 10,774,352	\$ 14,721,302
Other liabilities	12,710	7,283,574	7,287,593	8,691
Total liabilities	\$ 14,785,618	\$ 18,006,320	\$ 18,061,945	\$ 14,729,993
<u>Brenda Wynn, County Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 569,311	\$ 84,671,595	\$ 84,748,116	\$ 492,790
LIABILITIES:				
Other liabilities	\$ 569,311	\$ 84,671,595	\$ 84,748,116	\$ 492,790
<u>Howard Gentry, Criminal Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 10,963,933	\$ 7,126,210	\$ 8,545,585	\$ 9,544,558
Mortgages and real estate	1,291,100	-	300,000	991,100
Total assets	\$ 12,255,033	\$ 7,126,210	\$ 8,845,585	\$ 10,535,658
LIABILITIES:				
Funds held in custody for others	\$ 9,698,145	\$ 150,000	\$ 1,928,616	\$ 7,919,529
Other liabilities	2,556,888	6,976,210	6,916,969	2,616,129
Total liabilities	\$ 12,255,033	\$ 7,126,210	\$ 8,845,585	\$ 10,535,658

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, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Karen Johnson, County Register</u>				
ASSETS:				
Cash and cash equivalents	\$ 7,193,364	\$ 61,852,442	\$ 60,899,815	\$ 8,145,991
Other assets	128,617	-	128,617	-
Total assets	<u>\$ 7,321,981</u>	<u>\$ 61,852,442</u>	<u>\$ 61,028,432</u>	<u>\$ 8,145,991</u>
LIABILITIES:				
Other liabilities	<u>\$ 7,321,981</u>	<u>\$ 61,852,442</u>	<u>\$ 61,028,432</u>	<u>\$ 8,145,991</u>
 <u>David Smith, Juvenile Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 1,956,230</u>	<u>\$ 743,673</u>	<u>\$ 768,785</u>	<u>\$ 1,931,118</u>
LIABILITIES:				
Funds held in custody for others	\$ 1,732,769	\$ 140,708	\$ 154,172	\$ 1,719,305
Other liabilities	223,461	602,965	614,613	211,813
Total liabilities	<u>\$ 1,956,230</u>	<u>\$ 743,673</u>	<u>\$ 768,785</u>	<u>\$ 1,931,118</u>
 <u>Sold Property Tax Receivables</u>				
ASSETS:				
Cash and cash equivalents	\$ 2,459,130	\$ 32,757,401	\$ 31,111,287	\$ 4,105,244
Accrued interest receivable	2,057	28,320	25,683	4,694
Due from other funds of the primary government	1,721,803	2,381,446	1,721,804	2,381,445
Total assets	<u>\$ 4,182,990</u>	<u>\$ 35,167,167</u>	<u>\$ 32,858,774</u>	<u>\$ 6,491,383</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 4,182,990</u>	<u>\$ 35,167,167</u>	<u>\$ 32,858,774</u>	<u>\$ 6,491,383</u>
 <u>Sheriff Work Release and Inmate Trust</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 82,078</u>	<u>\$ 220,217</u>	<u>\$ 2,134</u>	<u>\$ 300,161</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 82,078</u>	<u>\$ 220,217</u>	<u>\$ 2,134</u>	<u>\$ 300,161</u>
 <u>Planning Performance Bonds</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 1,658,670</u>	<u>\$ 768,401</u>	<u>\$ 1,110,287</u>	<u>\$ 1,316,784</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 1,658,670</u>	<u>\$ 768,401</u>	<u>\$ 1,110,287</u>	<u>\$ 1,316,784</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, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Totals - All Agency Funds</u>				
ASSETS:				
Cash and cash equivalents	\$ 58,542,416	\$ 290,428,973	\$ 275,251,292	\$ 73,720,097
Investments:				
Mortgages and real estate	1,291,100	-	300,000	991,100
Mutual funds	18,583	1,496	966	19,113
Accrued interest receivable	2,057	28,320	25,683	4,694
Due from other funds of the primary government	1,721,803	2,381,446	1,721,804	2,381,445
Other assets	128,617	-	128,617	-
Total assets	<u>\$ 61,704,576</u>	<u>\$ 292,840,235</u>	<u>\$ 277,428,362</u>	<u>\$ 77,116,449</u>
LIABILITIES:				
Funds held in custody for others	\$ 42,118,959	\$ 60,067,803	\$ 50,827,762	\$ 51,359,000
Other liabilities	19,585,617	232,772,432	226,600,600	25,757,449
Total liabilities	<u>\$ 61,704,576</u>	<u>\$ 292,840,235</u>	<u>\$ 277,428,362</u>	<u>\$ 77,116,449</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
David Smith, 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, 2019

ASSETS:

Cash and cash equivalents	\$ 30,985,384
Investments	850,340
Accounts receivable	2,304,746
Accrued interest receivable	46,059
Notes receivable	28,872,213
Due from the primary government	<u>504</u>
Total assets	<u><u>\$ 63,059,246</u></u>

LIABILITIES:

Accounts payable	\$ 4,932,762
Accrued payroll	10,670
Due to the primary government	<u>4,230</u>
Total liabilities	<u>4,947,662</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	5,592
Restricted for debt service	13,172,580
Unassigned	<u>16,933,412</u>
Total fund balances	<u>30,111,584</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 63,059,246</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, 2019

Fund balances	\$ 30,111,584
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Amounts reported in the Statement of Net Position are different because:

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.

361,549,985

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.

Bonds payable	(121,135,000)
Line of credit	(15,445,598)
Less deferred charge on refunding	2,327,265
Add net bond premium/discount	(3,177,926)
Accrued interest payable	(2,993,242)
Compensated absences	(14,300)

Net position	<u>\$ 251,222,768</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

SPORTS AUTHORITY FUND

For the Year Ended June 30, 2019

REVENUES:

Local option sales tax	\$ 3,755,267
Other taxes, licenses and permits	3,074,439
Revenues from the use of money or property	1,939,355
Revenues from other governmental agencies	27,937,797
Charges for current services	5,916,460
Compensation for loss, sale or damage to property	<u>1,871,460</u>

Total revenues	<u>44,494,778</u>
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EXPENDITURES:

Personal services	275,332
Contractual services	24,794,834
Supplies and materials	9,279
Other costs	664,933
Capital outlay	193,080
Debt service:	
Principal retirement	10,669,900
Interest	<u>6,605,605</u>

Total expenditures	<u>43,212,963</u>
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Net change in fund balances	1,281,815
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FUND BALANCES, beginning of year	<u>28,829,769</u>
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FUND BALANCES, end of year	<u><u>\$ 30,111,584</u></u>
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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, 2019

Net change in fund balances	\$	1,281,815
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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	294,625
Depreciation expense	(17,324,854)

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	10,669,900
Amortization of deferred charge on refunding	(363,825)
Amortization of premium/discount	363,032
Change in accrued interest	(14,962)

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.	(1,536)
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Change in net position	\$	<u>(5,095,805)</u>
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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, 2019

ASSETS:

Cash and cash equivalents	\$ 646,955
Accounts receivable	11,038,027
Accrued interest receivable	<u>1,307</u>
Total assets	<u>\$ 11,686,289</u>

LIABILITIES:

Accounts payable	<u>\$ 11,038,132</u>
Total liabilities	<u>11,038,132</u>

FUND BALANCES:

Unassigned	<u>648,157</u>
Total fund balances	<u>648,157</u>
Total liabilities and fund balances	<u>\$ 11,686,289</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, 2019

REVENUES:

Revenue from the use of money or property	\$ 15,257
Revenue from other governmental agencies	<u>27,341,970</u>
Total revenues	<u>27,357,227</u>

EXPENDITURES:

Contractual services	303
Supplies and materials	21
Other costs	<u>27,341,970</u>
Total expenditures	<u>27,342,294</u>

Net change in fund balances	14,933
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FUND BALANCES, beginning of year	<u>633,224</u>
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FUND BALANCES, end of year	<u><u>\$ 648,157</u></u>
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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, 2019

	General Services District	Urban Services District	Total General Fund
ASSETS:			
Cash and cash equivalents	\$ 60,230,801	\$ 18,905,828	\$ 79,136,629
Sales tax receivable	25,432,570	-	25,432,570
Accounts receivable	58,780,510	2,981,144	61,761,654
Accrued interest receivable	52,332	35,603	87,935
Property taxes receivable	434,673,329	98,271,061	532,944,390
Allowance for doubtful accounts	(11,378,678)	(902,032)	(12,280,710)
Due from other funds of the primary government	5,313,081	144,166	5,457,247
Inventories of supplies	231,099	-	231,099
Other assets	281,013	-	281,013
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 573,616,057</u>	<u>\$ 119,435,770</u>	<u>\$ 693,051,827</u>
LIABILITIES:			
Accounts payable	\$ 20,961,477	\$ 1,039,424	\$ 22,000,901
Accrued payroll	23,042,513	2,781,301	25,823,814
Due to other funds of the primary government	12,636,851	2,636,806	15,273,657
Due to component units	172	-	172
Other liabilities	1,425,513	-	1,425,513
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>58,066,526</u>	<u>6,457,531</u>	<u>64,524,057</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	431,296,763	97,220,084	528,516,847
Unavailable revenue - other revenues	7,705,684	860,322	8,566,006
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflow of resources	<u>439,002,447</u>	<u>98,080,406</u>	<u>537,082,853</u>
FUND BALANCES:			
Nonspendable	512,113	-	512,113
Assigned for subsequent year budgetary appropriations	-	7,300,000	7,300,000
Assigned for specific projects	5,887,278	420,000	6,307,278
Unassigned	70,147,693	7,177,833	77,325,526
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>76,547,084</u>	<u>14,897,833</u>	<u>91,444,917</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 573,616,057</u>	<u>\$ 119,435,770</u>	<u>\$ 693,051,827</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, 2019

	General Services District	Urban Services District	Total General Fund
REVENUES:			
Property taxes	\$ 452,663,093	\$ 112,546,624	\$ 565,209,717
Local option sales tax	141,902,355	-	141,902,355
Other taxes, licenses and permits	149,658,678	11,222,978	160,881,656
Fines, forfeits and penalties	6,855,593	-	6,855,593
Revenues from the use of money or property	1,532,269	166,115	1,698,384
Revenues from other governmental agencies	122,686,048	1,774,600	124,460,648
Commissions and fees	17,058,875	-	17,058,875
Charges for current services	42,116,416	117,558	42,233,974
Compensation for loss, sale or damage to property	13,096,343	-	13,096,343
Contributions and gifts	318,780	-	318,780
Miscellaneous	897,243	-	897,243
Total revenues	<u>948,785,693</u>	<u>125,827,875</u>	<u>1,074,613,568</u>
EXPENDITURES:			
General government	51,342,987	-	51,342,987
Fiscal administration	24,085,812	-	24,085,812
Administration of justice	65,677,679	-	65,677,679
Law enforcement and care of prisoners	288,482,195	-	288,482,195
Fire prevention and control	59,547,662	71,063,960	130,611,622
Regulation and inspection	10,238,714	-	10,238,714
Conservation of natural resources	322,263	-	322,263
Public welfare	6,667,525	-	6,667,525
Public health and hospitals	66,464,916	-	66,464,916
Public library system	31,282,141	-	31,282,141
Public works, highways and streets	25,383,915	9,681,036	35,064,951
Recreational and cultural	43,787,806	-	43,787,806
Retiree benefits	67,833,976	20,021,813	87,855,789
Miscellaneous	106,338,918	2,548,275	108,887,193
Total expenditures	<u>847,456,509</u>	<u>103,315,084</u>	<u>950,771,593</u>
Excess of revenues over expenditures	<u>101,329,184</u>	<u>22,512,791</u>	<u>123,841,975</u>
OTHER FINANCING SOURCES (USES):			
Transfers in (1)	28,805,712	-	28,805,712
Transfers out (1)	<u>(122,111,697)</u>	<u>(15,752,400)</u>	<u>(137,864,097)</u>
Total other financing sources (uses)	<u>(93,305,985)</u>	<u>(15,752,400)</u>	<u>(109,058,385)</u>
Net change in fund balances	8,023,199	6,760,391	14,783,590
FUND BALANCES, beginning of year	<u>68,523,885</u>	<u>8,137,442</u>	<u>76,661,327</u>
FUND BALANCES, end of year	<u>\$ 76,547,084</u>	<u>\$ 14,897,833</u>	<u>\$ 91,444,917</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, 2019

