



# **Comprehensive Annual Financial Report For the Year Ended June 30, 2009**

**The Metropolitan Government of Nashville and Davidson County  
Nashville, Tennessee**



**Karl F. Dean, Mayor**

THE METROPOLITAN GOVERNMENT  
OF  
NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
For the Year Ended June 30, 2009

Prepared by  
DEPARTMENT OF FINANCE

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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# METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



KARLF. DEAN  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
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October 31 , 2009

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, 2009. 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 U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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, as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and Statement No. 39, Determining Whether Certain Organizations are Component Units, 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 defined in GASB Statements No. 14 and No. 39.

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; public housing; 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, agricultural, 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 been comparable to the Nation and slightly healthier than the State economy, with lower unemployment than the State.

The Government's two most significant locally generated revenue sources are property and sales taxes. The Government has no income tax.

## **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 2009, for fiscal year 2010 and for the future are discussed below.

FOR FISCAL YEAR 2009: Substitute budget ordinance BL-2008-174 appropriated a balanced budget of \$1,570,199,400 in the budgetary funds, an overall increase of .67% from the budget for fiscal year 2008. The property tax rate remained the same. A major initiative was the reduction of several internal service fees that saved several million dollars by eliminating some duplicative internal government functions.

The FY2009 budget continued to make improvements in the Nashville community's priority areas:

- **Public Education** - The budget for Metro Nashville Public Schools (MNPS) increased to \$620.8 million, an increase of approximately 5%. The MNPS FY09 budget increased by \$29.2 million from FY08 funding levels. Additional funding for MNPS came from \$6.5 million in new local dollars as well as approximately \$19.3 million from the School's accumulated undesignated fund balance, which had increased significantly in recent years. Priorities for these dollars included pay raises for teachers and staff, increased benefit costs, and opening new and expanded schools.
- **Public Safety** The budget included funds for a variety of enhancements to Metro Nashville's public safety. These additions included increased operational funds for new School Resource Officers, funding to staff three new emergency medical service units, overtime for training and responsiveness for fire fighter and emergency medical responders, and additional support for the Juvenile Court's efforts to reduce truancy.
- **Community Support** - The budget included additional funding to address homelessness issues in Nashville and incorporated a new process for making grants to non-profit agencies that was more objective and open and was targeted to specific community needs, such as after school programs and domestic violence.

FOR FISCAL YEAR 2010: Substitute budget ordinance BL-2009-456 appropriated a balanced budget of \$1,542,162,700 in the budgetary funds, an overall decrease of 1.79% from the budget for fiscal year 2009. After the quadrennial property tax reappraisal in 2009, the property tax rate decreased from \$4.69 to \$4.13. The tax rate was reduced because State law requires that the impact of property tax reappraisals be revenue neutral to the Government.

The FY2010 budget continued to make improvements in the Nashville community's priority areas:

- Public Education - The budget for Metro Nashville Public Schools (MNPS) was fully funded at the FY09 funding level of \$620.8 million. \$12.4 million of the funding for MNPS came from the School's accumulated undesignated fund balance and \$15.3 million of the funding came from redirecting sales tax revenues from Schools debt service to MNPS operations. MNPS's undesignated fund balance is 4.4% of budgeted expenditures, which is above the 3.0% required by the State.
- Public Safety - The budget for public safety departments, while slightly reduced, will allow for full staffing of police officers and continued funding for the Juvenile Court's efforts to reduce truancy. The Fire Department expects to meet the increasing demand for services without adding additional ambulances while achieving a decrease in response times through operational improvements.
- Community Support - The budget includes additional funding to address homelessness issues in Nashville, and the process for making grants to non-profit agencies will continue to be a transparent process that targets specific community needs.

These initiatives have all been addressed while ensuring the Government meets its fundamental objectives of maintaining a balanced budget, keeping taxes low, and investing in Nashville's future. Details of the fiscal year 2009 and 2010 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 the web site [www.nashville.gov/citizens\\_budget](http://www.nashville.gov/citizens_budget).

FOR THE FUTURE: The Metropolitan Government of Nashville and Davidson County continues to focus on four major priorities:

#### EDUCATION:

This administration will continue to work toward improving our schools by encouraging our community to devote its attention, time, and financial resources to education. In October 2008, Mayor Dean announced that private sector funds had been secured for Teach for America and the New Teacher Project, which will provide additional teachers for the public schools. In addition, the Mayor helped establish an Education First Fund through the Community Foundation of Middle Tennessee. Donations to the Fund will be used for long-term support of the Teach for America and the New Teacher Project initiatives. Most notably, Metro Nashville Public Schools has moved into the "improving" status under No Child Left Behind guidelines.

#### PUBLIC SAFETY:

This administration continues to be committed to improving public safety by and through the combined efforts of the Mayor's Office, the Police Department, the Fire Department, and other departments. To support this priority, the Metropolitan Nashville Police Department had the highest number of sworn officers in more than five years. Additionally, the Government was awarded \$8.7 million under the Federal Community Oriented Policing Program to hire an additional 50 police officers.

A primary function of the Nashville Fire Department is to provide emergency medical services, or EMS. This administration will continue to monitor trends in the demand for these services and trends in response times.

## LIVABILITY:

This administration will continue to address issues impacting the quality of life for members of our community by focusing on health services, parks, the arts, libraries, adequate public transportation and affordable housing. The Green Ribbon Committee on Environmental Sustainability, established by the Mayor last year to help ensure that Nashville continues to be a livable city with clean air, clean water, open spaces, public transportation infrastructure and a sustainable energy use profile, has released a report of its findings and recommendations. More information on the Committee and its work is available at [http://www.nashville.gov/mayor/green\\_ribbon/index.asp](http://www.nashville.gov/mayor/green_ribbon/index.asp).

## ECONOMIC DEVELOPMENT:

This administration is committed to growing the local economy and to generating economic opportunities that will benefit all citizens. Plans to build a new downtown convention center are continuing to move forward. Pre-development work is underway and the land needed for the facility is being purchased.

## FINANCIAL INFORMATION

**CASH MANAGEMENT:** Cash temporarily idle during the year was primarily invested in the State of Tennessee Local Government Investment Pool. 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. Earnings continue to be realized as a result of the banking service agreement, which in part provides for the daily investment of demand deposit balances.

The primary government earned investment income of \$7.9 million for the year ended June 30, 2009.

**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. Accepted risk control techniques, including employee accident prevention training, have been implemented to minimize potential liability losses. In addition, 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 \$1.7 billion at June 30, 2009.

**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, 2009 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2010 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 2009, including any reported instances of significant deficiencies in the internal control structure or any violations of applicable laws and regulations, 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, 2008. This was the 26th 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.

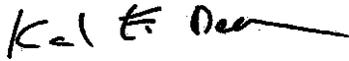
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA presented a Distinguished Budget Presentation Award to the Government for its annual budget for the fiscal year beginning July 1, 2008. 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 18th 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 to further strengthen the financial management of the Metropolitan Government.

Sincerely,



Karl F. Dean  
Mayor



Richard M. Riebeling  
Director of Finance

# 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, 2008

**A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.**

The Metropolitan Government of Nashville and Davidson County was awarded the Certificate of Achievement by the Government Finance Officers Association of the United States and Canada for its Comprehensive Annual Financial Report for the year ended June 30, 2008.



A handwritten signature in black ink, appearing to read "M. L. R.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer", positioned above the title "Executive Director".

Executive Director

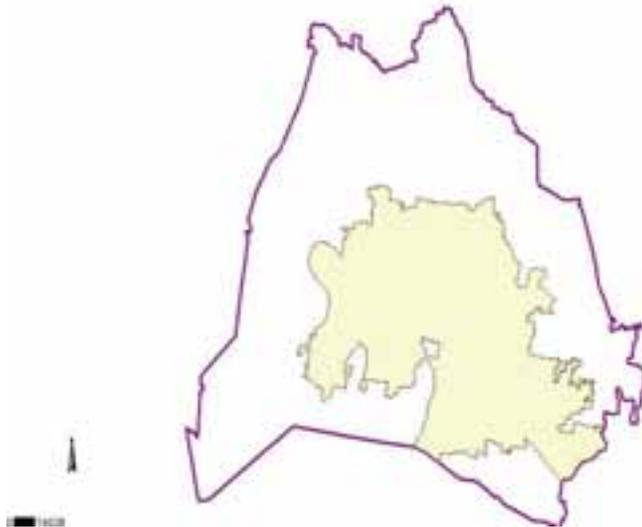
**THE METROPOLITAN GOVERNMENT OF NASHVILLE  
AND DAVIDSON COUNTY  
FORM OF GOVERNMENT**

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. 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.

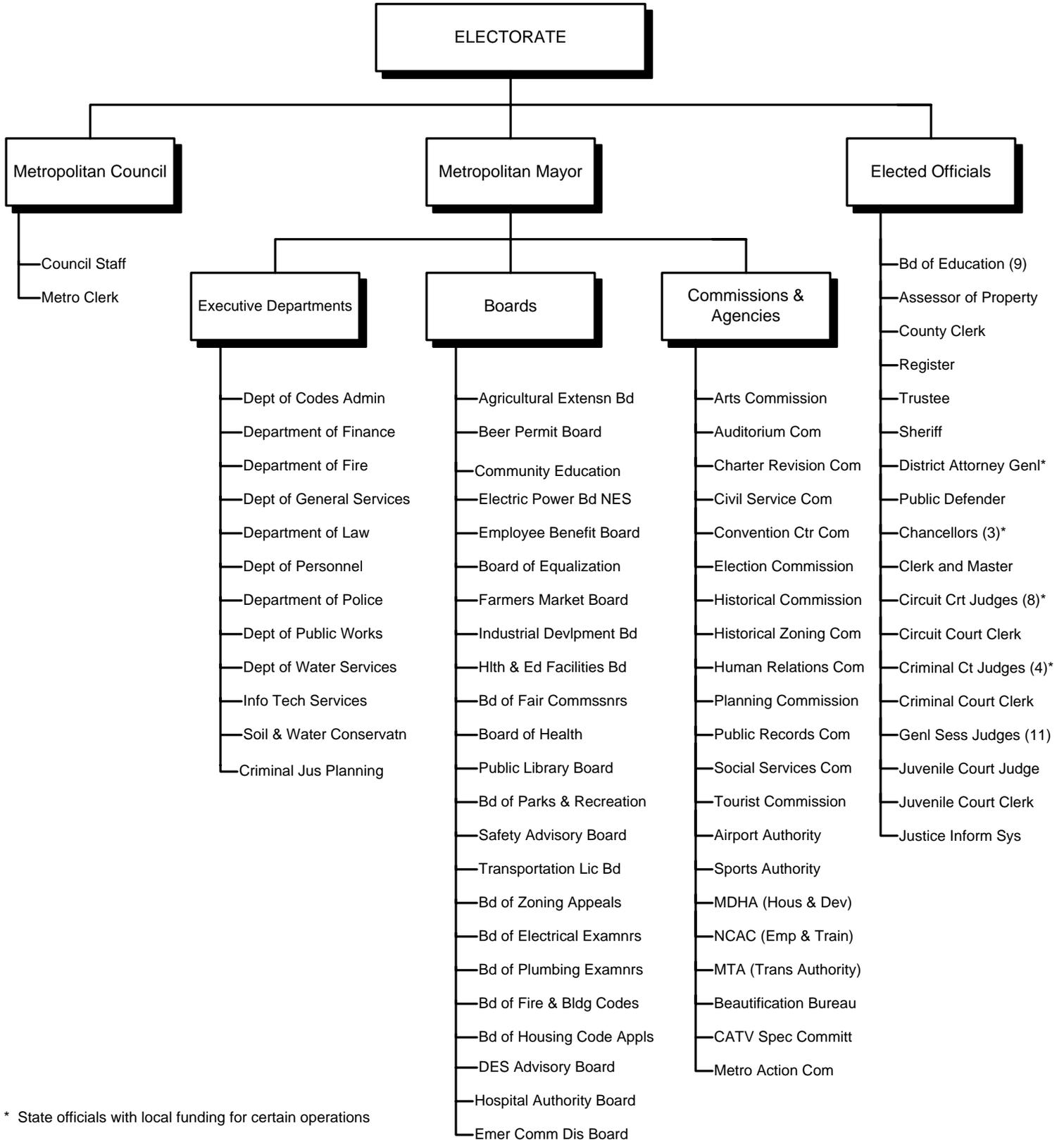
The Charter provides a framework for local government in Nashville to serve the needs of two service districts: (i) the General Services District (the GSD) and (ii) the Urban Services District (the USD). The GSD embraces the entire area of Davidson County and its residents are taxed to support those 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 184 square miles.