	General Services District			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Property taxes	\$ 451,063,800	\$ 451,063,800	\$ 452,663,093	\$ 1,599,293
Local option sales tax	141,331,000	141,331,000	141,902,355	571,355
Other taxes, licenses and permits	146,969,700	146,969,700	149,658,678	2,688,978
Fines, forfeits and penalties	8,801,400	8,801,400	6,855,593	(1,945,807)
Revenues from the use of money or property	-	-	1,532,269	1,532,269
Revenues from other governmental agencies	118,572,000	118,572,000	122,686,048	4,114,048
Commissions and fees	15,431,100	15,431,100	17,058,875	1,627,775
Charges for current services	40,484,900	40,484,900	42,116,416	1,631,516
Compensation for loss, sale or damage to property	11,364,200	11,364,200	13,096,343	1,732,143
Contributions and gifts	-	-	318,780	318,780
Miscellaneous	544,100	544,100	897,243	353,143
Total revenues	934,562,200	934,562,200	948,785,693	14,223,493
EXPENDITURES:				
General government	53,412,000	53,599,000	51,342,987	2,256,013
Fiscal administration	25,130,000	25,627,900	24,085,812	1,542,088
Administration of justice	65,840,500	67,095,500	65,677,679	1,417,821
Law enforcement and care of prisoners	285,457,800	289,905,300	288,482,195	1,423,105
Fire prevention and control	58,039,200	59,557,400	59,547,662	9,738
Regulation and inspection	11,205,900	11,035,700	10,238,714	796,986
Conservation of natural resources	326,100	322,700	322,263	437
Public welfare	7,714,000	7,076,700	6,667,525	409,175
Public health and hospitals	68,927,300	69,200,000	66,464,916	2,735,084
Public library system	30,428,500	31,282,200	31,282,141	59
Public works, highways and streets	25,716,600	25,631,500	25,383,915	247,585
Recreational and cultural	44,402,700	44,478,200	43,787,806	690,394
Retiree benefits	68,328,100	68,328,100	67,833,976	494,124
Miscellaneous	121,202,100	120,226,100	106,338,918	13,887,182
Total expenditures	866,130,800	873,366,300	847,456,509	25,909,791
Excess (deficiency) of revenues over expenditures	68,431,400	61,195,900	101,329,184	40,133,284
OTHER FINANCING SOURCES (USES):				
Transfers in	26,961,800	27,051,800	28,805,712	1,753,912
Transfers out	(103,743,200)	(121,958,700)	(122,111,697)	(152,997)
Total other financing sources (uses)	(76,781,400)	(94,906,900)	(93,305,985)	1,600,915
Net change in fund balances	(8,350,000)	(33,711,000)	8,023,199	41,734,199
FUND BALANCES, beginning of year	68,523,885	68,523,885	68,523,885	-
FUND BALANCES, end of year	\$ 60,173,885	\$ 34,812,885	\$ 76,547,084	\$ 41,734,199

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, 2019

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		
\$ 109,098,200	\$ 109,098,200	\$ 112,546,624	\$ 3,448,424	\$ 560,162,000	\$ 560,162,000	\$ 565,209,717	\$ 5,047,717
-	-	-	-	141,331,000	141,331,000	141,902,355	571,355
11,327,700	11,327,700	11,222,978	(104,722)	158,297,400	158,297,400	160,881,656	2,584,256
-	-	-	-	8,801,400	8,801,400	6,855,593	(1,945,807)
-	-	166,115	166,115	-	-	1,698,384	1,698,384
1,863,200	1,863,200	1,774,600	(88,600)	120,435,200	120,435,200	124,460,648	4,025,448
-	-	-	-	15,431,100	15,431,100	17,058,875	1,627,775
124,800	124,800	117,558	(7,242)	40,609,700	40,609,700	42,233,974	1,624,274
100,000	100,000	-	(100,000)	11,464,200	11,464,200	13,096,343	1,632,143
-	-	-	-	-	-	318,780	318,780
-	-	-	-	544,100	544,100	897,243	353,143
122,513,900	122,513,900	125,827,875	3,313,975	1,057,076,100	1,057,076,100	1,074,613,568	17,537,468
-	-	-	-	53,412,000	53,599,000	51,342,987	2,256,013
-	-	-	-	25,130,000	25,627,900	24,085,812	1,542,088
-	-	-	-	65,840,500	67,095,500	65,677,679	1,417,821
-	-	-	-	285,457,800	289,905,300	288,482,195	1,423,105
70,014,200	71,064,000	71,063,960	40	128,053,400	130,621,400	130,611,622	9,778
-	-	-	-	11,205,900	11,035,700	10,238,714	796,986
-	-	-	-	326,100	322,700	322,263	437
-	-	-	-	7,714,000	7,076,700	6,667,525	409,175
-	-	-	-	68,927,300	69,200,000	66,464,916	2,735,084
-	-	-	-	30,428,500	31,282,200	31,282,141	59
10,265,900	10,074,000	9,681,036	392,964	35,982,500	35,705,500	35,064,951	640,549
-	-	-	-	44,402,700	44,478,200	43,787,806	690,394
20,451,200	20,451,200	20,021,813	429,387	88,779,300	88,779,300	87,855,789	923,511
6,591,700	6,932,700	2,548,275	4,384,425	127,793,800	127,158,800	108,887,193	18,271,607
107,323,000	108,521,900	103,315,084	5,206,816	973,453,800	981,888,200	950,771,593	31,116,607
15,190,900	13,992,000	22,512,791	8,520,791	83,622,300	75,187,900	123,841,975	48,654,075
-	-	-	-	26,961,800	27,051,800	28,805,712	1,753,912
(15,690,900)	(15,752,400)	(15,752,400)	-	(119,434,100)	(137,711,100)	(137,864,097)	(152,997)
(15,690,900)	(15,752,400)	(15,752,400)	-	(92,472,300)	(110,659,300)	(109,058,385)	1,600,915
(500,000)	(1,760,400)	6,760,391	8,520,791	(8,850,000)	(35,471,400)	14,783,590	50,254,990
8,137,442	8,137,442	8,137,442	-	76,661,327	76,661,327	76,661,327	-
\$ 7,637,442	\$ 6,377,042	\$ 14,897,833	\$ 8,520,791	\$ 67,811,327	\$ 41,189,927	\$ 91,444,917	\$ 50,254,990

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
<u>GENERAL GOVERNMENT:</u>				
Legislative (Office of Clerk and Council)	\$ 3,150,800	\$ 3,175,200	\$ 2,885,933	\$ 289,267
Executive (Office of the Mayor)	4,225,600	4,345,600	4,229,802	115,798
Office of Emergency Management	784,900	589,400	589,313	87
Election Commission	2,786,600	2,910,600	2,535,637	374,963
Department of Law	6,034,400	6,157,400	5,987,572	169,828
Planning Commission	4,957,200	4,799,900	4,717,823	82,077
Human Resources	5,300,700	5,430,700	5,117,235	313,465
County Register of Deeds	259,100	267,100	254,753	12,347
General Services	24,347,500	24,323,000	23,434,073	888,927
Historical Commission	1,083,800	1,112,600	1,112,527	73
Community Education Commission	481,400	487,500	478,319	9,181
Total General Government	53,412,000	53,599,000	51,342,987	2,256,013
<u>FISCAL ADMINISTRATION:</u>				
Department of Finance	9,065,300	9,343,000	8,766,656	576,344
Assessor of Property	7,603,800	7,759,600	7,497,323	262,277
Metropolitan Trustee	2,377,200	2,321,600	2,056,835	264,765
County Clerk	4,578,200	4,677,800	4,371,713	306,087
Internal Audit	1,505,500	1,525,900	1,393,285	132,615
Total Fiscal Administration	25,130,000	25,627,900	24,085,812	1,542,088
<u>ADMINISTRATION OF JUSTICE:</u>				
District Attorney	7,022,100	7,357,600	7,357,514	86
Public Defender	8,338,200	8,497,500	8,150,983	346,517
Juvenile Court Clerk	1,775,900	1,870,700	1,801,391	69,309
Circuit Court Clerk	3,240,000	3,345,200	2,946,440	398,760
Criminal Court Clerk	6,061,900	6,207,300	6,056,977	150,323
Clerk and Master	1,549,300	1,579,300	1,337,735	241,565
Juvenile Court	12,706,700	12,293,200	12,293,157	43
General Sessions Court	11,715,900	11,935,200	11,934,455	745
State Trial Courts	8,693,500	8,833,900	8,735,843	98,057
Justice Information System	2,485,700	2,889,900	2,889,865	35
Criminal Justice Planning	516,700	526,200	504,990	21,210
Office of Family Safety	1,734,600	1,759,500	1,668,329	91,171
Total Administration of Justice	65,840,500	67,095,500	65,677,679	1,417,821
<u>LAW ENFORCEMENT AND CARE OF PRISONERS:</u>				
Sheriff	72,998,400	75,047,400	75,047,329	71
Police Department	197,302,800	199,171,100	199,025,037	146,063
Emergency Communication Center	15,156,600	15,311,800	14,346,057	965,743
Community Oversight Board	-	375,000	63,772	311,228
Total Law Enforcement and Care of Prisoners	285,457,800	289,905,300	288,482,195	1,423,105

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	\$ 58,039,200	\$ 59,557,400	\$ 59,547,662	\$ 9,738
 <u>REGULATION AND INSPECTION:</u>				
Department of Codes Administration	10,785,800	10,590,500	9,793,600	796,900
Beer Board	420,100	445,200	445,114	86
Total Regulation and Inspection	11,205,900	11,035,700	10,238,714	796,986
 <u>CONSERVATION OF NATURAL RESOURCES:</u>				
Agricultural Extension Service	326,100	322,700	322,263	437
Total Conservation of Natural Resources	326,100	322,700	322,263	437
 <u>PUBLIC WELFARE:</u>				
Social Services Commission	7,221,900	6,580,200	6,172,750	407,450
Human Relations Commission	492,100	496,500	494,775	1,725
Total Public Welfare	7,714,000	7,076,700	6,667,525	409,175
 <u>PUBLIC HEALTH AND HOSPITALS:</u>				
Board of Health	22,815,200	23,087,900	22,458,911	628,989
Hospital Authority	46,112,100	46,112,100	44,006,005	2,106,095
Total Public Health and Hospitals	68,927,300	69,200,000	66,464,916	2,735,084
 <u>PUBLIC LIBRARY SYSTEM:</u>				
Public Library	30,428,500	31,282,200	31,282,141	59
 <u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	25,716,600	25,631,500	25,383,915	247,585
 <u>RECREATIONAL AND CULTURAL:</u>				
Parks and Recreation	39,899,900	39,972,600	39,379,623	592,977
Arts Commission	3,643,700	3,662,400	3,564,983	97,417
Sports Authority	859,100	843,200	843,200	-
Total Recreational and Cultural	44,402,700	44,478,200	43,787,806	690,394

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
<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	54,231,000	54,231,000	54,192,256	38,744
Unemployment Compensation	100,000	100,000	93,813	6,187
Employer's Contribution for Group Life Insurance	3,594,800	3,594,800	3,145,607	449,193
Total Employee Benefits	68,328,100	68,328,100	67,833,976	494,124
<u>MISCELLANEOUS:</u>				
Contributions and Community Support	30,219,800	30,219,800	28,627,184	1,592,616
Subsidies	48,635,900	48,635,900	48,635,900	-
Administration and Internal Support	42,346,400	41,370,400	29,075,834	12,294,566
Total Miscellaneous	121,202,100	120,226,100	106,338,918	13,887,182
Total Expenditures	\$ 866,130,800	\$ 873,366,300	\$ 847,456,509	\$ 25,909,791
<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	16,906,100	16,906,100	18,660,012	1,753,912
Water and Sewerage Services	5,988,700	5,988,700	5,988,700	-
District Energy System	4,200	4,200	4,200	-
Nonmajor Enterprise Funds	1,426,800	1,516,800	1,516,800	-
Internal Service Funds	1,933,000	1,933,000	1,933,000	-
Total Transfers In	26,961,800	27,051,800	28,805,712	1,753,912
<u>TRANSFERS OUT:</u>				
General Purpose School Fund	(2,000,000)	(2,000,000)	(2,000,000)	-
GSD General Purpose Debt Service Fund	(34,069,800)	(49,191,100)	(49,191,100)	-
GSD School Purpose Debt Service Fund	-	(1,400,000)	(1,400,000)	-
USD General Purpose Debt Service Fund	-	(2,000,000)	(2,000,000)	-
Nonmajor Governmental Funds	(56,644,800)	(56,019,800)	(56,061,489)	(41,689)
District Energy System	(1,640,300)	(1,640,300)	(1,640,300)	-
Nonmajor Enterprise Funds	(12,800)	(312,800)	(312,800)	-
Internal Service Funds	(9,299,400)	(9,318,600)	(9,337,738)	(19,138)
Fiduciary Funds	(76,100)	(76,100)	(168,270)	(92,170)
Total Transfers Out	(103,743,200)	(121,958,700)	(122,111,697)	(152,997)
Total Other Financing Sources (Uses)	\$ (76,781,400)	\$ (94,906,900)	\$ (93,305,985)	\$ 1,600,915

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	\$ 70,014,200	\$ 71,064,000	\$ 71,063,960	\$ 40
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	10,265,900	10,074,000	9,681,036	392,964
<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	1,500,200	1,500,200	1,089,303	410,897
Employer's Contribution for Group Life Insurance	60,900	60,900	42,410	18,490
Total Employee Benefits	20,451,200	20,451,200	20,021,813	429,387
<u>MISCELLANEOUS:</u>				
Administration and Internal Support	6,591,700	6,932,700	2,548,275	4,384,425
Total Miscellaneous	6,591,700	6,932,700	2,548,275	4,384,425
Total Expenditures	\$ 107,323,000	\$ 108,521,900	\$ 103,315,084	\$ 5,206,816
<u>TRANSFERS OUT:</u>				
GSD General Fund	\$ (481,000)	\$ (481,000)	\$ (481,000)	\$ -
Nonmajor Governmental Funds	(14,544,800)	(14,606,300)	(14,606,300)	-
Internal Service Funds	(665,100)	(665,100)	(665,100)	-
Total Transfers Out	(15,690,900)	(15,752,400)	(15,752,400)	-
Total Other Financing Sources (Uses)	\$ (15,690,900)	\$ (15,752,400)	\$ (15,752,400)	\$ -

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND

June 30, 2019

	Total Delinquent Property Taxes Receivable	General Services District				
		Total	General Fund	School Fund	Debt Service Fund	School Debt Service Fund
2018 Realty	\$ 682,070	\$ 589,685	\$ 281,108	\$ 216,461	\$ 64,677	\$ 27,439
2018 Personalty	1,675,280	1,464,346	699,124	536,790	160,389	68,043
2018 Public Utility	78,565	71,890	34,533	26,205	7,830	3,322
Total 2017 Property Taxes	2,435,915	2,125,921	1,014,765	779,456	232,896	98,804
2017 Realty	340,742	295,223	140,777	108,341	32,372	13,733
2017 Personalty	564,498	498,186	238,160	182,403	54,501	23,122
2017 Public Utility	31,287	26,824	12,772	9,857	2,945	1,250
Total 2016 Property Taxes	936,527	820,233	391,709	300,601	89,818	38,105
2016 & Prior - Realty	685,731	624,677	302,606	223,616	69,288	29,167
2016 & Prior - Personalty	5,119,141	4,510,582	2,199,007	1,592,049	512,398	207,128
2016 & Prior - Public Utility	429,086	368,246	178,060	130,075	41,554	18,557
Total 2016 & Prior Property Taxes	6,233,958	5,503,505	2,679,673	1,945,740	623,240	254,852
Total Delinquent Property Taxes Receivable *	<u>\$ 9,606,400</u>	<u>\$ 8,449,659</u>	<u>\$ 4,086,147</u>	<u>\$ 3,025,797</u>	<u>\$ 945,954</u>	<u>\$ 391,761</u>

* Excludes 2019 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, 2019

Urban Services District		
Total	General Fund	Debt Service Fund
\$ 92,385	\$ 78,835	\$ 13,550
210,934	179,997	30,937
6,675	5,696	979
<u>309,994</u>	<u>264,528</u>	<u>45,466</u>
45,519	38,843	6,676
66,312	56,586	9,726
4,463	3,808	655
<u>116,294</u>	<u>99,237</u>	<u>17,057</u>
61,054	50,847	10,207
608,559	506,852	101,707
60,840	50,815	10,025
<u>730,453</u>	<u>608,514</u>	<u>121,939</u>
<u>\$ 1,156,741</u>	<u>\$ 972,279</u>	<u>\$ 184,462</u>

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY TYPE

June 30, 2019

	Year of Levy	Realty	Personalty	Public Utility	Total
General Services District	2018	\$ 589,686	\$ 1,464,346	\$ 71,889	\$ 2,125,921
	2017	295,223	498,185	26,825	820,233
	2016	85,513	741,750	51,634	878,897
	2015	16,529	719,263	39,671	775,463
	2014	348,675	605,380	46,360	1,000,415
	2013	17,053	441,552	7,746	466,351
	2012	39,287	232,104	109,133	380,524
	2011	46,026	283,874	50,195	380,095
	2010	20,644	341,660	8,526	370,830
	2009	25,292	477,365	28,173	530,830
	2008	25,658	667,635	26,808	720,101
Total General Services District		<u>1,509,586</u>	<u>6,473,114</u>	<u>466,960</u>	<u>8,449,660</u>
Urban Services District	2018	92,386	210,933	6,675	309,994
	2017	45,520	66,312	4,462	116,294
	2016	11,613	101,643	8,792	122,048
	2015	3,783	102,254	6,923	112,960
	2014	30,395	78,227	6,561	115,183
	2013	1,943	58,852	1,352	62,147
	2012	984	27,814	19,270	48,068
	2011	1,877	41,508	9,168	52,553
	2010	2,952	42,272	1,367	46,591
	2009	4,463	62,083	4,122	70,668
	2008	3,044	93,906	3,284	100,234
Total Urban Services District		<u>198,960</u>	<u>885,804</u>	<u>71,976</u>	<u>1,156,740</u>
Total Delinquent Property Taxes Receivable *		<u>\$ 1,708,546</u>	<u>\$ 7,358,918</u>	<u>\$ 538,936</u>	<u>\$ 9,606,400</u>

* Excludes 2019 Property Tax Levy

See accompanying auditors' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS, NOTES AND LOANS PAYABLE

June 30, 2019

<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, 2019

Principal Amount Outstanding June 30, 2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Principal Amount Outstanding June 30, 2019	Interest to Maturity as of June 30, 2019
\$ 78,589,247	\$ -	\$ 20,709,634	\$ -	\$ 57,879,613	\$ 8,192,055
138,046,756	-	-	-	138,046,756	93,991,987
83,088,112	-	11,651,330	-	71,436,782	8,534,553
38,214,465	-	5,677,557	-	32,536,908	3,864,627
138,305,217	-	2,217,470	-	136,087,747	19,866,091
6,440,000	-	-	-	6,440,000	1,843,096
45,793,027	-	7,931,079	-	37,861,948	3,966,049
130,019,857	-	12,084,618	-	117,935,239	37,897,414
38,396,473	-	-	-	38,396,473	5,069,422
33,884,829	-	-	-	33,884,829	7,961,063
68,465,070	-	9,896,469	-	58,568,601	7,230,113
231,929,576	-	8,964,181	-	222,965,395	96,160,232
227,356,821	-	208,598	-	227,148,223	98,769,517
280,675,679	-	5,126,277	-	275,549,402	115,810,945
-	487,502,922	-	-	487,502,922	245,388,799
1,539,205,129	487,502,922	84,467,213	-	1,942,240,838	754,545,963
55,813,450	-	16,188,317	-	39,625,133	5,528,737
70,516,649	-	-	-	70,516,649	48,012,716
69,240,856	-	9,709,554	-	59,531,302	7,112,206
23,082,652	-	3,450,951	-	19,631,701	2,402,557
47,554,769	-	762,451	-	46,792,318	6,830,743
42,183,669	-	7,305,959	-	34,877,710	3,653,449
77,600,621	-	7,212,543	-	70,388,078	22,618,567
12,886,103	-	-	-	12,886,103	1,701,331
22,804,914	-	-	-	22,804,914	5,357,895
28,631,076	-	4,138,557	-	24,492,519	3,023,526
94,104,995	-	3,637,200	-	90,467,795	39,016,836
77,201,410	-	72,181	-	77,129,229	33,455,945
171,785,733	-	3,137,501	-	168,648,232	70,881,340
-	212,601,170	-	-	212,601,170	107,014,633
793,406,897	212,601,170	55,615,214	-	950,392,853	356,610,481
\$ 2,332,612,026	\$ 700,104,092	\$ 140,082,427	\$ -	\$ 2,892,633,691	\$ 1,111,156,444

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS, NOTES AND LOANS PAYABLE (CONTINUED)

June 30, 2019

Description	Interest Rate	Date of Issue	Date of Final Maturity	Amount of Issue
GENERAL OBLIGATION BONDS PAYABLE				
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)				236,748,663
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)				67,593,157
Total General Obligation Bonds Payable - Urban Services District				\$ 304,341,820
REVENUE BONDS PAYABLE				
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 Federally Taxable, Series 2010D	4.255 - 4.791	Dec. 9, 2010	July 1, 2018	7,610,000
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
Total Revenue Bonds Payable - Department of Water and Sewerage Services				\$ 1,056,375,000
NOTES AND LOANS PAYABLE				
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				\$ 62,893,500

(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, 2019

Amount Outstanding June 30, 2018	Issued During Period	Matured During Period	Refunded During Period	Amount Outstanding June 30, 2019	Maturity as of June 30, 2019
\$ 10,390,982	\$ -	\$ 4,430,400	\$ -	\$ 5,960,582	\$ 752,599
43,441,595	-	-	-	43,441,595	29,578,106
14,943,417	-	2,095,497	-	12,847,920	1,534,941
6,688,796	-	1,016,492	-	5,672,304	675,287
16,845,014	-	270,079	-	16,574,935	2,419,609
5,070,334	-	878,152	-	4,192,182	439,132
22,409,522	-	2,082,839	-	20,326,683	6,531,794
4,572,241	-	-	-	4,572,241	603,665
3,040,257	-	-	-	3,040,257	714,292
1,348,854	-	194,974	-	1,153,880	142,443
8,228,851	-	318,049	-	7,910,802	3,411,760
27,026,662	-	24,754	-	27,001,908	11,744,601
2,538,666	-	46,361	-	2,492,305	1,047,491
-	14,291,393	-	-	14,291,393	7,193,698
166,545,191	14,291,393	11,357,597	-	169,478,987	66,789,418
176,321	-	136,649	-	39,672	909
667,615	-	93,619	-	573,996	68,575
504,087	-	-	-	504,087	98,154
39,590,000	-	1,735,000	-	37,855,000	13,946,025
2,192,970	-	379,810	-	1,813,160	189,929
990,183	-	-	-	990,183	130,732
661,578	-	25,570	-	636,008	274,297
5,565,107	-	4,467	-	5,560,640	2,450,437
539,922	-	9,861	-	530,061	222,780
-	1,559,515	-	-	1,559,515	784,995
50,887,783	1,559,515	2,384,976	-	50,062,322	18,166,833
\$ 217,432,974	\$ 15,850,908	\$ 13,742,573	\$ -	\$ 219,541,309	\$ 84,956,251
\$ 27,905,000	\$ -	\$ 13,630,000	\$ -	\$ 14,275,000	\$ 749,438
76,530,000	-	5,940,000	-	70,590,000	15,022,325
135,000,000	-	-	-	135,000,000	121,854,630
75,000,000	-	-	-	75,000,000	104,734,407
990,000	-	990,000	-	-	-
94,380,000	-	17,665,000	-	76,715,000	7,822,625
237,930,000	-	-	-	237,930,000	175,835,225
89,420,000	-	-	-	89,420,000	78,228,328
155,210,000	-	-	-	155,210,000	137,644,000
\$ 892,365,000	\$ -	\$ 38,225,000	\$ -	\$ 854,140,000	\$ 641,890,977
\$ 1,243,697	\$ -	\$ 414,567	\$ -	\$ 829,130	\$ -
31,191,550	-	3,536,429	-	27,655,121	16,225,850
\$ 32,435,247	\$ -	\$ 3,950,996	\$ -	\$ 28,484,251	\$ 16,225,850

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, 2019

Year Ending June 30	General Services District - General Obligation Bonds		
	Total General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 169,268,860	\$ 129,108,152	\$ 298,377,012
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	51,591,919	1,031,838	52,623,757
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
	<u>\$ 2,892,633,691</u>	<u>\$ 1,111,156,444</u>	<u>\$ 4,003,790,135</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, 2019

General Services District - General Obligation Bonds					
For General Purposes			For School Purposes		
Principal	Interest	Total	Principal	Interest	Total
\$ 110,709,715	\$ 86,929,018	\$ 197,638,733	\$ 58,559,145	\$ 42,179,134	\$ 100,738,279
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
35,924,960	718,499	36,643,459	15,666,959	313,339	15,980,298
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,942,240,838</u>	<u>\$ 754,545,963</u>	<u>\$ 2,696,786,801</u>	<u>\$ 950,392,853</u>	<u>\$ 356,610,481</u>	<u>\$ 1,307,003,334</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, 2019

Year Ending June 30	Urban Services District - General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 12,641,140	\$ 10,239,917	\$ 22,881,057
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	1,168,081	23,362	1,191,443
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
	<u>\$ 219,541,309</u>	<u>\$ 84,956,251</u>	<u>\$ 304,497,560</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, 2019