The USD is a subset of the GSD.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 ORGANIZATION CHART



\* State officials with local funding for certain operations

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

**Elected Officials  
at June 30, 2009**

Karl Dean, Mayor

**Finance Officials**

George Rooker  
Charles E. Cardwell  
John Arriola

Assessor of Property  
Trustee  
County Clerk

**The County Council**

Diane Neighbors  
Tim Garrett  
Megan Barry  
Charlie Tygard  
Ronnie Steine  
Jerry Maynard

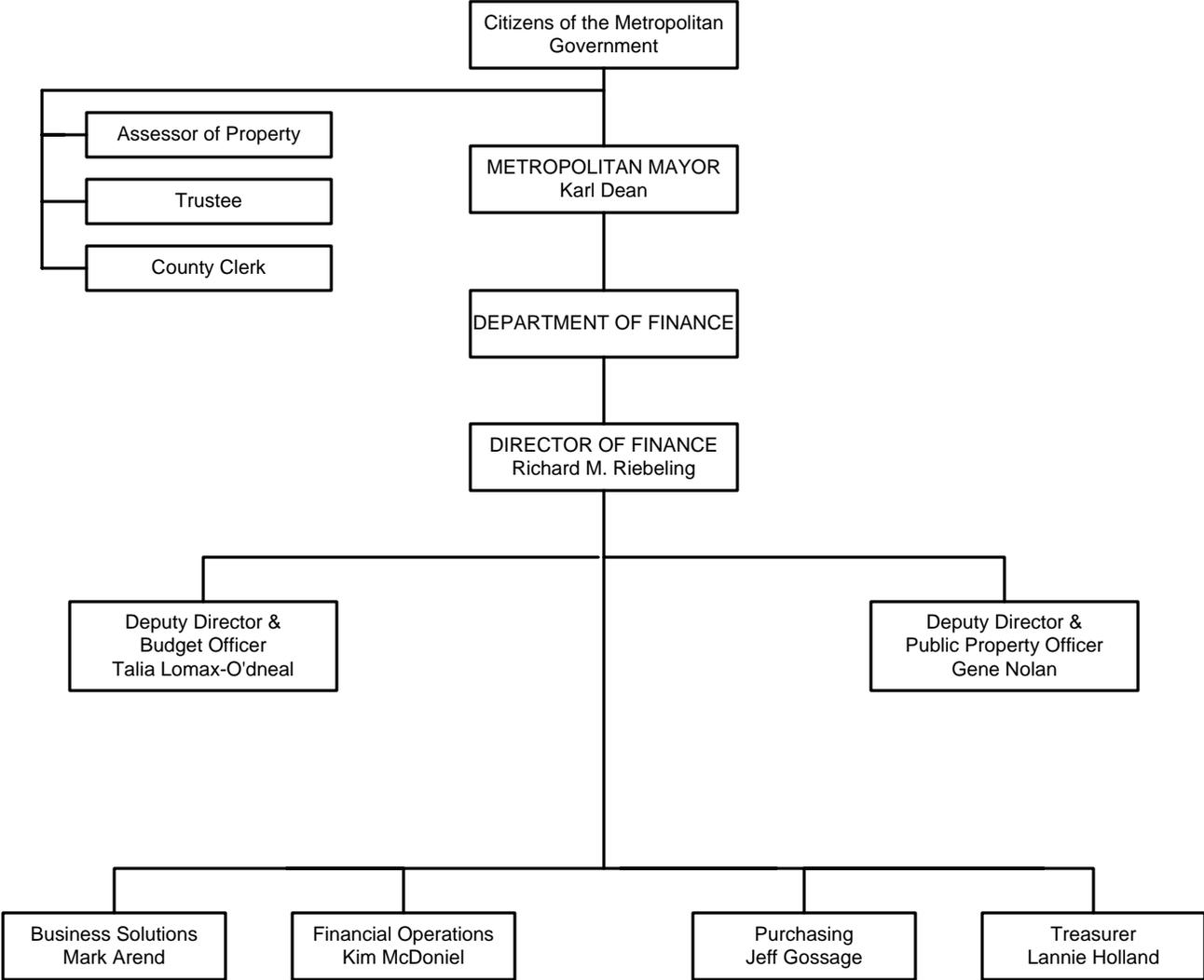
Vice Mayor  
Council Member-at-large  
Council Member-at-large  
Council Member-at-large  
Council Member-at-large  
Council Member-at-large

District No. 1 – Lonnell Matthews, Jr.  
District No. 2 – Frank Harrison  
District No. 3 – Walter Hunt  
District No. 4 – Michael Craddock  
District No. 5 – Pam Murray  
District No. 6 – Mike Jameson  
District No. 7 – Erik Cole  
District No. 8 – Karen Bennett  
District No. 9 – Jim Forkum  
District No. 10 – Rip Ryman  
District No. 11 – Darren Jernigan  
District No. 12 – Jim Gotto  
District No. 13 – Carl Burch  
District No. 14 – Bruce Stanley  
District No. 15 – Phil Claiborne  
District No. 16 – Anna Page  
District No. 17 – Sandra Moore  
District No. 18 – Kristine LaLonda

District No. 19 – Erica Gilmore  
District No. 20 – Buddy Baker  
District No. 21 – Edith Langster  
District No. 22 – Eric Crafton  
District No. 23 – Emily Evans  
District No. 24 – Jason Holleman  
District No. 25 – Sean McGuire  
District No. 26 – Greg Adkins  
District No. 27 – Randy Foster  
District No. 28 – Duane A. Dominy  
District No. 29 – Vivian Wilhoite  
District No. 30 – Jim Hodge  
District No. 31 – Parker Toler  
District No. 32 – Sam Coleman  
District No. 33 – Robert Duvall  
District No. 34 – Carter Todd  
District No. 35 – Bo Mitchell

**ORGANIZATION OF THE DEPARTMENT OF  
FINANCE AND OTHER FINANCIAL OFFICES**

**At June 30, 2009**









KPMG LLP  
401 Commerce Street, Suite 1000  
Nashville, TN 37219-2422

## Independent Auditor's Report

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

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, 2009, 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, which are presented as supplementary information in the accompanying financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. We also have audited the financial statements of each of the discretely presented component units of the Government, as of and for the year ended June 30, 2009 as presented in the Government's basic financial statements, except as described in the last two sentences of this paragraph. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the following discretely presented component units: the Nashville District Management Corporation, the Gulch Business Improvement District, the Metropolitan Development and Housing Agency, the Electric Power Board, the Metropolitan Transit Authority, the Metropolitan Nashville Airport Authority, and the Emergency Communications District, which represents 84% of the total assets and 90% 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 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and 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, 2009, 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 conformity with U.S. generally accepted accounting principles. 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; and each of the discretely presented component units, as of June 30, 2009, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements of the Hospital Authority of Nashville and Davidson County, Tennessee (a component unit of the Government) have been prepared assuming that the Hospital Authority will continue as a going concern. As discussed in Note 12E in the accompanying financial statements, Metropolitan Nashville General Hospital and Bordeaux Long Term Care (funds of the Hospital Authority) have experienced recurring losses from operations that raise substantial doubt about their ability to continue as going concerns. The Hospital Authority management's plans in regard to these matters are also described in Note 12E. The financial statements of the Hospital Authority do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2009 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages A-I through A-11, the condition rating of the transportation network, the schedule of funding progress-pension plans, the schedule of employer contributions-pension plans, the schedule of funding progress-other postemployment benefits plans and the schedule of employer contributions-other postemployment benefit plans, on B-I08 through B-I09, B-110 through B-I13, B-114 through B-115, B-116 through B-117, and B-118, respectively, are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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; and the financial statements of each of the discretely presented component units. The schedules on pages C-13, C-14 and C-15, and on pages G-2 through G-35, which are also the responsibility of the management of the Government, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical data sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Government. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**KPMG LLP**

October 31, 2009



## 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, 2009.

### FINANCIAL HIGHLIGHTS

- The assets of the Government exceeded its liabilities at the close of the most recent fiscal year by \$2.3 billion (*net assets*). This amount includes negative \$72 million of *unrestricted net assets*.
- The Government's total net assets decreased by \$155 million (a decrease of \$170 million from governmental activities and an increase of \$15 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 \$106 million, a decrease of \$159 million in comparison with the prior year. This amount includes negative \$40 million of *unreserved fund balance*. While the general, debt service, special revenue and permanent funds reported positive unreserved fund balances of \$142 million, capital project funds reported negative unreserved fund balances of \$182 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$47 million, or 6.1% of total general fund expenditures and other financing uses.
- The enterprise funds reported net assets at year-end of \$1.3 billion, an increase of \$17 million during the year.
- The Government's total general obligation and revenue bonds outstanding decreased by \$178 million (8.0%) during the current fiscal year. There were no new bond issues. The decrease is attributable to principal payments, refundings and changes in deferred amounts. Other debt increased by \$59 million due to a borrowing from the Public Building Authority of the City of Clarksville, Tennessee, through the Tennessee Municipal Bond Fund, which was used to refund \$59 million of general obligation bonds.
- The Government borrows funds under a commercial paper program to provide interim or short-term financing of authorized capital projects. Total commercial paper outstanding at the close of the fiscal year was \$175 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### 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 Assets presents information on all of the Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, Nashville Convention Center, Board of Fair Commissioners, Farmers Market, Police Secondary Employment, Surplus Property Auction, Municipal Auditorium, Police Impound and School Community Education functions.