Year Ending June 30	Revenue Bonds		
	Department of Water and Sewerage Services		
	Principal	Interest	Total
2020	\$ 39,120,000	\$ 44,225,115	\$ 83,345,115
2021	25,080,000	42,304,977	67,384,977
2022	29,955,000	40,984,827	70,939,827
2023	36,775,000	39,449,077	76,224,077
2024	27,475,000	37,987,378	65,462,378
2025	21,445,000	36,819,676	58,264,676
2026	22,490,000	35,756,878	58,246,878
2027	23,605,000	34,622,378	58,227,378
2028	24,780,000	33,375,526	58,155,526
2029	25,850,000	32,061,447	57,911,447
2030	26,995,000	30,657,731	57,652,731
2031	28,270,000	29,114,622	57,384,622
2032	29,605,000	27,488,762	57,093,762
2033	31,015,000	25,779,580	56,794,580
2034	32,490,000	23,989,844	56,479,844
2035	34,045,000	22,111,927	56,156,927
2036	35,670,000	20,145,338	55,815,338
2037	37,380,000	18,085,809	55,465,809
2038	39,165,000	15,925,580	55,090,580
2039	41,005,000	13,654,921	54,659,921
2040	42,875,000	11,274,966	54,149,966
2041	44,810,000	8,795,273	53,605,273
2042	46,765,000	6,285,776	53,050,776
2043	29,685,000	4,380,044	34,065,044
2044	31,035,000	3,028,900	34,063,900
2045	14,810,000	1,967,500	16,777,500
2046	15,575,000	1,207,875	16,782,875
2047	16,370,000	409,250	16,779,250
	<u>\$ 854,140,000</u>	<u>\$ 641,890,977</u>	<u>\$ 1,496,030,977</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, 2019 Through June 30, 2020

<u>SOURCE OF REVENUE:</u>	General Fund	Debt Service Fund	School Debt Service Fund	School Funds	Total
Property Taxes - Current Year	\$ 427,391,500	\$ 97,652,100	\$ 41,428,100	\$ 326,822,000	\$ 893,293,700
Property Taxes - Non Current Year	36,625,600	289,600	122,400	4,242,700	41,280,300
Local Option Sales Tax	146,962,800	3,400,000	67,404,600	261,130,500	478,897,900
Other Taxes, Licenses, and Permits	163,758,100	-	-	25,316,300	189,074,400
Fines, Forfeits, and Penalties	6,757,700	247,500	-	1,200	7,006,400
Other Agencies - Federal Direct	3,000	-	-	-	3,000
Other Agencies - Federal Through State	1,933,300	-	-	560,000	2,493,300
Other Agencies - Other Pass - Through	7,875,000	-	-	-	7,875,000
Other Agencies - State Direct	97,112,900	7,318,200	-	289,439,900	393,871,000
Other Agencies - Other Governments	17,122,400	5,500,000	-	10,000	22,632,400
Commissions and Fees	15,146,300	-	-	-	15,146,300
Charges for Current Services	42,196,700	-	-	2,030,000	44,226,700
Compensation from Property	530,600	41,500,000	-	1,643,000	43,673,600
Contributions and Gifts	-	-	-	300,000	300,000
Miscellaneous	620,400	4,843,400	-	180,000	5,643,800
Subtotal	964,036,300	160,750,800	108,955,100	911,675,600	2,145,417,800
Operating Transfers In	20,499,400	46,899,600	1,599,600	2,800,000	71,798,600
Non-Operating Transfers In	9,073,300	-	-	-	9,073,300
Subtotal	29,572,700	46,899,600	1,599,600	2,800,000	80,871,900
Appropriated Unreserved Fund Balances	-	-	-	-	-
Total Available for GSD Appropriations	<u>\$ 993,609,000</u>	<u>\$ 207,650,400</u>	<u>\$ 110,554,700</u>	<u>\$ 914,475,600</u>	<u>\$ 2,226,289,700</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2019-1624 for the 2019-2020 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, 2019 Through June 30, 2020

	General Fund	Debt Service Fund	Total
<u>SOURCE OF REVENUE:</u>			
Property Taxes - Current Year	\$ 95,836,000	\$ 16,471,900	\$ 112,307,900
Property Taxes - Non Current Year	18,545,700	53,100	18,598,800
Other Taxes, Licenses, and Permits	2,548,600	366,900	2,915,500
Other Agencies - State Direct	402,600	-	402,600
Charges for Current Services	143,300	-	143,300
Compensation from Property	100,000	-	100,000
Operating Transfers In	-	1,775,700	1,775,700
Subtotal	<u>117,576,200</u>	<u>18,667,600</u>	<u>136,243,800</u>
Appropriated Unreserved Fund Balances	<u>7,300,000</u>	<u>-</u>	<u>7,300,000</u>
Total Available for USD Appropriations	<u>\$ 124,876,200</u>	<u>\$ 18,667,600</u>	<u>\$ 143,543,800</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2019-1624 for the 2019-2020 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, 2019 Through June 30, 2020

	General Services District	Urban Services District	Duplicated By Interdistrict Interfund Transfers	Appropriation By Function And/Or Fund
<u>GENERAL FUND</u>				
General Government	\$ 197,773,400	\$ 23,653,500	\$ -	\$ 221,426,900
Fiscal Administration	26,834,700	-	-	26,834,700
Administration of Justice	70,606,400	-	-	70,606,400
Law Enforcement and Care of Prisoners	282,124,800	481,000	481,000	282,124,800
Fire Prevention and Control	59,240,400	70,777,200	-	130,017,600
Regulation, Inspection, & Economic Development	48,005,800	3,835,700	-	51,841,500
Social Services	7,993,600	-	-	7,993,600
Health and Hospitals	91,131,100	-	-	91,131,100
Public Library System	31,786,200	-	-	31,786,200
Recreational, Cultural, Conservation & Community Support	62,411,500	350,000	-	62,761,500
Infrastructure and Transportation	83,279,500	25,778,800	-	109,058,300
Transfers	32,421,600	-	-	32,421,600
Total General Funds	993,609,000	124,876,200	481,000	1,118,004,200
<u>DEBT SERVICE FUNDS</u>				
(See detail on succeeding pages)	318,205,100	18,667,600	-	336,872,700
<u>SCHOOL FUNDS</u>				
(See detail on succeeding pages)	914,475,600	-	-	914,475,600
Total Appropriations By District	2,226,289,700	143,543,800	481,000	2,369,352,500
<u>LESS INTERFUND TRANSFER:</u>				
GSD Operating to GSD Debt	(35,942,900)	-	-	(35,942,900)
Schools to GSD General	(192,000)	-	-	(192,000)
MNPS to MNPS Debt	(1,599,600)	-	-	(1,599,600)
Net Appropriation by District	<u>\$ 2,188,555,200</u>	<u>\$ 143,543,800</u>	<u>\$ 481,000</u>	<u>\$ 2,331,618,000</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2019-1624 for the 2019-2020 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, 2019 Through June 30, 2020

	Principal/Interest	Other	Total
<u>SCHOOL DEBT SERVICE FUND</u>			
Outstanding General Obligation Bonds	\$ 100,738,300	\$ -	\$ 100,738,300
Redemption, Cremation and Management Fees	-	567,400	567,400
Treasury Internal Service Fees	-	77,900	77,900
Qualified Zone Academy Bonds, 2005	-	414,600	414,600
Qualified School Construction Bonds, 2009	-	1,637,800	1,637,800
Qualified School Construction Bonds, 2010	-	3,942,300	3,942,300
Commercial Paper (Bonds Anticipation Loans)	3,176,400	-	3,176,400
	<u> </u>	<u> </u>	<u> </u>
Total GSD School Purposes Debt Service Fund	<u>\$ 103,914,700</u>	<u>\$ 6,640,000</u>	<u>\$ 110,554,700</u>
<u>GENERAL PURPOSES DEBT SERVICE FUND</u>			
Outstanding General Obligation Bonds	\$ 197,638,700	\$ -	\$ 197,638,700
Redemption, Cremation and Management Fees	-	1,249,300	1,249,300
Treasury Internal Service Fees	-	151,700	151,700
Commercial Paper (Bonds Anticipation Loans)	6,993,400	-	6,993,400
Swap Agreement	1,617,300	-	1,617,300
	<u> </u>	<u> </u>	<u> </u>
Total GSD General Purposes Debt Service Fund	<u>\$ 206,249,400</u>	<u>\$ 1,401,000</u>	<u>\$ 207,650,400</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2019-1624 for the 2019-2020 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, 2019 Through June 30, 2020

	<u>Principal/Interest</u>	<u>Other</u>	<u>Total</u>
<u>URBAN SERVICES DISTRICT DEBT SERVICE FUND</u>			
Outstanding General Obligation Bonds:			
Outstanding G.O. USD Bonds	\$ 22,881,000	\$ -	\$ 22,881,000
Redemption, Cremation and Management Fees	-	41,100	41,100
Treasury Internal Service Fees	-	26,000	26,000
Debt Service Paid Directly by DES	-	(4,510,800)	(4,510,800)
Commercial Paper (Bonds Anticipation Loans)	<u>230,300</u>	<u>-</u>	<u>230,300</u>
 Total USD General Purposes Debt Service Fund	 <u><u>\$ 23,111,300</u></u>	 <u><u>\$ (4,443,700)</u></u>	 <u><u>\$ 18,667,600</u></u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2019-1624 for the 2019-2020 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, 2019 Through June 30, 2020

GENERAL PURPOSE SCHOOL FUND: (1)

General Purpose School Fund:

Operational	\$ 909,462,600
Property Tax Increment	<u>11,222,000</u>
Total General Purpose School Fund	<u>920,684,600</u>
Budget Adjustment Savings	<u>(6,209,000)</u>
Total General Purpose School Fund	<u><u>\$ 914,475,600</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 BL2019-1624 for the 2019-2020 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, 2019

NAME OF OFFICIAL	TITLE	ANNUAL SALARY	AMOUNT OF SURETY BOND
David Briley	Mayor	\$ 180,000	\$ 50,000
Talia Lomax-O'dneal	Director of Finance	185,921	250,000
Tom Eddlemon	Treasurer	129,707	2,000,000
Michelle Lane	Purchasing Agent	125,687	- (1)
Phil Carr	Chief Accountant	121,751	- (1)
Shannon Hall	Human Resources Director	133,250	- (1)
Richard R. Rooker	Circuit Court Clerk	146,413	100,000
Richard R. Rooker	Probate Clerk	-	250,000
Karen Johnson	Register of Deeds	133,830	150,000
Parker Toler	Trustee	139,694	14,000,000
Brenda P. Wynn	County Clerk	139,694	500,000
Howard C. Gentry, Jr.	Criminal Court Clerk	152,863	150,000
J. Daron Hall	Sheriff	168,950	100,000
Vivian M. Wilhoite	Assessor of Property	139,694	50,000
Maria Salas	Clerk & Master	139,694	50,000
Lonnell Matthews	Juvenile Court Clerk	139,694	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. Fawcnotson	Executive Director Sports Authority	110,828	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.