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, and Emergency Communications District. 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 29 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, Nashville Convention Center, Board of Fair Commissioners, Farmers Market, Police Secondary Employment, Surplus Property Auction, Municipal Auditorium, Police Impound and School Community Education functions. *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, 2009, the Government used internal service funds to account for its fleet, information systems, radio equipment, insurance, school supply, postal, treasury management, and general services 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-39 to B-107 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-108 to B-109, the Government's progress in funding its obligation to provide pension benefits to employees, found on pages B-110 to B-115, and the Government's progress in funding its obligation to provide other postemployment benefits to employees, found on pages B-116 to B-118.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 1,347,368	\$ 1,378,658	\$ 190,840	\$ 213,219	\$ 1,538,208	\$ 1,591,877
Capital assets	2,932,085	2,856,492	1,662,369	1,646,733	4,594,454	4,503,225
<b>Total assets</b>	<b>4,279,453</b>	<b>4,235,150</b>	<b>1,853,209</b>	<b>1,859,952</b>	<b>6,132,662</b>	<b>6,095,102</b>
Long-term liabilities	2,144,605	2,064,542	533,471	566,079	2,678,076	2,630,621
Other liabilities	1,120,533	986,319	80,818	69,921	1,201,351	1,056,240
<b>Total liabilities</b>	<b>3,265,138</b>	<b>3,050,861</b>	<b>614,289</b>	<b>636,000</b>	<b>3,879,427</b>	<b>3,686,861</b>
Net assets:						
Invested in capital assets, net of related debt	1,083,097	1,044,125	1,196,149	1,160,088	2,279,246	2,204,213
Restricted	22,917	47,527	22,587	29,090	45,504	76,617
Unrestricted	(91,699)	92,637	20,184	34,774	(71,515)	127,411
<b>Total net assets</b>	<b>\$ 1,014,315</b>	<b>\$ 1,184,289</b>	<b>\$ 1,238,920</b>	<b>\$ 1,223,952</b>	<b>\$ 2,253,235</b>	<b>\$ 2,408,241</b>

**Governmental activities** – Current and other assets for governmental activities decreased by 2.3%. The largest single reason for this decrease was the decrease in cash resulting from a decline in sales taxes collected due to the economic downturn, use of cash related to the budgeted use of certain fund balances, and less cash on hand from unused commercial paper at this year-end as compared to the prior year-end. Capital assets increased by 2.6% due to construction of new schools, other government buildings and infrastructure and due to the renovation of existing government buildings. Long-term liabilities increased by 3.9% primarily due to the current year increase in the obligation for other postemployment benefits (OPEB) liability, offset by current year principal payments on bonds. Other liabilities increased by 13.6% primarily due to increases in commercial paper outstanding at year-end and in unearned revenue related to the year-end property tax accrual.

The largest portion of the Government's net assets for governmental activities (106.8%) 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 assets for governmental activities (2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets for governmental activities represents unrestricted net assets of negative \$92 million (-9.0%). Note that the unrestricted net assets are negative primarily due to the unfunded OPEB liability of \$295 million at June 30, 2009.

**Business-type activities** – Current and other assets for business-type activities decreased by 10.5% due primarily to the Department of Water and Sewerage Services funding various capital projects with cash and investments. Capital assets increased by 1.0% due to additions to utility plants for the Department of Water and Sewerage Services. Long-term liabilities decreased by 5.8% due to principal payments on the revenue bonds and other debt of the Department of Water and Sewerage Services in excess of an increase in state loans. Other liabilities increased by 15.6% primarily due to an increase in construction accounts payable and an increase in the current portion of long term debt from state loan borrowings at the Department of Water and Sewerage Services, and an increase in the commercial paper payable balance at the District Energy System used to fund capital expenditures prior to the issuance of bonds.

The largest portion of the Government's net assets for business-type activities (96.6%) 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 assets for business-type activities (1.8%) 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 assets for business-type activities, representing unrestricted net assets of \$20 million (1.6%), may be used to meet the Government's ongoing obligations to citizens and creditors.

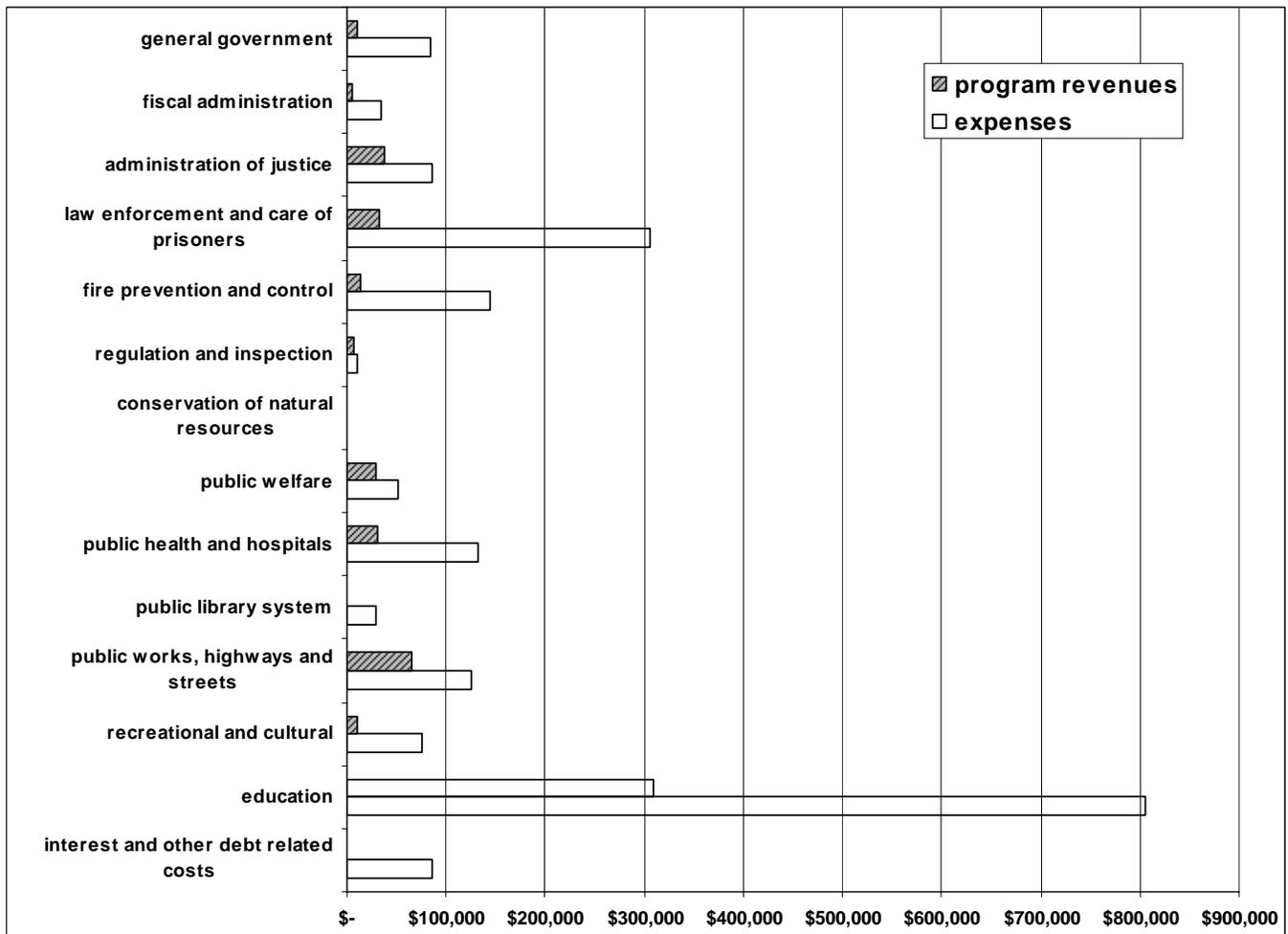
At the end of the current fiscal year, the Government is able to report positive balances in all three categories of net assets for its total business-type activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 148,223	\$ 159,520	\$ 202,978	\$ 207,888	\$ 351,201	\$ 367,408
Operating grants and contributions	351,066	338,746	-	-	351,066	338,746
Capital grants and contributions	56,163	48,808	27,463	58,761	83,626	107,569
General revenues:						
Property taxes	773,659	759,131	-	-	773,659	759,131
Local option sales taxes	264,573	285,484	-	-	264,573	285,484
Hotel occupancy taxes	38,790	38,998	-	-	38,790	38,998
Beverage taxes	28,455	29,368	-	-	28,455	29,368
Wheel taxes	26,043	27,279	-	-	26,043	27,279
Business taxes	22,640	24,696	-	-	22,640	24,696
Franchise taxes	18,853	19,518	-	-	18,853	19,518
Other taxes	432	1,253	-	-	432	1,253
Revenues from the use of money or property	6,109	14,792	2,790	8,086	8,899	22,878
Revenues from other governmental agencies	65,026	70,072	-	-	65,026	70,072
Compensation for loss, sale or damage to property	1,022	1,541	92	144	1,114	1,685
<b>Total revenues</b>	<b>1,801,054</b>	<b>1,819,206</b>	<b>233,323</b>	<b>274,879</b>	<b>2,034,377</b>	<b>2,094,085</b>
Expenses:						
General government	83,668	69,053	-	-	83,668	69,053
Fiscal administration	34,264	24,837	-	-	34,264	24,837
Administration of justice	85,723	86,417	-	-	85,723	86,417
Law enforcement and care of prisoners	304,917	289,629	-	-	304,917	289,629
Fire prevention and control	143,912	148,089	-	-	143,912	148,089
Regulation and inspection	9,910	7,971	-	-	9,910	7,971
Conservation of natural resources	491	502	-	-	491	502
Public welfare	51,362	55,272	-	-	51,362	55,272
Public health and hospitals	131,677	130,293	-	-	131,677	130,293
Public library system	29,754	28,231	-	-	29,754	28,231
Public works, highways and streets	125,490	143,076	-	-	125,490	143,076
Recreational and cultural	76,290	72,547	-	-	76,290	72,547
Education	808,285	780,706	-	-	808,285	780,706
Interest and other debt related costs	85,823	77,628	-	-	85,823	77,628
Department of Water and Sewerage Services	-	-	177,984	162,688	177,984	162,688
District Energy System	-	-	20,261	19,483	20,261	19,483
Nashville Convention Center	-	-	7,572	7,601	7,572	7,601
Board of Fair Commissioners	-	-	4,428	4,360	4,428	4,360
Farmers Market	-	-	1,215	1,161	1,215	1,161
Police Secondary Employment	-	-	881	944	881	944
Surplus Property Auction	-	-	806	961	806	961
Municipal Auditorium	-	-	1,738	2,052	1,738	2,052
Police Impound	-	-	1,882	1,882	1,882	1,882
School Community Education	-	-	1,050	1,193	1,050	1,193
<b>Total expenses</b>	<b>1,971,566</b>	<b>1,914,251</b>	<b>217,817</b>	<b>202,325</b>	<b>2,189,383</b>	<b>2,116,576</b>
Change in net assets before transfers	(170,512)	(95,045)	15,506	72,554	(155,006)	(22,491)
Transfers	538	8,617	(538)	(8,617)	-	-
Change in net assets	(169,974)	(86,428)	14,968	63,937	(155,006)	(22,491)
Net assets, beginning of year	1,184,289	1,270,717	1,223,952	1,160,015	2,408,241	2,430,732
Net assets, end of year	\$ 1,014,315	\$ 1,184,289	\$ 1,238,920	\$ 1,223,952	\$ 2,253,235	\$ 2,408,241

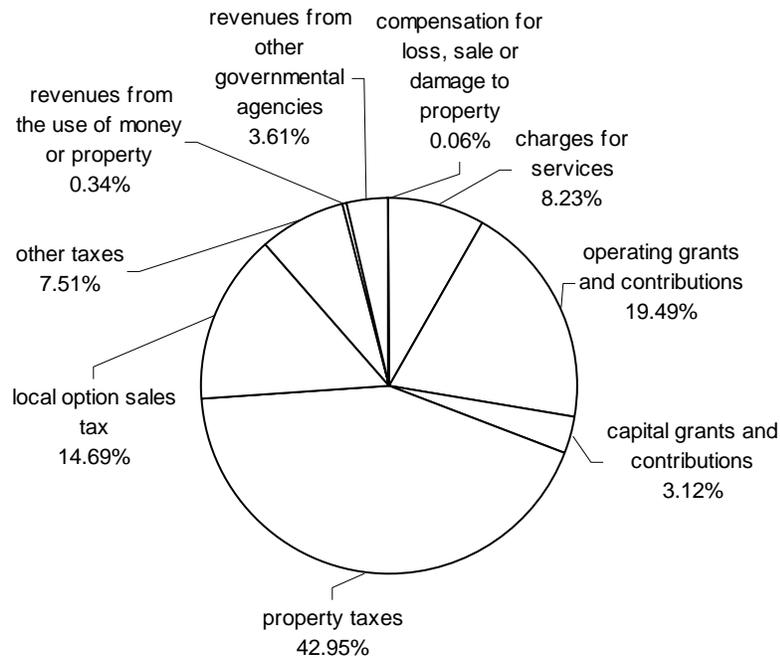
**Governmental activities** – Governmental activities decreased the Government’s net assets by \$170 million, compared to a \$86 million decrease in the prior year. Total revenue decreased by \$18 million. Significant variances in revenues included 1) a decrease of \$11 million in charges for services primarily due to lower construction-related revenues such as building permits, 2) an increase of \$12 million in operating grants and contributions primarily in the areas of education and public welfare, 3) an increase of \$15 million in property taxes resulting from normal growth, and 4) a decrease of \$21 million in local option sales taxes as a result of the economic downturn. Total expenditures increased by \$57 million. Significant variances in expenditures included 1) an increase of \$15 million in general government primarily due to pre-construction costs related to the planned new convention center, 2) an increase of \$9 million in fiscal administration resulting from the inclusion of activities in the current year that were budgeted as internal service operations in the prior year, 3) an increase of \$15 million in law enforcement and care of prisoners from a planned budgetary increase and increases in compensated absences and OPEB, 4) a decrease in public works, highways and streets of \$18 million from a planned budgetary decrease and decreased spending in solid waste and other operations, and 5) an increase of \$28 million in education resulting from a \$29 million increase in the School’s budget which was partially offset by decreased spending.

**Expenses and Program Revenues - Governmental Activities – For the Year Ended June 30, 2009**



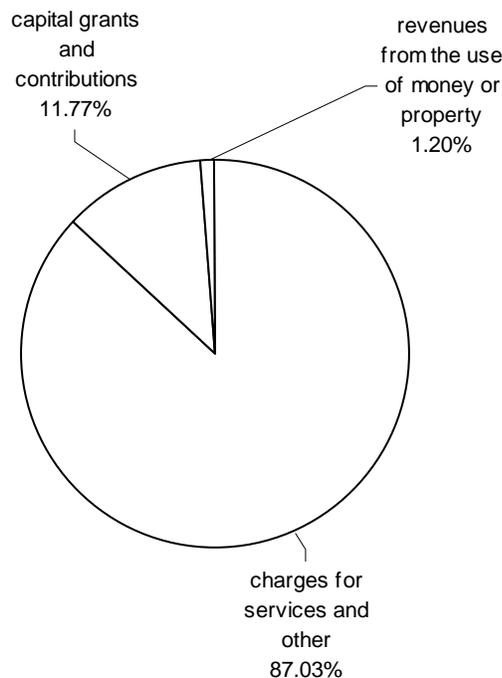
(in thousands)

**Revenues by Source - Governmental Activities – For the Year Ended June 30, 2009**



**Business-type activities** – Business-type activities increased the Government's net assets by \$15 million compared to a \$64 million increase in the prior year. This decrease in the change in net assets is primarily due to the Department of Water and Sewerage Services operating results for the 2009 fiscal year. Revenue from operations decreased \$4 million as a result of an unusually wet spring which decreased the demand for water, while there was a \$14 million increase in operating expenses. The use of cash reserves for capital outlay resulted in a \$5 million decrease in investment income, and there was a \$31 million decrease in contributions of capital assets from developments. These impacts were partially offset by an \$8 million decrease in the transfer to the Stormwater Operations fund for 2009.

**Revenues by Source – Business-type Activities – For the Year Ended June 30, 2009**



## 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, unreserved 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 \$106 million, a decrease of \$159 million in comparison with the prior year. This amount includes unreserved fund balance of negative \$40 million. While the general, debt service, special revenue and permanent funds reported positive unreserved fund balance of \$142 million, capital project funds reported negative unreserved fund balance of \$182 million due to capital project expenditures funded by commercial paper borrowings prior to the issuance of bonds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for: 1) subsequent year budget appropriations (\$36 million), 2) the purchase of equipment (\$51 million), 3) future debt payments (\$22 million), 4) a long-term receivable from General Hospital (\$32 million), and 5) other purposes (\$5 million).

The general fund is the chief operating fund of the Government. At the end of the current fiscal year, unreserved fund balance of the general fund was \$47 million, while total fund balance was \$80 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.1% of total general fund expenditures and other financing uses, while total fund balance represents 10.2% of total general fund expenditures and other financing uses.

The total fund balance of the Government's General Fund increased by \$17 million during the current fiscal year as compared to a \$3 million increase in the previous year. While sales taxes and certain other revenues primarily related to development and building permits were under budget due to the economic downturn, other revenues mostly offset those revenue shortfalls. However, the increase in fund balance was achieved primarily by savings targets established and achieved during the fiscal year totaling \$15 million and by the General Fund's portion of assets received from the closing of certain internal service funds totaling \$4 million.

The fund balance of the Government's General Purpose School Fund decreased by \$32 million during the current fiscal year, due to a budgeted use of \$19 million of fund balance, followed by a \$12 million decrease in sales tax collections as compared to the budget.

The fund balance of the Government's GSD General Purposes, GSD School Purposes and USD General Purposes Debt Service Funds decreased by \$13 million in the current fiscal year primarily due to budgeted principal and interest payments in excess of revenues.

The fund balance of the Government's other governmental funds decreased by \$10 million primarily due to preconstruction expenditures for a planned new convention center that is being funded by new hotel occupancy and other tourist-related taxes that had accumulated in fund balance in the prior fiscal year.

**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 assets of proprietary funds at the end of the year amounted to \$88 million. The total decrease in unrestricted net assets for these funds was \$22 million. Factors concerning the finances of these funds have already been addressed in the discussion of the Government's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

### *Original and Final Budgeted Amounts*

For the General Fund, there were minor differences in revenues and other financing sources between the original budget and final amended budget, due primarily to additional revenue for specified purposes. Differences in expenditures and other financing uses between the original budget and the final amended budget are primarily due to additional funding received as discussed above and supplemental funding appropriated for additional expenditures. Other variances in the budget line items were primarily due to fringe benefit increases being originally budgeted under miscellaneous expenditures, then reallocated to departmental budgets after the final budget was approved, and due to certain operating transfers that were originally budgeted under various departmental budgets.

### Final Budgeted and Actual Amounts

Sales taxes and permit revenue came in significantly under budget due to the economic downturn as discussed above. Revenues from other governmental agencies were over budget due to state income taxes derived from investment income exceeding expectations by approximately \$7 million. Actual expenditures and other financing uses were under budget by \$9 million because of aggressive mid-year savings targets required of all 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, 2009 amounts to \$4.6 billion (net of accumulated depreciation). Depreciation charges for the fiscal year totaled \$131 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Utility plant in service	\$ -	\$ -	\$ 2,183,577	\$ 2,118,069	\$ 2,183,577	\$ 2,118,069
Land	224,342	191,604	18,138	17,867	242,480	209,471
Buildings and improvements	1,369,533	1,246,295	127,029	123,231	1,496,562	1,369,526
Improvements other than buildings	-	-	42,581	42,316	42,581	42,316
Furniture, machinery and equipment	282,842	304,885	39,600	43,544	322,442	348,429
Property under capital lease	-	-	3,645	3,645	3,645	3,645
Infrastructure	1,529,429	1,504,122	-	-	1,529,429	1,504,122
Construction in progress	202,972	263,690	62,017	57,157	264,989	320,847
Less: Accumulated depreciation	(677,033)	(654,104)	(814,218)	(759,096)	(1,491,251)	(1,413,200)
<b>Total capital assets</b>	<b>\$ 2,932,085</b>	<b>\$ 2,856,492</b>	<b>\$ 1,662,369</b>	<b>\$ 1,646,733</b>	<b>\$ 4,594,454</b>	<b>\$ 4,503,225</b>

The total increase in the Government's investment in capital assets for the current fiscal year was 2.0% (a 2.6% increase for governmental activities and a 1.0% increase for business-type activities).