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

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 1,099,333	\$ 1,010,874	\$ 924,393	\$ 857,598
Restricted	31,994	42,860	31,771	35,802
Unrestricted	<u>(383,624)</u>	<u>(564,405)</u>	<u>(637,147)</u>	<u>(683,464)</u>
Total governmental activities net position	<u>747,703</u>	<u>489,329</u>	<u>319,017</u>	<u>209,936</u>
Business-type activities				
Net investment in capital assets	1,217,101	1,220,912	1,259,241	1,236,765
Restricted	21,481	46,256	49,700	56,720
Unrestricted	<u>26,925</u>	<u>38,908</u>	<u>32,057</u>	<u>27,268</u>
Total business-type activities net position	<u>1,265,507</u>	<u>1,306,076</u>	<u>1,340,998</u>	<u>1,320,753</u>
Primary government				
Net investment in capital assets	2,316,434	2,231,786	2,183,634	2,094,363
Restricted	53,475	89,116	81,471	92,522
Unrestricted	<u>(356,699)</u>	<u>(525,497)</u>	<u>(605,090)</u>	<u>(656,196)</u>
Total primary government net position	<u>\$ 2,013,210</u>	<u>\$ 1,795,405</u>	<u>\$ 1,660,015</u>	<u>\$ 1,530,689</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>2014</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>	<u>2019</u>
\$ 955,256	\$ 905,271	\$ 817,836	\$ 758,016	\$ 706,897	\$ 641,440
39,551	41,647	43,203	56,345	57,970	60,961
<u>(907,694)</u>	<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>87,113</u>	<u>(322,672)</u>	<u>(472,480)</u>	<u>(713,753)</u>	<u>(3,191,627)</u>	<u>(3,433,178)</u>
1,232,187	1,236,872	1,227,147	1,191,252	1,172,712	1,193,645
64,253	55,270	66,837	87,141	100,070	98,559
<u>37,930</u>	<u>41,747</u>	<u>36,937</u>	<u>27,516</u>	<u>47,575</u>	<u>60,597</u>
<u>1,334,370</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>
2,187,443	2,142,143	2,044,983	1,949,268	1,879,609	1,835,085
103,804	96,917	110,040	143,486	158,040	159,520
<u>(869,764)</u>	<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>\$ 1,421,483</u>	<u>\$ 1,011,217</u>	<u>\$ 858,441</u>	<u>\$ 592,156</u>	<u>\$ (1,871,270)</u>	<u>\$ (2,080,377)</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

	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 85,444	\$ 122,913	\$ 117,669	\$ 118,107
Fiscal administration	35,358	33,613	31,802	32,675
Administration of justice	89,601	87,374	89,564	92,752
Law enforcement and care of prisoners	321,175	322,782	335,162	371,438
Fire prevention and control	150,117	149,619	158,763	170,843
Regulation and inspection	10,170	10,248	11,717	10,751
Conservation of natural resources	471	445	439	542
Public welfare	60,159	59,386	56,504	57,172
Public health and hospitals	170,662	132,993	114,145	119,695
Public library system	28,742	30,033	30,676	33,034
Public works, highways and streets	130,469	144,012	152,201	169,521
Recreational and cultural	68,667	59,421	61,259	68,515
Education	839,760	869,449	867,599	903,998
Interest and other debt related costs	80,460	102,859	86,223	77,525
Total governmental activities	<u>2,071,255</u>	<u>2,125,147</u>	<u>2,113,723</u>	<u>2,226,568</u>
Business-type activities				
Department of Water and Sewerage Services	173,215	189,521	185,385	205,278
District Energy System	17,853	17,837	18,102	17,573
Nashville Convention Center	7,134	7,539	7,147	7,427
Board of Fair Commissioners	4,195	2,814	2,945	3,074
Farmers Market	1,080	1,193	1,265	1,788
Police Secondary Employment	1,545	855	832	1,131
Surplus Property Auction	735	734	713	735
Municipal Auditorium	1,654	1,801	1,808	1,787
Police Impound	1,687	1,320	967	376
School Community Education	192	-	-	-
Stormwater Operations	10,598	10,669	10,426	10,717
Community Education Commission	358	302	297	352
Total business-type activities	<u>220,246</u>	<u>234,585</u>	<u>229,887</u>	<u>250,238</u>
Total primary government	<u>\$ 2,291,501</u>	<u>\$ 2,359,732</u>	<u>\$ 2,343,610</u>	<u>\$ 2,476,806</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 6,550	\$ 6,908	\$ 9,134	\$ 8,329
Fiscal administration	4,176	5,286	5,181	6,768
Administration of justice	34,344	33,745	32,772	33,232
Law enforcement and care of prisoners	31,282	30,637	33,172	32,210
Fire prevention and control	10,939	16,395	12,759	13,431
Regulation and inspection	7,552	8,858	10,846	12,368
Public welfare	1,367	1,352	1,208	1,098
Public health and hospitals	8,943	9,902	8,796	9,159
Public library system	494	484	474	450
Public works, highways and streets	9,343	11,191	12,594	12,066
Recreational and cultural	8,618	9,068	9,755	10,130
Education	18,225	17,838	18,485	19,502
Operating grants and contributions (1)	390,732	432,938	436,073	435,077
Capital grants and contributions (1)	41,648	38,595	58,447	55,267
Total governmental activities	<u>574,213</u>	<u>623,197</u>	<u>649,696</u>	<u>649,087</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

2014	2015 (2)	2016	2017	2018 (3)	2019
\$ 134,592	\$ 188,330	\$ 196,012	\$ 206,436	\$ 229,632	\$ 241,330
31,357	33,277	31,729	33,551	34,478	36,497
93,224	92,902	96,091	103,652	110,415	111,078
359,502	353,933	378,291	392,032	389,728	421,429
149,551	152,045	162,323	169,409	172,064	183,783
11,231	11,216	10,931	12,103	12,600	13,878
519	480	559	544	495	447
56,449	54,279	56,186	67,609	72,270	77,151
119,828	106,365	117,686	127,806	127,667	128,550
35,739	41,390	45,268	46,440	45,086	48,463
180,008	191,499	202,419	217,791	221,096	282,226
76,759	70,841	77,342	81,081	96,612	90,277
924,418	907,504	978,229	1,070,022	1,121,121	1,124,977
96,842	93,210	95,228	103,969	110,836	121,201
<u>2,270,019</u>	<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>
208,945	213,926	232,501	231,793	227,588	240,195
18,774	18,761	17,940	18,063	18,475	18,060
3,591	3,543	2,126	24,774	-	-
3,140	3,661	3,654	3,737	3,673	3,497
1,605	1,849	1,931	2,113	2,115	2,060
190	-	-	-	-	-
790	650	703	745	648	640
2,001	2,041	1,995	2,035	2,074	2,221
375	375	375	375	375	375
-	-	-	-	-	-
11,073	10,506	10,945	12,661	15,625	18,170
324	357	391	-	-	-
<u>250,808</u>	<u>255,669</u>	<u>272,561</u>	<u>296,296</u>	<u>270,573</u>	<u>285,218</u>
<u>\$ 2,520,827</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>
\$ 10,805	\$ 7,764	\$ 8,989	\$ 9,597	\$ 18,781	\$ 15,161
6,237	6,356	7,570	9,527	9,807	8,904
32,929	31,052	29,143	27,325	26,780	21,177
30,281	30,667	30,247	32,451	28,207	30,015
15,502	11,449	9,286	11,100	10,829	9,785
14,252	18,576	25,407	24,607	23,742	25,419
1,162	1,007	915	803	905	529
9,847	11,173	12,495	11,874	12,447	12,250
438	409	397	404	223	206
12,573	14,272	15,922	19,971	19,637	20,349
10,702	11,332	13,974	14,312	14,495	15,671
18,740	16,936	19,259	18,990	18,026	19,235
438,515	454,881	467,388	483,020	525,054	518,759
58,286	37,301	30,970	30,891	30,162	60,733
<u>660,269</u>	<u>653,175</u>	<u>671,962</u>	<u>694,872</u>	<u>739,095</u>	<u>758,193</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

	2010	2011	2012	2013
Program Revenues (Continued)				
Business-type activities				
Charges for services:				
Department of Water and Sewerage Services	\$ 171,520	\$ 195,790	\$ 201,060	\$ 208,830
District Energy System	15,562	15,486	15,962	16,713
Nashville Convention Center	5,366	5,404	5,490	5,746
Board of Fair Commissioners	3,393	2,109	2,658	2,786
Farmers Market	983	745	961	1,292
Police Secondary Employment	2,437	1,103	935	1,285
Surplus Property Auction	1,094	1,081	1,298	795
Municipal Auditorium	1,364	1,370	1,607	1,188
Police Impound	1,583	1,271	1,584	492
School Community Education	31	-	-	-
Stormwater Operations	13,635	14,198	13,883	14,199
Community Education Commission	22	18	36	45
Capital grants and contributions	41,302	39,467	25,307	11,890
Total business-type activities	258,292	278,042	270,781	265,261
Total primary government	<u>\$ 832,505</u>	<u>\$ 901,239</u>	<u>\$ 920,477</u>	<u>\$ 914,348</u>
Net (Expense) Revenue				
Governmental activities	\$ (1,497,042)	\$ (1,501,950)	\$ (1,464,027)	\$ (1,577,481)
Business-type activities	38,046	43,457	40,894	15,023
Total primary government	<u>\$ (1,458,996)</u>	<u>\$ (1,458,493)</u>	<u>\$ (1,423,133)</u>	<u>\$ (1,562,458)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	\$ 793,293	\$ 782,192	\$ 787,882	\$ 895,919
Local option sales taxes	256,178	258,107	281,294	301,430
Other taxes	126,878	137,141	150,856	160,802
Revenue from the use of money or property	1,445	1,095	1,121	1,195
Revenue from other governmental agencies	58,160	61,262	62,929	66,572
Compensation for loss, sale or damage to property	1,747	3,290	3,385	7,043
Transfers	(323)	3,400	6,248	35,439
Special and extraordinary items (4)	(1,224)	(2,911)	-	-
Total governmental activities	1,236,154	1,243,576	1,293,715	1,468,400
Business-type activities				
Revenue from the use of money or property	391	230	119	111
Compensation for loss, sale or damage to property	171	282	157	60
Transfers	323	(3,400)	(6,248)	(35,439)
Special and extraordinary items (4)	(7,000)	-	-	-
Total business-type activities	(6,115)	(2,888)	(5,972)	(35,268)
Total primary government	<u>\$ 1,230,039</u>	<u>\$ 1,240,688</u>	<u>\$ 1,287,743</u>	<u>\$ 1,433,132</u>
Change in Net Position				
Governmental activities	\$ (260,888)	\$ (258,374)	\$ (170,312)	\$ (109,081)
Business-type activities	31,931	40,569	34,922	(20,245)
Total primary government	<u>\$ (228,957)</u>	<u>\$ (217,805)</u>	<u>\$ (135,390)</u>	<u>\$ (129,326)</u>

(4) Special and extraordinary items consist of: In 2010, the Government experienced significant losses related to flooding in May 2010. In 2011, the Government incurred additional flood related expenses in excess of recoveries.

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

2014	2015 (2)	2016	2017	2018 (3)	2019
\$ 211,372	\$ 214,751	\$ 217,784	\$ 218,816	\$ 224,283	\$ 228,054
18,526	18,542	17,597	17,408	17,111	17,607
2,124	1,768	45	-	-	-
3,021	3,367	3,283	3,318	3,011	2,924
1,125	1,038	961	974	1,095	1,000
-	-	-	-	-	-
589	712	1,231	1,253	2,088	1,200
1,558	1,427	1,507	1,788	1,897	2,314
479	475	475	491	502	502
-	-	-	-	-	-
14,613	14,295	14,461	15,231	32,330	36,254
58	59	80	38	-	-
16,478	20,655	22,770	27,848	18,753	20,652
269,943	277,089	280,194	287,165	301,070	310,507
<u>\$ 930,212</u>	<u>\$ 930,264</u>	<u>\$ 952,156</u>	<u>\$ 982,037</u>	<u>\$ 1,040,165</u>	<u>\$ 1,068,700</u>
\$ (1,609,750)	\$ (1,644,096)	\$ (1,776,332)	\$ (1,937,573)	\$ (2,005,005)	\$ (2,123,094)
19,135	21,420	7,633	(9,131)	30,497	25,289
<u>\$ (1,590,615)</u>	<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>
\$ 911,661	\$ 927,860	\$ 944,353	\$ 971,643	\$ 995,535	\$ 1,041,924
315,479	340,077	365,704	382,934	414,156	450,234
174,556	193,729	206,146	223,138	242,978	266,666
3,244	1,044	3,886	3,350	5,865	11,678
66,010	77,625	83,484	91,696	96,374	97,965
4,296	11,677	9,963	6,386	1,874	19,747
11,681	11,154	12,988	17,153	18,902	(6,671)
-	-	-	-	-	-
1,486,927	1,563,166	1,626,524	1,696,300	1,775,684	1,881,543
1,655	1,088	1,334	1,224	2,819	6,857
196	2	1,053	48	34	30
(11,681)	(11,154)	(12,988)	(17,153)	(18,902)	6,671
-	-	-	-	-	-
(9,830)	(10,064)	(10,601)	(15,881)	(16,049)	13,558
<u>\$ 1,477,097</u>	<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>
\$ (122,823)	\$ (80,930)	\$ (149,808)	\$ (241,273)	\$ (229,321)	\$ (241,551)
9,305	11,356	(2,968)	(25,012)	14,448	38,847
<u>\$ (113,518)</u>	<u>\$ (69,574)</u>	<u>\$ (152,776)</u>	<u>\$ (266,285)</u>	<u>\$ (214,873)</u>	<u>\$ (202,704)</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

	2010	2011	2012	2013	2014
General fund					
Nonspendable	\$ 299,659	\$ 473,335	\$ 367,535	\$ 453,627	\$ 525,930
Assigned	1,370,583	13,878,075	539,600	16,030,900	34,840,900
Unassigned	59,228,607	53,134,734	69,836,867	84,053,738	81,650,073
Total general fund	60,898,849	67,486,144	70,744,002	100,538,265	117,016,903
All other governmental funds					
Nonspendable	2,060,858	2,119,993	2,891,941	2,723,873	3,122,352
Restricted	195,074,104	47,011,877	36,939,852	160,884,699	39,365,865
Committed	106,798,899	121,277,278	145,387,960	145,231,736	125,883,422
Assigned	1,500,000	11,161,900	-	29,966,900	40,441,000
Unassigned (1)	(28,066,901)	(39,332,027)	(174,680,021)	(15,710,564)	(189,169,860)
Total all other governmental funds	277,366,960	142,239,021	10,539,732	323,096,644	19,642,779
Total governmental funds	\$ 338,265,809	\$ 209,725,165	\$ 81,283,734	\$ 423,634,909	\$ 136,659,682

(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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 546,062	\$ 467,008	\$ 986,266	\$ 842,106	\$ 512,113
54,311,800	59,542,600	50,533,800	16,939,600	13,607,278
<u>83,195,736</u>	<u>84,493,158</u>	<u>55,176,460</u>	<u>58,879,621</u>	<u>77,325,526</u>
<u>138,053,598</u>	<u>144,502,766</u>	<u>106,696,526</u>	<u>76,661,327</u>	<u>91,444,917</u>
4,079,964	3,276,149	3,332,511	3,040,245	3,404,379
41,461,337	43,018,673	56,160,164	57,785,371	60,687,925
126,421,581	137,020,957	137,058,350	134,273,729	132,150,162
25,800,000	21,000,000	25,440,300	550,000	2,569,824
<u>(501,399,310)</u>	<u>(342,346,761)</u>	<u>(192,217,171)</u>	<u>(653,295,939)</u>	<u>(254,593,420)</u>
<u>(303,636,428)</u>	<u>(138,030,982)</u>	<u>29,774,154</u>	<u>(457,646,594)</u>	<u>(55,781,130)</u>
<u>\$ (165,582,830)</u>	<u>\$ 6,471,784</u>	<u>\$ 136,470,680</u>	<u>\$ (380,985,267)</u>	<u>\$ 35,663,787</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

	2010	2011	2012	2013	2014
General fund					
GSD					
Nonspendable	\$ 299,659	\$ 473,335	\$ 367,535	\$ 453,627	\$ 525,930
Assigned	1,370,583	442,575	539,600	10,768,700	29,036,600
Unassigned	34,962,597	44,578,057	61,358,778	74,758,944	70,094,923
Total GSD	<u>36,632,839</u>	<u>45,493,967</u>	<u>62,265,913</u>	<u>85,981,271</u>	<u>99,657,453</u>
USD					
Assigned	-	13,435,500	-	5,262,200	5,804,300
Unassigned	24,266,010	8,556,677	8,478,089	9,294,794	11,555,150
Total USD	<u>24,266,010</u>	<u>21,992,177</u>	<u>8,478,089</u>	<u>14,556,994</u>	<u>17,359,450</u>
Total general fund	<u>60,898,849</u>	<u>67,486,144</u>	<u>70,744,002</u>	<u>100,538,265</u>	<u>117,016,903</u>
General purpose school fund					
Nonspendable	937,417	883,700	1,291,555	1,504,241	1,569,880
Committed	27,102,179	34,449,193	54,933,590	64,049,858	43,152,443
Assigned	-	-	-	12,000,000	38,005,000
Total general purpose school fund	<u>28,039,596</u>	<u>35,332,893</u>	<u>56,225,145</u>	<u>77,554,099</u>	<u>82,727,323</u>
GSD general purposes					
debt service fund					
Nonspendable	-	-	-	-	-
Committed	8,406,361	8,626,889	8,469,047	13,255,408	9,450,642
Assigned	-	-	-	5,966,900	-
Total GSD general purposes					
debt service fund	<u>8,406,361</u>	<u>8,626,889</u>	<u>8,469,047</u>	<u>19,222,308</u>	<u>9,450,642</u>
GSD school purposes					
debt service fund					
Nonspendable	-	-	475,583	-	-
Committed	14,559,256	12,006,081	12,898,334	1,479,123	6,392,039
Assigned	-	11,161,900	-	8,000,000	-
Total GSD school purposes					
debt service fund	<u>14,559,256</u>	<u>23,167,981</u>	<u>13,373,917</u>	<u>9,479,123</u>	<u>6,392,039</u>
USD general purposes					
debt service fund					
Nonspendable	-	-	-	-	-
Committed	2,984,488	6,159,913	7,325,354	4,628,697	3,275,429
Assigned	-	-	-	4,000,000	2,436,000
Total USD general purposes					
debt service fund	<u>2,984,488</u>	<u>6,159,913</u>	<u>7,325,354</u>	<u>8,628,697</u>	<u>5,711,429</u>
Total budgeted					
governmental funds	<u>\$ 114,888,550</u>	<u>\$ 140,773,820</u>	<u>\$ 156,137,465</u>	<u>\$ 215,422,492</u>	<u>\$ 221,298,336</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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 546,062	\$ 467,008	\$ 986,266	\$ 842,106	\$ 512,113
45,541,100	51,067,800	50,533,800	15,389,900	5,887,278
74,818,956	80,265,059	48,913,495	52,291,879	70,147,693
<u>120,906,118</u>	<u>131,799,867</u>	<u>100,433,561</u>	<u>68,523,885</u>	<u>76,547,084</u>
8,770,700	8,474,800	-	1,549,700	7,720,000
8,376,780	4,228,099	6,262,965	6,587,742	7,177,833
<u>17,147,480</u>	<u>12,702,899</u>	<u>6,262,965</u>	<u>8,137,442</u>	<u>14,897,833</u>
<u>138,053,598</u>	<u>144,502,766</u>	<u>106,696,526</u>	<u>76,661,327</u>	<u>91,444,917</u>
2,790,092	1,863,688	1,534,233	1,680,304	1,573,499
53,325,440	56,233,446	42,633,597	33,200,541	37,173,788
16,000,000	16,000,000	19,059,900	-	2,569,824
<u>72,115,532</u>	<u>74,097,134</u>	<u>63,227,730</u>	<u>34,880,845</u>	<u>41,317,111</u>
-	43,369	-	-	-
11,504,096	5,946,531	8,537,916	5,663,153	6,276,864
<u>5,000,000</u>	<u>5,000,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>
<u>16,504,096</u>	<u>10,989,900</u>	<u>9,437,916</u>	<u>5,663,153</u>	<u>6,276,864</u>
-	5,454	138,166	28,515	-
5,143,998	7,133,994	5,212,267	4,085,521	11,390,257
<u>3,300,000</u>	<u>-</u>	<u>1,400,000</u>	<u>550,000</u>	<u>-</u>
<u>8,443,998</u>	<u>7,139,448</u>	<u>6,750,433</u>	<u>4,664,036</u>	<u>11,390,257</u>
-	1,177	-	-	-
1,642,363	4,152,908	406,031	524,152	285,379
<u>1,500,000</u>	<u>-</u>	<u>4,080,400</u>	<u>-</u>	<u>-</u>
<u>3,142,363</u>	<u>4,154,085</u>	<u>4,486,431</u>	<u>524,152</u>	<u>285,379</u>
<u>\$ 238,259,587</u>	<u>\$ 240,883,333</u>	<u>\$ 190,599,036</u>	<u>\$ 122,393,513</u>	<u>\$ 150,714,528</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

	2010	2011	2012	2013
Revenues				
Property taxes	\$ 792,882,229	\$ 782,238,201	\$ 790,774,878	\$ 892,398,894
Local option sales tax	256,178,237	258,106,909	281,294,520	301,430,612
Other taxes, licenses and permits	136,182,711	147,382,286	162,804,251	174,702,273
Fines, forfeits and penalties	18,915,362	18,574,592	16,253,081	18,652,738
Revenues from the use of money or property	494,777	321,354	362,910	489,242
Revenues from other governmental agencies	488,535,713	559,516,608	576,547,108	559,780,403
Commissions and fees	22,002,060	23,460,446	24,002,476	24,211,549
Charges for current services	50,686,861	56,593,344	56,309,437	58,600,398
Compensation for loss, sale or damage to property	1,712,551	2,016,432	4,109,532	5,231,290
Contributions and gifts	5,469,908	3,783,798	14,418,670	8,948,728
Bond interest tax credit	-	5,327,305	5,895,527	4,900,351
Miscellaneous	2,706,377	2,718,741	2,269,697	2,081,927
Total revenues	1,775,766,786	1,860,040,016	1,935,042,087	2,051,428,405
Expenditures				
Current:				
General government (1)	88,954,555	121,146,642	95,085,871	81,829,427
Fiscal administration	22,499,859	23,760,394	21,912,507	22,316,247
Administration of justice	54,590,759	55,407,798	53,575,166	68,479,472
Law enforcement and care of prisoners	239,014,459	249,724,844	255,276,886	259,384,359
Fire prevention and control	104,214,957	109,108,267	108,609,078	113,452,154
Regulation and inspection	7,492,864	7,867,410	7,760,963	8,057,406
Conservation of natural resources	352,001	340,296	333,713	398,931
Public welfare	42,946,288	41,385,895	39,169,144	40,056,346
Public health and hospitals (2)	114,094,878	86,019,317	85,975,912	89,757,405
Public library system	19,016,993	20,542,242	21,178,142	22,328,538
Public works, highways and streets	51,039,081	58,151,723	51,792,795	58,251,129
Recreational and cultural	33,235,850	33,630,118	34,454,492	36,110,497
Education	740,550,178	777,009,413	797,821,937	832,361,152
Employee benefits	64,637,576	69,327,218	72,920,868	76,165,493
Miscellaneous	55,652,301	71,067,149	75,985,530	80,080,144

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 tax and sales tax rates.

(1) Increases in general government expenditures in fiscal years 2010 and 2011 are due primarily to costs related to flooding in May 2010.

(2) In fiscal year 2010, there was a one time appropriation to the Hospital Authority of \$32 million to forgive debt owed to the Government.

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

2014	2015	2016	2017	2018	2019
\$ 914,121,619	\$ 928,796,242	\$ 944,010,324	\$ 972,303,558	\$ 998,584,196	\$ 1,041,855,441
315,478,742	340,076,515	365,703,934	382,934,148	414,155,992	450,234,426
190,370,587	212,923,908	233,889,194	252,614,490	271,455,280	296,222,400
18,225,785	17,727,633	17,055,354	14,661,562	13,656,857	10,289,378
1,895,305	1,720,061	2,334,936	1,834,351	3,387,084	7,086,668
556,743,508	575,416,455	585,321,632	621,112,678	642,241,942	648,136,547
24,120,359	23,102,323	24,025,983	26,248,505	26,776,105	25,952,444
59,783,530	58,921,658	65,642,511	69,693,874	70,529,679	75,495,033
5,265,788	12,107,134	13,157,818	9,802,146	4,238,496	23,083,462
10,160,516	7,583,631	12,631,751	8,283,416	9,576,623	21,189,843
4,837,386	4,839,480	4,864,020	4,859,357	4,874,645	4,895,429
2,200,931	2,390,797	2,741,647	3,487,567	3,231,709	959,902
2,103,204,056	2,185,605,837	2,271,379,104	2,367,835,652	2,462,708,608	2,605,400,973
88,894,101	121,382,425	128,220,069	132,839,297	144,414,659	155,942,030
21,746,114	20,710,891	21,734,682	23,768,516	25,146,706	24,370,987
70,290,863	69,233,942	71,353,866	71,423,262	75,022,842	76,216,017
263,774,603	272,907,074	283,870,494	297,122,296	307,666,284	311,589,580
111,520,124	114,494,845	116,955,164	124,437,211	131,851,434	130,644,806
7,782,724	7,629,325	8,189,234	9,217,944	10,220,547	10,335,201
357,658	348,293	373,209	411,714	407,900	322,263
38,361,990	38,429,963	38,949,970	39,754,229	43,023,369	53,584,594
86,084,524	74,416,321	85,562,915	93,429,462	93,606,500	89,428,046
22,349,552	25,044,101	28,384,505	30,644,306	31,647,990	32,336,003
61,817,477	62,968,348	63,853,645	68,220,307	71,990,811	77,943,885
36,336,635	38,335,515	40,044,257	43,548,448	44,444,945	45,846,798
856,362,684	871,208,119	918,531,408	965,421,660	1,033,114,424	1,041,775,152
79,043,492	80,114,975	81,576,678	84,585,219	87,579,887	87,855,789
87,709,934	87,245,357	89,278,073	109,046,528	116,376,212	108,887,193