Construction of new schools and other government buildings and renovation of existing government buildings has continued in accordance with the Government's capital plan. Additionally, land increased from donated rights of way related to new developments and due to land acquisitions for Parks greenways. Additions to the utility plants for the Department of Water and Sewerage Services totaled approximately \$65 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 expends certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under this approach include approximately 5,740 lane miles of streets and roads and 327 bridges and underpasses that the Government is responsible for maintaining. The Government's policy is to have at least 70% of roads in good or better condition and 75% of bridges in fair or better condition. The most recent assessment indicated that 77.5% of roads and 98.0% of bridges meet the Government's policy, as compared to 78.6% of roads in 2008 and 95.3% of bridges in 2006.

Additional information on the Government's capital assets can be found in Note 4 beginning on page B-56 of this report.

**Long-term debt** – At the end of the current fiscal year, the Government had total bonded debt outstanding of \$2.0 billion. Of this amount, \$1.6 billion comprises debt backed by the full faith and credit of the Government. The remaining \$414 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	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 1,578,135	\$ 1,718,615	\$ 6,890	\$ 7,170	\$ 1,585,025	\$ 1,725,785
Deferred amounts, net	40,298	42,632	426	454	40,724	43,086
<b>Total general obligation bonds outstanding</b>	<b>1,618,433</b>	<b>1,761,247</b>	<b>7,316</b>	<b>7,624</b>	<b>1,625,749</b>	<b>1,768,871</b>
Revenue bonds	5,665	7,375	404,385	436,860	410,050	444,235
Deferred amounts, net	(54)	(80)	4,245	4,648	4,191	4,568
<b>Total revenue bonds outstanding</b>	<b>5,611</b>	<b>7,295</b>	<b>408,630</b>	<b>441,508</b>	<b>414,241</b>	<b>448,803</b>
<b>Total general obligation and revenue bonds outstanding</b>	<b>\$ 1,624,044</b>	<b>\$ 1,768,542</b>	<b>\$ 415,946</b>	<b>\$ 449,132</b>	<b>\$ 2,039,990</b>	<b>\$ 2,217,674</b>

The Government's total general obligation and revenue bonds outstanding decreased by \$178 million (8.0%) during the current fiscal year. No new general obligation or revenue bonds were issued. The decrease is attributable to principal payments of \$116 million and the replacement of \$59 million of bonded debt with a loan as discussed in the following paragraph. Deferred amounts related to the bond issues decreased by \$3 million.

The Government entered a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, through the Tennessee Municipal Bond Fund (the TMBF Loan) in December 2008 for \$59 million. Proceeds of the TMBF Loan were used to refund the General Obligation Refunding Bonds, Series 2006.

Construction commitments at June 30, 2009 totaled \$54 million for the governmental activities of the Government and \$32 million for the Department of Water and Sewerage Services.

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

The ratio of general long-term debt (defined as gross debt less debt service monies available and less debt to be repaid from sources other than property taxes) to the actual value of property is 2.48%, and the amount of net debt per capita is \$2,450.19.

Additional information on the Government's long-term debt can be found in Note 5 beginning on page B-59 of this report.

**Commercial paper** – In August 2003, the Government instituted a general obligation commercial paper program to provide interim or short-term financing for various authorized capital projects. Commercial paper obligations of \$175 million outstanding at June 30, 2009 were subsequently rolled over into new commercial paper obligations and are considered short-term liabilities of the appropriate capital project funds and the District Energy System.

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

The most recent (August 2009) unemployment rate for the Nashville metropolitan area is 9.8%. The state's and nation's unemployment rates are 10.8% and 9.7%, respectively. The budget for the 2010 fiscal year reflects a balanced budget with no property tax rate increase. For more comprehensive information on the Metropolitan Government's approved budget for the 2010 fiscal year, the budget ordinance, the budget book as well as other documents are available at [www.nashville.gov](http://www.nashville.gov).

## **OTHER MATTERS**

In the prior year, the Government implemented Governmental Accounting Standard Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). This statement required governments to account for and report their costs and obligations related to post employment healthcare and other nonpension benefits. At June 30, 2009, the unfunded accrued liability for these benefits for general government employees is \$1.8 billion, and the unfunded accrued liability for teachers is \$571 million. These benefits are currently funded on a pay-as-you-go basis and, as a result, the government recognized an increase in net OPEB obligations totaling \$158 million in the government-wide statements of net assets and activities. Additional information can be found in Note 7 beginning on page B-90 of this report.

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.

During the year ended June 30, 2009, the quadrennial reappraisal of property values was completed. The State mandates that a reappraisal be revenue neutral; therefore, the overall property tax rate was reduced from \$4.69 to \$4.13. The budget approved by the Metropolitan Council for the year ending June 30, 2010 was prepared using the revised \$4.13 rate.

## **REQUESTS FOR INFORMATION**

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





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 323,057,136	\$ 32,422,584	\$ 355,479,720	\$ 129,477,569
Investments	-	-	-	51,643,508
Sales tax receivable	42,617,009	-	42,617,009	-
Accounts receivable	111,994,794	28,139,354	140,134,148	206,782,437
Property taxes receivable	782,901,038	-	782,901,038	-
Allowance for doubtful accounts	(51,248,699)	(6,582,804)	(57,831,503)	(61,485,348)
Accrued interest receivable	154,912	64,456	219,368	1,232,907
Internal balances	16,292,365	(16,292,365)	-	-
Due from the primary government	-	-	-	1,729,184
Due from component units	48,180,150	-	48,180,150	-
Inventories of supplies	4,104,608	2,269,491	6,374,099	27,639,885
Other current assets	2,189,673	34,483	2,224,156	4,379,660
Restricted assets:				
Cash and cash equivalents	-	143,653,680	143,653,680	104,333,569
Investments	-	-	-	133,527,780
Accrued interest receivable	-	67	67	50,532
Accounts receivable	-	31,869	31,869	-
Due from other governmental agencies	-	1,459,328	1,459,328	11,082,965
Other restricted assets	-	296,100	296,100	2,181,303
Notes receivable	-	-	-	36,256,722
Capital assets:				
Utility plant in service	-	2,183,576,955	2,183,576,955	1,084,476,000
Land	224,341,606	18,138,238	242,479,844	225,845,584
Buildings and improvements	1,369,533,056	127,028,808	1,496,561,864	948,207,484
Improvement other than buildings	-	42,581,081	42,581,081	448,460,013
Furniture, machinery and equipment	282,841,960	39,599,701	322,441,661	249,558,637
Property under capital lease	-	3,645,000	3,645,000	-
Infrastructure	1,529,428,685	-	1,529,428,685	20,657,288
Construction in progress	202,971,864	62,017,019	264,988,883	120,704,771
Accumulated depreciation	(677,032,524)	(814,217,734)	(1,491,250,258)	(1,141,094,581)
Other non-current assets	67,125,314	5,344,385	72,469,699	22,416,189
<b>Total assets</b>	<b>4,279,452,947</b>	<b>1,853,209,696</b>	<b>6,132,662,643</b>	<b>2,628,064,058</b>
<b>LIABILITIES</b>				
Accounts payable	61,649,030	7,028,153	68,677,183	160,273,278
Accrued payroll	46,424,908	3,106,641	49,531,549	10,382,932
Accrued interest	27,519,165	-	27,519,165	1,725,000
Claims payable	32,487,498	-	32,487,498	-
Due to component units	2,055,025	34	2,055,059	-
Due to the primary government	-	-	-	48,090,990
Customer deposits	-	4,159,974	4,159,974	12,514,478
Unearned revenue	770,907,914	1,039,212	771,947,126	-
Commercial paper payable	173,320,000	1,680,000	175,000,000	-
Other current liabilities	6,169,998	3,422,634	9,592,632	11,881,829

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>LIABILITIES (CONTINUED)</u>				
Liabilities payable from restricted assets:				
Accounts payable	\$ -	\$ 7,233,455	\$ 7,233,455	\$ 4,339,137
Accrued payroll	-	42,175	42,175	-
Accrued interest	-	10,356,719	10,356,719	6,140,814
Other restricted liabilities	-	4,050	4,050	-
Funds held in trust	-	-	-	214,649
Current portion of long-term liabilities	-	42,745,047	42,745,047	44,406,000
Noncurrent liabilities:				
Due within one year	140,976,810	175,000	141,151,810	6,786,422
Due in more than one year	2,003,627,471	533,296,141	2,536,923,612	882,744,378
Total liabilities	<u>3,265,137,819</u>	<u>614,289,235</u>	<u>3,879,427,054</u>	<u>1,189,499,907</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	1,083,096,533	1,196,148,613	2,279,245,146	1,152,116,486
Restricted for debt retirement	21,895,616	22,587,722	44,483,338	85,284,731
Restricted for perpetual care:				
Expendable	220,829	-	220,829	-
Nonexpendable	185,112	-	185,112	-
Restricted for other purposes	616,253	-	616,253	43,531,728
Unrestricted	(91,699,215)	20,184,126	(71,515,089)	157,631,206
Total net assets	<u>\$ 1,014,315,128</u>	<u>\$ 1,238,920,461</u>	<u>\$ 2,253,235,589</u>	<u>\$ 1,438,564,151</u>

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, 2009

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 83,668,313	\$ 7,291,917	\$ 3,804,055	\$ 20,794
Fiscal administration	34,263,478	4,590,965	167,228	-
Administration of justice	85,722,940	34,566,925	3,987,002	-
Law enforcement and care of prisoners	304,916,731	31,053,070	2,070,739	275,000
Fire prevention and control	143,911,979	14,357,572	11,162	-
Regulation and inspection	9,910,090	7,060,227	-	-
Conservation of natural resources	490,965	-	-	-
Public welfare	51,362,496	1,313,206	27,678,839	-
Public health and hospitals	131,676,620	12,788,731	17,511,543	-
Public library system	29,753,593	577,893	617,483	346,700
Public works, highways and streets	125,490,389	9,294,706	1,309,473	54,782,510
Recreational and cultural	76,289,833	9,111,381	491,140	581,108
Education	808,285,234	16,216,079	293,417,502	157,003
Interest and other debt related costs	85,823,367	-	-	-
<b>Total governmental activities</b>	<b>1,971,566,028</b>	<b>148,222,672</b>	<b>351,066,166</b>	<b>56,163,115</b>
Business-type activities:				
Department of Water and Sewerage Services	177,983,547	169,672,136	-	27,462,541
District Energy System	20,260,415	17,811,638	-	-
Nashville Convention Center	7,571,421	5,675,010	-	-
Board of Fair Commissioners	4,427,964	3,437,798	-	-
Farmers Market	1,215,462	899,097	-	-
Police Secondary Employment	881,341	1,094,154	-	-
Surplus Property Auction	805,518	957,619	-	-
Municipal Auditorium	1,737,785	1,107,437	-	-
Police Impound	1,881,862	2,182,249	-	-
School Community Education	1,049,682	140,694	-	-
<b>Total business-type activities</b>	<b>217,814,997</b>	<b>202,977,832</b>	<b>-</b>	<b>27,462,541</b>
<b>Total primary government</b>	<b>\$ 2,189,381,025</b>	<b>\$ 351,200,504</b>	<b>\$ 351,066,166</b>	<b>\$ 83,625,656</b>
<b>Component units</b>	<b>\$ 1,565,293,032</b>	<b>\$ 1,371,072,844</b>	<b>\$ 187,701,473</b>	<b>\$ 48,248,946</b>

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 assets  
Net assets - beginning  
Net assets - ending

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, 2009

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (72,551,547)	\$ -	\$ (72,551,547)	\$ -
(29,505,285)	-	(29,505,285)	-
(47,169,013)	-	(47,169,013)	-
(271,517,922)	-	(271,517,922)	-
(129,543,245)	-	(129,543,245)	-
(2,849,863)	-	(2,849,863)	-
(490,965)	-	(490,965)	-
(22,370,451)	-	(22,370,451)	-
(101,376,346)	-	(101,376,346)	-
(28,211,517)	-	(28,211,517)	-
(60,103,700)	-	(60,103,700)	-
(66,106,204)	-	(66,106,204)	-
(498,494,650)	-	(498,494,650)	-
(85,823,367)	-	(85,823,367)	-
<u>(1,416,114,075)</u>	<u>-</u>	<u>(1,416,114,075)</u>	<u>-</u>
-	19,151,130	19,151,130	-
-	(2,448,777)	(2,448,777)	-
-	(1,896,411)	(1,896,411)	-
-	(990,166)	(990,166)	-
-	(316,365)	(316,365)	-
-	212,813	212,813	-
-	152,101	152,101	-
-	(630,348)	(630,348)	-
-	300,387	300,387	-
-	(908,988)	(908,988)	-
<u>-</u>	<u>12,625,376</u>	<u>12,625,376</u>	<u>-</u>
<u>(1,416,114,075)</u>	<u>12,625,376</u>	<u>(1,403,488,699)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>41,730,231</u>
773,659,017	-	773,659,017	-
264,572,950	-	264,572,950	-
38,790,925	-	38,790,925	-
28,454,811	-	28,454,811	-
26,042,665	-	26,042,665	-
22,639,725	-	22,639,725	-
18,852,758	-	18,852,758	-
432,390	-	432,390	-
6,109,000	2,790,122	8,899,122	12,032,813
65,025,558	-	65,025,558	-
1,022,439	91,758	1,114,197	657,009
538,307	(538,307)	-	-
<u>1,246,140,545</u>	<u>2,343,573</u>	<u>1,248,484,118</u>	<u>12,689,822</u>
(169,973,530)	14,968,949	(155,004,581)	54,420,053
1,184,288,658	1,223,951,512	2,408,240,170	1,384,144,098
<u>\$ 1,014,315,128</u>	<u>\$ 1,238,920,461</u>	<u>\$ 2,253,235,589</u>	<u>\$ 1,438,564,151</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, 2009

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 43,618,421	\$ 26,549,436	\$ 126,816	\$ 35,799,418
Sales tax receivable	13,686,425	25,743,781	579,174	2,607,629
Accounts receivable	63,728,497	1,959,460	12,645,954	-
Accrued interest receivable	24,833	3,430	-	16,507
Property tax receivable	423,369,424	231,518,812	83,257,100	29,779,670
Allowance for doubtful accounts	(33,442,927)	(3,354,175)	(13,686,216)	(561,141)
Due from other funds of the primary government	8,859,263	11,294,694	329,625	79,778
Due from component units	48,179,276	-	-	-
Inventories of supplies	273,428	738,993	-	-
Other assets	83,749	110,701	20,000	-
<b>Total assets</b>	<b>\$ 568,380,389</b>	<b>\$ 294,565,132</b>	<b>\$ 83,272,453</b>	<b>\$ 67,721,861</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 10,678,545	\$ 4,588,135	\$ 33,286	\$ 15,762
Accrued payroll	21,856,943	19,154,508	-	-
Due to other funds of the primary government	26,718,447	2,093,379	449,640	10,573
Due to component units	324,660	-	-	-
Deferred revenue	425,353,376	228,175,781	81,681,936	29,139,392
Commercial paper payable	-	-	-	-
Other liabilities	3,721,901	25,978	-	-
<b>Total liabilities</b>	<b>488,653,872</b>	<b>254,037,781</b>	<b>82,164,862</b>	<b>29,165,727</b>
<b>FUND BALANCES (DEFICITS):</b>				
Reserved for imprest cash and inventories	439,991	741,743	-	-
Reserved for subsequent year budgetary appropriations	-	12,431,400	-	23,565,000
Reserved for long-term receivable from General Hospital	31,948,700	-	-	-
Reserved for equipment acquisitions	-	-	-	-
Reserved for perpetual care	-	-	-	-
Reserved for debt service	-	-	1,107,591	14,991,134
Unreserved, reported in:				
General fund:				
Undesignated	47,337,826	-	-	-
Special revenue funds:				
Designated for convention center and tourist promotion	-	-	-	-
Designated for scholarships	-	-	-	-
Undesignated	-	27,354,208	-	-
Capital projects funds:				
Undesignated	-	-	-	-
Permanent funds:				
Undesignated	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>79,726,517</b>	<b>40,527,351</b>	<b>1,107,591</b>	<b>38,556,134</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 568,380,389</b>	<b>\$ 294,565,132</b>	<b>\$ 83,272,453</b>	<b>\$ 67,721,861</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2009

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 4,256,982	\$ 5,608,135	\$ 4,517,493	\$ 35,865	\$ 114,863,458	\$ 235,376,024
-	-	-	-	-	42,617,009
-	32,187	3,386	-	30,678,599	109,048,083
1,904	2,143	8	17	57,226	106,068
14,976,032	-	-	-	-	782,901,038
(204,240)	-	-	-	-	(51,248,699)
8,846	350,601	414,262	63,869	18,035,378	39,436,316
-	-	-	-	-	48,179,276
-	-	-	-	930,772	1,943,193
-	-	-	-	503,319	717,769
<u>\$ 19,039,524</u>	<u>\$ 5,993,066</u>	<u>\$ 4,935,149</u>	<u>\$ 99,751</u>	<u>\$ 165,068,752</u>	<u>\$ 1,209,076,077</u>
\$ 4,117	\$ 10,952,639	\$ 5,321,291	\$ 478,801	\$ 17,337,670	\$ 49,410,246
-	-	-	-	2,165,436	43,176,887
4,464	2,900,008	31,987	-	12,680,759	44,889,257
-	-	-	-	1,730,365	2,055,025
14,732,236	-	-	-	4,596,199	783,678,920
-	89,301,443	84,018,557	-	-	173,320,000
-	-	-	-	2,421,131	6,169,010
<u>14,740,817</u>	<u>103,154,090</u>	<u>89,371,835</u>	<u>478,801</u>	<u>40,931,560</u>	<u>1,102,699,345</u>
-	-	-	-	3,426,585	4,608,319
-	-	-	-	-	35,996,400
-	-	-	-	-	31,948,700
-	-	-	-	51,234,055	51,234,055
-	-	-	-	185,112	185,112
4,298,707	-	-	-	1,625,000	22,022,432
-	-	-	-	-	47,337,826
-	-	-	-	15,813,019	15,813,019
-	-	-	-	1,100	1,100
-	-	-	-	51,631,492	78,985,700
-	(97,161,024)	(84,436,686)	(379,050)	-	(181,976,760)
-	-	-	-	220,829	220,829
<u>4,298,707</u>	<u>(97,161,024)</u>	<u>(84,436,686)</u>	<u>(379,050)</u>	<u>124,137,192</u>	<u>106,376,732</u>
<u>\$ 19,039,524</u>	<u>\$ 5,993,066</u>	<u>\$ 4,935,149</u>	<u>\$ 99,751</u>	<u>\$ 165,068,752</u>	<u>\$ 1,209,076,077</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 ASSETS  
 GOVERNMENTAL FUNDS

June 30, 2009

Fund balances - total governmental funds	\$	106,376,732
<p>Amounts reported for governmental activities in the Statement of Net Assets are different from amounts reported for governmental funds in the Balance Sheet because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore not reported in governmental funds.</p>		
Capital assets		3,505,647,393
Less accumulated depreciation		(610,654,330)
<p>Net pension assets are not financial resources and therefore not reported in governmental funds.</p>		
		61,401,284
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds payable		(1,583,800,000)
Qualified zone academy notes payable		(4,974,800)
Tennessee Municipal Bond Fund loan payable		(56,930,000)
Less deferred charge on refunding		27,805,392
Less deferred charge for issuance costs		5,724,030
Add bond premium/discount		(67,930,199)
Accrued interest payable		(27,519,165)
Unamortized swaption proceeds		(2,907,577)
Net pension obligation		(70,947,167)
Net other postemployment benefits obligation		(295,475,000)
Compensated absences		(76,815,257)
Claims and judgments		(3,005,000)
Landfill closure costs		(12,532,250)
<p>Certain deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.</p>		
		15,678,583
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds less those allocated to business-type activities are included in governmental activities.</p>		
		105,172,459
Net assets - total governmental activities	\$	1,014,315,128

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, 2009

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
<b>REVENUES:</b>				
Property taxes	\$ 435,605,556	\$ 219,768,805	\$ 78,481,091	\$ 27,800,290
Local option sales tax	86,346,221	159,185,602	2,918,925	16,122,202
Other taxes, licenses and permits	98,494,812	4,686,354	126,816	-
Fines, forfeits and penalties	13,325,113	4,180	434,021	-
Revenues from the use of money or property	1,053,155	170,286	-	770,181
Revenues from other governmental agencies	89,947,232	196,755,040	2,052,471	-
Commissions and fees	16,599,245	-	-	-
Charges for current services	29,213,374	685,736	838,699	-
Compensation for loss, sale or damage to property	314,660	359,806	-	-
Contributions and gifts	604,355	1,356,139	-	-
Miscellaneous	1,615,211	117,927	896,925	9,733
<b>Total revenues</b>	<b>773,118,934</b>	<b>583,089,875</b>	<b>85,748,948</b>	<b>44,702,406</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	26,623,136	-	-	-
Fiscal administration	24,112,437	-	-	-
Administration of justice	56,871,162	-	-	-
Law enforcement and care of prisoners	211,373,327	-	-	-
Fire prevention and control	107,034,837	-	-	-
Regulation and inspection	7,951,586	-	-	-
Conservation of natural resources	407,442	-	-	-
Public welfare	7,460,432	-	-	-
Public health and hospitals	83,419,885	-	-	-
Public library system	19,891,826	-	-	-
Public works, highways and streets	33,787,255	-	-	-
Recreational and cultural	35,539,361	-	-	-
Education	-	608,269,836	-	-
Employee benefits	62,420,127	-	-	-
Miscellaneous	40,260,803	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	43,939,850	30,965,309
Interest	-	-	48,380,710	27,471,938
Fiscal charges	-	-	2,710,518	651,544
Debt issue costs	-	-	240,000	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>717,153,616</b>	<b>608,269,836</b>	<b>95,271,078</b>	<b>59,088,791</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>55,965,318</b>	<b>(25,179,961)</b>	<b>(9,522,130)</b>	<b>(14,386,385)</b>