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

	2010	2011	2012	2013
Expenditures (Continued)				
Debt service:				
Principal retirement (1)	\$ 85,889,567	\$ 3,397,777	\$ 12,943,203	\$ 44,743,407
Interest	80,611,709	85,123,862	93,879,521	93,272,037
Fiscal charges	906,832	3,406,148	3,257,031	3,716,622
Debt issue costs	4,347,663	1,925,066	2,207,494	2,704,649
Capital outlay - capitalized (2)	92,640,446	100,682,804	133,571,317	110,878,249
Capital outlay - noncapitalized	79,800,124	112,034,900	63,091,834	110,821,632
	<u>1,982,488,940</u>	<u>2,031,059,283</u>	<u>2,030,803,404</u>	<u>2,155,165,296</u>
Total expenditures				
	<u>1,982,488,940</u>	<u>2,031,059,283</u>	<u>2,030,803,404</u>	<u>2,155,165,296</u>
Excess of revenue over (under) expenditures	(206,722,154)	(171,019,267)	(95,761,317)	(103,736,891)
Other Financing Sources (Uses)				
Issuance of new debt	430,900,000	35,555,000	-	374,874,554
Issuance of refunding debt	189,895,243	290,201,755	316,085,913	382,598,457
Debt issue premium (discount)	36,559,565	43,480,488	67,444,362	131,109,907
Payments to refunded bond escrow agent	(206,868,923)	(331,757,177)	(383,595,322)	(433,836,850)
Insurance recovery (3)	15,000,000	37,000,000	-	-
Transfers in	109,679,961	214,988,824	180,292,626	199,600,840
Transfers out	(136,553,615)	(246,991,267)	(212,907,693)	(208,258,842)
	<u>438,612,231</u>	<u>42,477,623</u>	<u>(32,680,114)</u>	<u>446,088,066</u>
Total other financing sources (uses)				
	<u>438,612,231</u>	<u>42,477,623</u>	<u>(32,680,114)</u>	<u>446,088,066</u>
Net change in fund balances	\$ 231,890,077	\$ (128,541,644)	\$ (128,441,431)	\$ 342,351,175
	<u>\$ 231,890,077</u>	<u>\$ (128,541,644)</u>	<u>\$ (128,441,431)</u>	<u>\$ 342,351,175</u>
Debt service as a percentage of noncapitalized expenditures (4)	8.81 %	4.59 %	5.63 %	6.75 %

(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. For the years prior to the implementation of GASB 34, all capital outlay costs are assumed to be capitalized.

(3) Insurance recoveries in fiscal years 2010 and 2011 are related to flooding in May 2010.

(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

2014	2015	2016	2017	2018	2019
\$ 97,320,344	\$ 113,588,002	\$ 115,957,762	\$ 132,859,891	\$ 140,797,840	\$ 155,391,020
101,497,666	103,301,816	104,982,211	103,366,006	125,106,557	126,187,299
3,226,035	6,911,332	7,898,402	6,792,950	6,848,877	3,954,518
-	-	-	-	-	-
202,968,322	214,809,446	139,450,169	210,753,687	312,043,055	192,242,125
131,042,781	141,684,515	134,787,666	174,861,981	172,170,172	199,621,588
2,368,487,623	2,464,764,605	2,479,954,379	2,722,504,914	2,973,481,011	2,924,474,894
(265,283,567)	(279,158,768)	(208,575,275)	(354,669,262)	(510,772,403)	(319,073,921)
-	-	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)	-	-	-
-	-	-	-	-	-
183,807,020	190,050,738	195,258,693	243,930,794	270,899,050	338,234,278
(205,498,680)	(214,317,695)	(217,374,390)	(262,333,811)	(277,582,594)	(377,722,560)
(21,691,660)	(23,083,744)	380,629,889	484,668,158	(6,683,544)	735,722,975
\$ (286,975,227)	\$ (302,242,512)	\$ 172,054,614	\$ 129,998,896	\$ (517,455,947)	\$ 416,649,054
9.18 %	9.64 %	9.44 %	9.40 %	9.99 %	10.31 %

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
2009-10	\$ 17,452,127,001	\$ 1,118,966,031	\$ 651,277,995	\$ 19,222,371,027
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

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

<u>Total GSD Tax Rate (1)</u>		<u>Total Estimated Actual Property Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$	3.560	\$ 63,157,226,914	30.44 %
	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

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>
2009-10	\$ 11,845,833,807	\$ 899,198,794	\$ 507,695,082	\$ 13,252,727,683	\$ 0.570
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

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	
2009-10 (3)	\$ 1.820	\$ 1.170	\$ 0.420	\$ 0.150	\$ 3.560	\$ 0.460	\$ 0.110	\$ 0.570	\$ 4.130
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

Tax rates are per \$100 of assessed valuation. Payments may be made through February 28 of the year following the year of assessment and levied 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.

(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, 2018				December 31, 2009			
	2018 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy	2009 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy
Electric Power Board (1) \$	N/A	\$ 28,667,169	1	2.91 %	\$ N/A	\$ 24,699,748	1	3.25 %
RHP Hotels Inc./ Gaylord (3) (4)	94,357,217	12,675,247	2	1.29	234,728,806	11,008,781	2	1.45
Columbia/HCA	391,380,453	12,176,233	3	1.23	261,865,701	10,373,861	3	1.37
AT&T Telephone/ BellSouth (3)	208,505,205	6,583,092	4	0.67	173,454,767	7,080,844	4	0.93
Highwoods Realty	173,692,164	5,561,740	5	0.56	-	-	(2)	-
The Mall at Green Hills	164,513,722	5,190,408	6	0.53	-	-	(2)	-
Piedmont Natural Gas	146,863,749	4,463,628	7	0.45	85,261,281	3,966,592	5	0.52
Mid-America Apartments	142,652,054	4,288,806	8	0.43	-	-	(2)	-
Vanderbilt	134,829,184	4,249,341	9	0.43	44,412,493	3,227,248	7	0.42
Opry Mills Mall	120,480,595	3,801,163	10	0.39	85,636,166	3,536,774	6	0.47
CBL & Associates	-	-	(2)	-	44,534,672	1,876,766	9	0.25
Davis Street Land	-	-	(2)	-	51,671,840	2,134,047	8	0.28
100 Oaks Plaza	-	-	(2)	-	37,605,586	1,763,702	10	0.23
	<u>\$ 1,577,274,343</u>	<u>\$ 87,656,827</u>		<u>8.89 %</u>	<u>\$ 1,019,171,312</u>	<u>\$ 69,668,363</u>		<u>9.17 %</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, 2009 and December 31, 2018. 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
2009-10	\$ 675,043,791	\$ 84,818,421	\$ 759,862,212	\$ 748,828,597	98.55 %
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

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:

	Current Year
2009-10	\$ 26,509,998
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

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	Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage Uncollected
			Amount	Percent of Levy After Adjustment		
\$ (12,376,025)	\$ 747,486,187	\$ (1,943,907)	\$ 746,884,690	99.92 %	\$ 601,497	0.08 %
(14,998,191)	744,186,650	1,977,317	743,769,229	99.94	417,421	0.06
(9,837,200)	745,772,242	(106,140)	745,339,594	99.94	432,648	0.06
(8,466,354)	847,979,166	2,172,246	847,550,573	99.95	428,593	0.05
(13,053,571)	864,548,690	136,815	864,020,193	99.94	528,497	0.06
(5,840,558)	878,996,348	920,840	877,880,749	99.87	1,115,599	0.13
(7,981,192)	892,960,392	2,307,386	892,071,968	99.90	888,424	0.10
(4,759,141)	921,507,200	1,935,558	920,506,255	99.89	1,000,945	0.11
(17,410,220)	943,891,539	(349,755)	942,955,012	99.90	936,527	0.10
(2,638,293)	983,462,707	-	981,026,792	99.75	2,435,915	0.25

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
2009-10	\$ 2,003,576	\$ 3,956	\$ 4,452	\$ 52,650	\$ 21,120	\$ 2,085,754	\$ 376,913	\$ 6,997
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

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>
\$ 165,331	\$ 1,095	\$ 550,336	\$ 2,636,090	9.54 %	\$ 4,146.69
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	N/A (2)	6,409.58

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)
2009-10	\$ 2,003,576	\$ 25,950	\$ 1,977,626	3.13 %	\$ 3,110.89
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

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)
2009-10	\$ 157,592	\$ 2,985	\$ 154,607	N/A %	\$ N/A
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

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

Fiscal Year	Debt Limit	Total Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Amount of Debt Applicable to Debt Limit as a Percentage of Debt Limit
2009-10	\$ 1,993,317	\$ 154,607	\$ 1,838,710	7.76 %
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

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, 2019

Unaudited - See Accompanying Accountants' Report

Assessed valuation of taxable property - Urban Services District		\$ 24,546,245,394
Debt limit - 15 percent of assessed valuation		\$ 3,681,936,809
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 169,478,987	
Less:		
Amounts available in debt service funds	285,379	
Total amount of debt applicable to debt limit		169,193,608
Legal debt margin		\$ 3,512,743,201

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
2009-10	\$ 81,600	\$ 79,968	\$ 161,568	\$ 1,844,374	8.8 %
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

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	
2009-10	\$ 171,966	\$ 88,603	\$ 83,363	\$ 35,525	\$ 16,526	\$ 52,051	1.60
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

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>
2009	635,710	\$ 43,457	\$ 27,626,360	9.3 %
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 (4)	692,587	N/A	N/A	3.3

(1) Source: U.S. Department of Commerce, Bureau of the Census and Labor

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis

(3) Source: Tennessee Department of Labor & Workforce Development

(4) Personal income statistics for calendar year 2018 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, 2019			June 30, 2010		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Vanderbilt University (2)	34,370	1	3.45 %	20,968	1	2.86 %
State of Tennessee	26,795	2	2.69	20,000	2	2.73
Metro Nashville-Davidson Co. Government and Public Schools	19,700	3	1.98	20,162	3	2.75
U.S. Government	13,253	4	1.33	11,496	4	1.57
Nissan North America	12,000	5	1.20	5,850	6	0.80
HCA Healthcare Inc.	10,600	6	1.06	5,447	7	0.74
Saint Thomas Health	8,335	7	0.84	6,500	5	0.89
Randstad	4,550	8	0.46	-		- (1)
Asurion	4,170	9	0.42	-		- (1)
Community Health Systems Inc.	3,878	10	0.39	-		- (1)
Wal-Mart Stores Inc.	-		- (1)	4,500	8	0.61
CBRL Group Inc.	-		- (1)	4,189	9	0.57
Dell	-		- (1)	3,200	10	0.44
	<u>137,651</u>		<u>13.80 %</u>	<u>102,312</u>		<u>13.96 %</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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2010	2011	2012	2013
Governmental activities:				
General government (1)	288	297	306	308
Fiscal administration	306	296	282	281
Administration of justice	773	804	765	772
Law enforcement and care of prisoners (4)	2,787	2,740	2,802	2,826
Fire prevention and control	1,141	1,138	1,170	1,170
Regulation and inspection	95	97	99	93
Conservation of natural resources	9	9	8	8
Public welfare	468	488	492	491
Public health and hospitals	473	469	450	437
Public library system	297	292	295	297
Public works, highways and streets	363	364	368	381
Recreational and cultural	543	534	544	528
Education	9,671	9,019	9,154	9,291
Total governmental activities	17,214	16,547	16,735	16,883
Internal service activities:				
Office of Fleet Management	89	89	89	88
Information Systems	114	112	110	111
Radio Shop (5)	16	16	15	15
Metro Postal Service	4	4	4	4
Treasury Management	8	8	7	7
General Services (1)	48	47	47	47
Total internal service activities	279	276	272	272
Business-type activities:				
Department of Water and Sewerage Services	692	704	700	707
Nashville Convention Center (3)	57	57	52	-
Board of Fair Commissioners	28	23	22	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	29	-
Municipal Auditorium	8	8	8	9
Community Education Commission (6)	8	5	2	3
Stormwater Operations	90	90	93	93
Total business-type activities	931	935	925	855
Total primary government	18,424	17,758	17,932	18,010

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

2014	2015	2016	2017	2018	2019
302	364	371	375	385	376
282	280	279	281	289	282
777	775	789	798	805	849
2,831	2,893	2,898	2,912	2,984	3,067
1,205	1,206	1,206	1,237	1,250	1,252
94	111	117	106	114	118
8	8	8	8	8	7
492	494	500	470	428	439
464	483	487	493	495	494
309	330	359	368	369	362
389	388	395	407	398	434
546	577	585	640	669	663
9,304	9,294	9,658	9,910	9,950	9,854
17,003	17,203	17,652	18,005	18,144	18,197
89	95	95	103	106	106
112	115	115	147	147	148
15	15	15	-	-	-
4	-	-	-	-	-
7	7	7	7	7	7
47	-	-	-	-	-
274	232	232	257	260	261
715	713	728	724	724	727
-	-	-	-	-	-
24	25	28	29	29	27
7	7	7	7	7	7
5	-	-	-	-	-
7	8	8	8	8	8
-	-	-	-	-	-
9	10	9	9	9	9
3	3	3	3	-	-
93	93	89	93	97	114
863	859	872	873	874	892
18,140	18,294	18,756	19,135	19,278	19,350