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

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

For the Year Ended June 30, 2009

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 12,293,769	\$ -	\$ -	\$ -	\$ 1,454,359	\$ 775,403,870
-	-	-	-	-	264,572,950
-	-	-	-	40,388,327	143,696,309
-	-	437,757	-	3,761,516	17,962,587
-	56,412	1,069	507	1,734,064	3,785,674
-	1,840,251	-	-	162,853,069	453,448,063
-	-	-	-	8,450,307	25,049,552
-	-	-	-	20,399,220	51,137,029
-	368,291	1,096,597	-	4,898	2,144,252
-	1,388,064	157,003	-	7,139,807	10,645,368
1,497,260	-	-	-	466,608	4,603,664
<u>13,791,029</u>	<u>3,653,018</u>	<u>1,692,426</u>	<u>507</u>	<u>246,652,175</u>	<u>1,752,449,318</u>
-	-	-	-	33,412,252	60,035,388
-	-	-	-	-	24,112,437
-	-	-	-	-	56,871,162
-	-	-	-	28,063,131	239,436,458
-	-	-	-	-	107,034,837
-	-	-	-	143,542	8,095,128
-	-	-	-	-	407,442
-	-	-	-	30,464,332	37,924,764
-	-	-	-	18,155,999	101,575,884
-	-	-	-	673,024	20,564,850
-	-	-	-	29,416,834	63,204,089
-	-	-	-	1,772,931	37,312,292
-	-	-	-	112,639,205	720,909,041
-	-	-	-	-	62,420,127
-	-	-	-	-	40,260,803
9,299,408	-	-	-	1,710,000	85,914,567
6,990,964	-	-	-	326,000	83,169,612
240,876	-	-	-	2,040	3,604,978
-	-	-	-	-	240,000
-	69,946,265	48,381,938	5,422,377	26,537,782	150,288,362
<u>16,531,248</u>	<u>69,946,265</u>	<u>48,381,938</u>	<u>5,422,377</u>	<u>283,317,072</u>	<u>1,903,382,221</u>
<u>(2,740,219)</u>	<u>(66,293,247)</u>	<u>(46,689,512)</u>	<u>(5,421,870)</u>	<u>(36,664,897)</u>	<u>(150,932,903)</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, 2009

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
OTHER FINANCING SOURCES (USES):				
Issuance of refunding debt	\$ -	\$ -	\$ 59,140,000	\$ -
Payments to refunded bond escrow agent	-	-	(58,900,000)	-
Transfers in	21,859,528	2,860,425	11,229,867	1,530,450
Transfers out	(61,216,302)	(9,877,368)	(4,010,200)	-
Total other financing sources (uses)	(39,356,774)	(7,016,943)	7,459,667	1,530,450
Net change in fund balances	16,608,544	(32,196,904)	(2,062,463)	(12,855,935)
FUND BALANCES (DEFICITS), beginning of year	63,117,973	72,724,255	3,170,054	51,412,069
FUND BALANCES (DEFICITS), end of year	\$ 79,726,517	\$ 40,527,351	\$ 1,107,591	\$ 38,556,134

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, 2009

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,140,000
-	-	-	-	-	(58,900,000)
4,817,750	2,757,267	-	-	53,824,438	98,879,725
-	(4,735,558)	-	(61,159)	(27,139,621)	(107,040,208)
<u>4,817,750</u>	<u>(1,978,291)</u>	<u>-</u>	<u>(61,159)</u>	<u>26,684,817</u>	<u>(7,920,483)</u>
2,077,531	(68,271,538)	(46,689,512)	(5,483,029)	(9,980,080)	(158,853,386)
<u>2,221,176</u>	<u>(28,889,486)</u>	<u>(37,747,174)</u>	<u>5,103,979</u>	<u>134,117,272</u>	<u>265,230,118</u>
<u>\$ 4,298,707</u>	<u>\$ (97,161,024)</u>	<u>\$ (84,436,686)</u>	<u>\$ (379,050)</u>	<u>\$ 124,137,192</u>	<u>\$ 106,376,732</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, 2009

Net change in fund balances - governmental funds \$ (158,853,386)

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

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

Acquisition of capital assets that meet criteria for capitalization	83,576,267
Depreciation expense	(52,932,073)

Donations of capital assets increase net assets for governmental activities, but do not appear in the governmental funds because they are not financial resources.	53,000,588
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The gain or loss on the sale of capital assets is reported for governmental activities, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net book value of the capital assets sold.	(5,083,902)
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Changes in net pension assets increase or decrease net assets for governmental activities, but do not appear in the governmental funds because they are not current financial resources.	8,461,188
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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 issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities.

Issuance of debt	(59,140,000)
Principal repayments	85,914,567
Principal refunded	58,900,000
Amortization of deferred charge on refunding	(2,550,806)
Issuance costs	240,000
Amortization of issuance costs	(411,522)
Amortization of premium/discount	4,849,359
Change in accrued interest	(4,940,997)

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, 2009

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 not reported as expenditures for governmental funds.

Net pension obligation	(652,139)
Net other postemployment benefits obligation	(158,119,000)
Compensated absences	(5,738,522)
Claims and judgments	24,390
Landfill closure costs	(3,549,907)

Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.	(2,858,684)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds less those allocated to business-type activities are included in governmental activities.	<u>(10,281,678)</u>
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Change in net assets - governmental activities	<u><u>\$ (169,973,530)</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

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 425,646,300	\$ 425,646,300	\$ 435,605,556	\$ 9,959,256
Local option sales tax	98,050,900	98,050,900	86,346,221	(11,704,679)
Other taxes, licenses and permits	103,392,800	103,392,800	98,494,812	(4,897,988)
Fines, forfeits and penalties	12,558,900	12,558,900	13,325,113	766,213
Revenues from the use of money or property	1,800,000	1,800,000	1,053,155	(746,845)
Revenues from other governmental agencies	85,280,000	85,387,300	89,947,232	4,559,932
Commissions and fees	16,923,000	16,923,000	16,599,245	(323,755)
Charges for current services	28,746,700	28,746,700	29,213,374	466,674
Compensation for loss, sale or damage to property	444,400	444,400	314,660	(129,740)
Contributions and gifts	658,300	658,441	604,355	(54,086)
Miscellaneous	1,084,700	1,084,700	1,615,211	530,511
<b>Total revenues</b>	<b>774,586,000</b>	<b>774,693,441</b>	<b>773,118,934</b>	<b>(1,574,507)</b>
<b>EXPENDITURES:</b>				
General government	27,989,900	28,290,200	26,623,136	1,667,064
Fiscal administration	25,631,700	25,659,300	24,112,437	1,546,863
Administration of justice	57,959,300	58,232,700	56,871,162	1,361,538
Law enforcement and care of prisoners	211,285,100	213,559,500	211,373,327	2,186,173
Fire prevention and control	107,367,200	107,584,141	107,034,837	549,304
Regulation and inspection	8,671,800	8,791,600	7,951,586	840,014
Conservation of natural resources	476,800	473,900	407,442	66,458
Public welfare	7,681,500	7,775,000	7,460,432	314,568
Public health and hospitals	84,095,700	83,999,200	83,419,885	579,315
Public library system	19,981,100	20,080,400	19,891,826	188,574
Public works, highways and streets	33,038,400	34,130,000	33,787,255	342,745
Recreational and cultural	34,467,800	34,914,506	35,539,361	(624,855)
Employee benefits	63,286,900	63,455,800	62,420,127	1,035,673
Miscellaneous	50,664,800	45,794,594	40,260,803	5,533,791
<b>Total expenditures</b>	<b>732,598,000</b>	<b>732,740,841</b>	<b>717,153,616</b>	<b>15,587,225</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>41,988,000</b>	<b>41,952,600</b>	<b>55,965,318</b>	<b>14,012,718</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	17,615,700	17,740,700	21,859,528	4,118,828
Transfers out	(59,603,700)	(61,760,200)	(61,216,302)	543,898
<b>Total other financing sources (uses)</b>	<b>(41,988,000)</b>	<b>(44,019,500)</b>	<b>(39,356,774)</b>	<b>4,662,726</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(2,066,900)</b>	<b>16,608,544</b>	<b>18,675,444</b>
<b>FUND BALANCES, beginning of year</b>	<b>63,117,973</b>	<b>63,117,973</b>	<b>63,117,973</b>	<b>-</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 63,117,973</b>	<b>\$ 61,051,073</b>	<b>\$ 79,726,517</b>	<b>\$ 18,675,444</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 218,622,700	\$ 218,622,700	\$ 219,768,805	\$ 1,146,105
Local option sales tax	178,060,300	167,246,400	159,185,602	(8,060,798)
Other taxes, licenses and permits	4,623,500	4,623,500	4,686,354	62,854
Fines, forfeits and penalties	6,200	6,200	4,180	(2,020)
Revenues from the use of money or property	500,000	500,000	170,286	(329,714)
Revenues from other governmental agencies	195,195,200	197,209,700	196,755,040	(454,660)
Charges for current services	660,000	660,000	685,736	25,736
Compensation for loss, sale or damage to property	353,000	353,000	359,806	6,806
Contributions and gifts	610,000	610,000	1,356,139	746,139
Miscellaneous	95,100	95,100	117,927	22,827
Total revenues	598,726,000	589,926,600	583,089,875	(6,836,725)
EXPENDITURES:				
Education	611,418,400	613,432,900	608,269,836	5,163,064
Total expenditures	611,418,400	613,432,900	608,269,836	5,163,064
Excess (deficiency) of revenues over expenditures	(12,692,400)	(23,506,300)	(25,179,961)	(1,673,661)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,772,000	2,772,000	2,860,425	88,425
Transfers out	(9,343,700)	(9,343,700)	(9,877,368)	(533,668)
Total other financing sources (uses)	(6,571,700)	(6,571,700)	(7,016,943)	(445,243)
Net change in fund balances	(19,264,100)	(30,078,000)	(32,196,904)	(2,118,904)
FUND BALANCES, beginning of year	72,724,255	72,724,255	72,724,255	-
FUND BALANCES, end of year	\$ 53,460,155	\$ 42,646,255	\$ 40,527,351	\$ (2,118,904)