(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

	2010	2011	2012	2013
Governmental activities:				
General government:				
Election Commission - registered voters	349,733	345,687	358,136	362,816
Assessor of Property - real property inspections (1)	58,158	94,348	103,837	238,107
Administration of justice:				
Public Defender - warrants and charges (2)	44,776	43,139	45,852	41,809
Circuit Court Clerk - circuit filings	10,298	10,900	10,738	10,729
Circuit Court Clerk - general sessions civil filings	48,834	47,193	49,978	46,445
Circuit Court Clerk - probate filings	1,954	1,879	1,906	2,048
Law enforcement and care of prisoners:				
Sheriff - inmate days jails	929,674	898,860	804,641	771,630
Sheriff - inmate days detention facility	397,566	388,466	426,168	435,098
Police - total CAD calls received	1,315,649	1,417,859	1,585,228	1,384,481
Police - report numbers issued (3)	1,315,455	1,035,026	1,045,077	1,119,012
ECC - total 911 calls received	344,276	370,704	377,118	365,278
ECC - total non 911 calls received	690,297	675,908	625,120	605,693
Fire prevention and control:				
Fire - life threatening responses (4)	43,124	44,518	46,076	44,232
Fire - non life threatening responses (4)	24,116	25,835	26,739	25,403
Regulation and inspection:				
Codes - construction/land use permits	10,172	8,343	9,304	9,900
Public welfare:				
Social Services - clients served	17,291	14,963	13,785	13,271
Public health and hospitals:				
Health - clinic visits (5)	190,942	195,222	192,902	181,395
Health - restaurant inspections	13,525	13,378	12,082	13,050
Public library system:				
Library - circulating materials check-outs	4,148,419	4,208,363	4,340,657	4,368,494
Library - number of visits	3,677,765	3,723,416	3,938,659	3,697,063

Source: Department of Finance, Office of Management and Budgets; Various departments of the Government

(1) Years 2009, 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

2014	2015	2016	2017	2018	2019
373,231	373,823	392,428	390,804	427,556	435,297
48,559	108,401	92,449	-	53,499	119,682
42,857	43,956	41,842	35,839	25,301	19,423
10,915	10,062	8,168	6,856	6,800	6,683
46,116	43,859	46,047	49,890	50,582	51,432
2,027	2,126	2,146	2,189	2,211	2,202
721,508	655,734	632,169	535,262	529,038	397,412
379,811	350,472	322,674	380,920	353,417	309,868
1,333,945	1,357,306	1,492,259	1,496,617	1,495,576	1,359,140
1,201,162	1,199,375	1,318,113	1,308,704	1,305,055	1,001,853
351,814	408,433	450,517	401,269	374,337	449,816
634,280	634,124	644,590	665,239	700,790	780,131
47,161	47,053	47,453	45,773	59,993	62,787
28,332	34,812	35,374	33,810	35,042	60,478
10,131	11,695	12,852	12,225	11,465	11,430
13,122	13,990	13,737	12,396	13,039	12,848
181,959	164,330	154,398	150,948	146,302	77,946
13,440	13,689	12,067	10,890	13,023	12,387
4,663,347	5,133,351	5,371,115	5,430,309	5,648,749	6,858,414
3,501,710	3,444,250	3,338,972	3,615,302	3,261,586	3,296,263

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	2010	2011	2012	2013
Governmental activities (continued):				
Public works, highways and streets:				
Public Works - scheduled garbage collections	6,477,000	6,503,700	6,630,000	6,630,000
Public Works - tons of disposed waste	745,442	852,856	596,111	645,224
Public Works - rehabilitated street lane miles	87	125	89	167
Recreational and cultural:				
Parks - Sportsplex attendance	344,858	343,835	333,365	355,999
Parks - cultural enrichment class attendance	15,710	17,430	18,300	18,202
Parks - senior citizen program attendance (6)	36,898	37,970	60,759	61,214
Education:				
Public Schools - students (second month enrollment)	76,329	78,014	79,121	81,001
Business-type activities:				
Department of Water and Sewerage Services:				
Customers - water	176,033	177,475	184,421	187,272
Average daily actual water pumped (millions of gallons per day)	119	101	100	95
Customers - wastewater	189,299	189,898	195,380	198,485
Average daily wastewater flow (millions of gallons per day)	166	154	148	164
District Energy System:				
Steam sales (thousand pounds)	272,448	277,943	250,414	374,366
Chilled water sales (thousand ton hours)	51,273	56,118	57,233	62,538
Nashville Convention Center - events (7)	243	237	217	254
Board of Fair Commissioners:				
Flea market booth rentals	15,908	14,510	16,423	16,515
State fair attendance (8)	209,385	208,131	62,352	67,805
Municipal Auditorium - events held	111	123	90	110
Component units:				
Music City Center - events (7)	-	-	-	-

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 2011.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2014	2015	2016	2017	2018	2019
6,625,840	6,672,700	6,731,500	6,803,000	6,864,156	7,228,156
649,108	725,871	757,332	885,047	862,641	968,747
173	169	164	287	287	344
343,332	355,699	400,830	454,878	461,964	535,727
19,430	39,376	55,558	55,257	57,080	60,414
54,152	65,504	104,104	136,021	134,297	143,637
82,307	84,353	85,797	87,783	86,633	85,287
190,699	194,270	197,957	204,181	204,976	209,048
101	87	87	88	88	92
198,119	200,425	203,255	206,562	210,157	212,061
169	168	166	146	168	181
410,084	381,755	325,248	321,508	366,928	379,380
61,768	59,626	61,337	64,119	59,914	61,977
56	15	4	2	-	-
18,612	22,314	20,271	22,481	16,796	18,633
67,635	66,752	70,265	56,492	60,502	56,009
155	135	175	148	144	160
342	305	293	287	302	258

OPERATING INDICATORS BY FUNCTION
SCHEDULE OF UNACCOUNTED FOR WATER
DEPARTMENT OF WATER AND SEWERAGE SERVICES
June 30, 2019



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0

American Water Works Association.
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[+](#) Click to add a comment

Water Audit Report for: **Metro Water Services**Reporting Year: **2019** **7/2018 - 6/2019**

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.

WATER SUPPLIED

<----- Enter grading in column 'E' and 'J' ----->				Master Meter and Supply Error Adjustments			
Volume from own sources:	+	?	9	32,975.690	MG/Yr	+	?
Water imported:	+	?	n/a		MG/Yr	+	?
Water exported:	+	?	5	243.454	MG/Yr	+	?

Pcnt:	Value:
9	2.384
9	-22.00%

WATER SUPPLIED: **32,661.185** MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+	?	7	22,718.679	MG/Yr
Billed unmetered:	+	?	n/a		MG/Yr
Unbilled metered:	+	?	n/a		MG/Yr
Unbilled unmetered:	+	?	10	199.517	MG/Yr

Click here: [?](#)
for help using option
buttons below

Pcnt:	Value:
	199.517

AUTHORIZED CONSUMPTION: **22,918.196** MG/Yr

Use buttons to select
percentage of water
supplied
OR
value

WATER LOSSES (Water Supplied - Authorized Consumption)

9,742.989 MG/Yr

Apparent Losses

Unauthorized consumption: [+](#) [?](#) 7 83.478 MG/Yr

Unauthorized consumption volume entered is greater than the recommended default value

Customer metering inaccuracies:	+	?	7	329.347	MG/Yr
Systematic data handling errors:	+	?	7	4.544	MG/Yr

Pcnt:	Value:
	83.478

	329.347
	4.544

Apparent Losses: **417.369** MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: **9,325.620** MG/Yr

WATER LOSSES: **9,742.989** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: **9,942.506** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+	?	9	3,064.4	miles
Number of <u>active</u> AND <u>inactive</u> service connections:	+	?	9	202,680	
Service connection density:	?			66	conn./mile main

Are customer meters typically located at the curbside or property line? **Yes**

Average length of customer service line: [+](#) [?](#) (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: [+](#) [?](#) 7 90.7 psi

COST DATA

Total annual cost of operating water system:	+	?	10	\$97,317,842	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	10	\$5.48	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	5	\$277.83	\$/Million gallons

☐ 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 AND SEWERAGE SERVICES

JUNE 30, 2019



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: **Metro Water Services**Reporting Year: **2019** **7/2018 - 6/2019**

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***

System Attributes:

Apparent Losses:	417.369	MG/Yr
+ Real Losses:	9,325.620	MG/Yr
= Water Losses:	9,742.989	MG/Yr

? Unavoidable Annual Real Losses (UARL):	1,555.31	MG/Yr
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Annual cost of Apparent Losses: \$2,287,182

Annual cost of Real Losses: \$2,590,937

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:	30.4%	
	Non-revenue water as percent by cost of operating system:	5.1%	Real Losses valued at Variable Production Cost

Operational Efficiency: {	Apparent Losses per service connection per day:	5.64	gallons/connection/day
	Real Losses per service connection per day:	126.06	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	1.39	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 9,325.62 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]:	6.00
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* 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, 2019

The rate structure is composed of a meter charge and a volume charge.

The Department had the following rate structure in effect at June 30, 2019:

	Water				Sewer			
METER:								
Meter Size	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
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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, 2019

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Customers	181,793	27,255	209,048
Sewer Customers	<u>192,290</u>	<u>19,771</u>	<u>212,061</u>
Total Customers	<u><u>374,083</u></u>	<u><u>47,026</u></u>	<u><u>421,109</u></u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2010	2011	2012	2013
Governmental activities:				
General government:				
General government vehicles (1)	3,408	3,510	3,507	3,524
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	1,092	1,348
Police stations	6	7	7	7
Fire prevention and control:				
Fire stations	41	38	38	38
Public library system:				
Libraries	24	24	24	24
Public works, highways and streets:				
Streets and roads (lane miles)	5,777	5,796	5,814	5,832
Recreational and cultural:				
Parks (number)	115	118	127	126
Parks (acreage)	10,876	11,131	12,554	13,022
Miles of completed greenways	46	47	51	55
Education:				
Schools (2)	138	137	136	135
School buses	673	725	697	751
Business-type activities:				
Department of Water and Sewerage Services:				
Water mains (miles)	2,878	2,912	2,886	2,910
Maximum daily water capacity (thousands of gallons)	180,000	180,000	180,000	180,000
Sewers (miles)	3,045	3,051	3,063	3,096
Maximum daily treatment capacity (thousands of gallons)	465,000	465,000	465,000	483,000
District Energy System:				
Steam:				
Maximum contract capacity (pounds per hour)	303,833	321,430	295,998	299,053
Percentage maximum contract capacity represented by customers	80.66%	76.00%	73.16%	85.14%
Chilled water:				
Maximum contract capacity (tons)	29,279	31,169	30,044	30,415
Percentage maximum contract capacity represented by customers	82.00%	77.00%	73.58%	84.47%
Board of Fair Commissioners:				
Exhibition space (square footage)	126,600	120,919	115,459	115,459
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)	-	-	-	-

Source: Department of Finance, Division of Accounts; Various departments of the Government

(1) General government vehicles include vehicles that are used in various other functions of the Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report


2014	2015	2016	2017	2018	2019
3,542	3,452	3,393	3,422	3,449	3,485
2,918	2,918	2,918	2,111	2,111	2,111
1,348	1,348	1,348	1,348	1,348	1,348
7	8	8	8	8	8
38	38	38	38	38	39
23	23	22	22	22	22
5,852	5,866	5,880	5,893	5,911	5,930
126	132	185	185	175	178
13,802	15,078	15,001	15,003	15,089	15,295
79	82	85	85	89	96
131	131	131	131	131	128
721	831	820	828	733	702
3,042	3,054	3,053	3,086	3,043	3,086
180,000	180,000	180,000	180,000	180,000	180,000
3,082	3,091	3,120	3,137	3,150	3,180
510,000	510,000	510,000	510,000	510,000	510,000
297,389	321,289	321,289	321,289	321,289	321,289
99.70%	93.20%	93.20%	93.20%	93.20%	88.60%
30,533	34,230	34,230	34,230	34,230	34,230
82.33%	88.70%	88.70%	88.70%	88.70%	88.70%
120,919	120,919	70,265	70,265	70,265	70,265
50,400	50,400	50,400	50,400	50,400	50,400
7,800	7,800	7,800	7,800	7,800	7,800
350,000	350,000	350,000	350,000	350,000	350,000

(2) Beginning in 2014, charter schools, academic academies and pre-k sites are included in total schools.

(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 until the new facility is open.



For an ADA accommodation, please contact Kimberly Northern at
615-880-1710 or by email at  kimberly.northern@nashville.gov