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

June 30, 2009

	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	
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 20,894,479	\$ 4,996,221	\$ 6,531,884	\$ 32,422,584	\$ 87,681,112
Accounts receivable	25,003,665	2,382,195	753,494	28,139,354	663,659
Allowance for doubtful accounts	(6,544,327)	-	(38,477)	(6,582,804)	-
Accrued interest receivable	61,067	458	2,931	64,456	48,844
Due from other funds of the primary government	582,949	-	1,744,657	2,327,606	4,451,888
Due from component units	-	-	-	-	874
Inventories of supplies	2,269,491	-	-	2,269,491	2,161,415
Other current assets	-	-	34,483	34,483	1,471,904
Restricted assets:					
Debt service and reserve funds:					
Cash and cash equivalents	2,164,963	4,352,109	-	6,517,072	-
Accrued interest receivable	-	67	-	67	-
Other current assets	296,100	-	-	296,100	-
Construction funds:					
Cash and cash equivalents	1,057,042	1,204,429	-	2,261,471	-
Accounts receivable	31,869	-	-	31,869	-
Due from other governmental agencies	1,459,328	-	-	1,459,328	-
<b>Total current assets</b>	<b>47,276,626</b>	<b>12,935,479</b>	<b>9,028,972</b>	<b>69,241,077</b>	<b>96,479,696</b>
<b>CAPITAL AND OTHER NONCURRENT ASSETS:</b>					
Capital assets:					
Utility plant in service	2,130,250,774	53,326,181	-	2,183,576,955	-
Land	10,007,803	1,311,213	6,819,222	18,138,238	-
Buildings and improvements	33,330,596	22,249,491	71,448,721	127,028,808	354,111
Improvements other than buildings	38,276,874	273,754	4,030,453	42,581,081	29,031
Furniture, machinery and equipment	36,988,510	886,904	1,724,287	39,599,701	133,970,497
Property under capital lease	-	-	3,645,000	3,645,000	-
Construction work in progress	57,161,875	2,089,592	2,765,552	62,017,019	76,083
Less accumulated depreciation	(761,904,708)	(10,089,831)	(42,223,195)	(814,217,734)	(97,338,138)
Capital assets - net	1,544,111,724	70,047,304	48,210,040	1,662,369,068	37,091,584
Restricted assets:					
Debt service and reserve funds:					
Cash and cash equivalents	26,131,202	-	-	26,131,202	-
Construction funds:					
Cash and cash equivalents	108,743,935	-	-	108,743,935	-
Other noncurrent assets	4,027,918	1,316,467	-	5,344,385	-
<b>Total capital and other noncurrent assets</b>	<b>1,683,014,779</b>	<b>71,363,771</b>	<b>48,210,040</b>	<b>1,802,588,590</b>	<b>37,091,584</b>
<b>Total assets</b>	<b>1,730,291,405</b>	<b>84,299,250</b>	<b>57,239,012</b>	<b>1,871,829,667</b>	<b>133,571,280</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS (CONTINUED)

June 30, 2009

	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	
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 4,287,592	\$ 1,453,870	\$ 1,286,691	\$ 7,028,153	\$ 7,309,158
Accrued payroll	1,925,125	439	1,181,077	3,106,641	3,248,021
Claims payable	-	-	-	-	32,487,498
Due to other funds of the primary government	38,893	4,752	2,312,504	2,356,149	1,234,585
Due to component units	-	-	34	34	-
Customer deposits	3,968,275	-	191,699	4,159,974	-
Unearned revenue	-	-	1,039,212	1,039,212	-
Current portion of capitalized lease obligations	-	-	175,000	175,000	-
Commercial paper payable	-	1,680,000	-	1,680,000	-
Other current liabilities	3,376,122	3,490	43,022	3,422,634	988
Liabilities payable from restricted assets:					
Debt service and reserve funds:					
Accrued interest payable	9,429,728	926,991	-	10,356,719	-
Current portion of long term debt	33,370,000	1,620,000	-	34,990,000	-
Construction funds:					
Accounts payable	7,233,455	-	-	7,233,455	-
Accrued payroll	42,175	-	-	42,175	-
Current portion of state loans	7,755,047	-	-	7,755,047	-
Other restricted liabilities	4,050	-	-	4,050	-
Due to other funds of the primary government	382,393	-	-	382,393	-
Total current liabilities	<u>71,812,855</u>	<u>5,689,542</u>	<u>6,229,239</u>	<u>83,731,636</u>	<u>44,280,250</u>
<b>NONCURRENT LIABILITIES:</b>					
Revenue bonds payable	311,633,090	62,297,052	-	373,930,142	-
General obligation bonds payable	-	7,026,382	-	7,026,382	-
State loans	151,244,617	-	-	151,244,617	-
Capitalized lease obligations	-	-	1,095,000	1,095,000	-
Total noncurrent liabilities	<u>462,877,707</u>	<u>69,323,434</u>	<u>1,095,000</u>	<u>533,296,141</u>	<u>-</u>
Total liabilities	<u>534,690,562</u>	<u>75,012,976</u>	<u>7,324,239</u>	<u>617,027,777</u>	<u>44,280,250</u>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt	1,148,852,904	355,669	46,940,040	1,196,148,613	37,091,584
Restricted for debt retirement	19,162,537	3,425,185	-	22,587,722	-
Unrestricted	27,585,402	5,505,420	2,974,733	36,065,555	52,199,446
Total net assets	<u>\$ 1,195,600,843</u>	<u>\$ 9,286,274</u>	<u>\$ 49,914,773</u>	<u>1,254,801,890</u>	<u>\$ 89,291,030</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(15,881,429)	
Net assets of business-type activities				<u>\$ 1,238,920,461</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 FUND NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	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	
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 169,332,925	\$ 17,811,638	\$ 15,493,748	\$ 202,638,311	\$ 297,233,330
Other	44,040	-	310	44,350	3,152,308
Total operating revenues	<u>169,376,965</u>	<u>17,811,638</u>	<u>15,494,058</u>	<u>202,682,661</u>	<u>300,385,638</u>
<b>OPERATING EXPENSES:</b>					
Personal services	38,665,020	101,023	8,699,172	47,465,215	21,989,679
Contractual services	35,601,484	14,555,642	7,230,073	57,387,199	39,391,984
Supplies and materials	10,456,897	150,279	463,256	11,070,432	12,754,175
Depreciation	60,296,084	1,977,359	2,142,678	64,416,121	13,631,754
Amortization	692,595	55,002	-	747,597	-
Compensation for damages to property	-	-	-	-	3,977,166
Medical and insurance benefits	-	-	-	-	228,064,086
Other	5,961,664	35,235	581,868	6,578,767	4,134,831
Total operating expenses	<u>151,673,744</u>	<u>16,874,540</u>	<u>19,117,047</u>	<u>187,665,331</u>	<u>323,943,675</u>
<b>OPERATING INCOME (LOSS)</b>	<u>17,703,221</u>	<u>937,098</u>	<u>(3,622,989)</u>	<u>15,017,330</u>	<u>(23,558,037)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>					
Investment income	2,615,098	92,868	82,156	2,790,122	1,342,221
Interest expense	(23,893,071)	(3,391,787)	(101,901)	(27,386,759)	(48,768)
Gain (loss) on sale of property	91,758	-	(281,253)	(189,495)	(400,873)
Other	295,171	-	-	295,171	(945,113)
Total nonoperating revenue (expense)	<u>(20,891,044)</u>	<u>(3,298,919)</u>	<u>(300,998)</u>	<u>(24,490,961)</u>	<u>(52,533)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS</b>	<u>(3,187,823)</u>	<u>(2,361,821)</u>	<u>(3,923,987)</u>	<u>(9,473,631)</u>	<u>(23,610,570)</u>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	27,462,541	-	-	27,462,541	-
<b>TRANSFERS IN</b>	298,900	2,267,100	6,584,042	9,150,042	26,124,587
<b>TRANSFERS OUT</b>	<u>(8,019,641)</u>	<u>(317,738)</u>	<u>(1,350,970)</u>	<u>(9,688,349)</u>	<u>(15,277,349)</u>
<b>CHANGE IN NET ASSETS</b>	16,553,977	(412,459)	1,309,085	<u>17,450,603</u>	(12,763,332)
<b>NET ASSETS, beginning of year</b>	<u>1,179,046,866</u>	<u>9,698,733</u>	<u>48,605,688</u>		<u>102,054,362</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,195,600,843</u>	<u>\$ 9,286,274</u>	<u>\$ 49,914,773</u>		<u>\$ 89,291,030</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(2,481,654)</u>	
<b>Change in net assets of business-type activities</b>				<u>\$ 14,968,949</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, 2009

	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	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 169,096,126	\$ 17,625,728	\$ 14,162,780	\$ 200,884,634	\$ 310,518,454
Payments to suppliers	(42,022,727)	(14,729,644)	(8,763,855)	(65,516,226)	(288,165,896)
Payments to employees	(38,503,666)	(100,584)	(8,615,777)	(47,220,027)	(21,807,965)
Other receipts (payments)	(3,198,729)	-	-	(3,198,729)	(945,113)
Net cash provided by (used in) operating activities	85,371,004	2,795,500	(3,216,852)	84,949,652	(400,520)
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	298,900	2,267,100	6,584,042	9,150,042	26,124,587
Transfers out	(8,019,641)	(317,738)	(1,350,970)	(9,688,349)	(15,198,870)
Advances from other funds of the primary government	-	-	3,008	3,008	129,135
Payments to other funds of the primary government	-	-	(168,046)	(168,046)	(709,737)
Interest paid	-	-	(29,414)	(29,414)	(34,957)
Net cash provided by (used in) non-capital financing activities	(7,720,741)	1,949,362	5,038,620	(732,759)	10,310,158
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(52,062,378)	(1,939,282)	(2,158,166)	(56,159,826)	(11,912,434)
Proceeds from the sale of property	91,758	-	-	91,758	826,793
Proceeds from borrowings	10,760,686	1,590,000	-	12,350,686	-
Principal payments on borrowings	(38,593,666)	(1,570,000)	(185,000)	(40,348,666)	-
Interest paid	(24,597,178)	(3,408,463)	(70,070)	(28,075,711)	-
Capital contributions received	3,974,066	-	-	3,974,066	-
Net cash provided by (used in) capital and related financing activities	(100,426,712)	(5,327,745)	(2,413,236)	(108,167,693)	(11,085,641)
<b>Cash flows from investing activities:</b>					
Interest on investments	2,773,611	118,263	87,450	2,979,324	1,434,774
Net cash provided by (used in) investing activities	2,773,611	118,263	87,450	2,979,324	1,434,774
Net changes in cash and cash equivalents	(20,002,838)	(464,620)	(504,018)	(20,971,476)	258,771
Cash and cash equivalents at beginning of year	178,994,459	11,017,379	7,035,902	197,047,740	87,422,341
Cash and cash equivalents at end of year	\$ 158,991,621	\$ 10,552,759	\$ 6,531,884	\$ 176,076,264	\$ 87,681,112
<b>Cash and cash equivalents are classified as:</b>					
Current assets	\$ 20,894,479	\$ 4,996,221	\$ 6,531,884	\$ 32,422,584	\$ 87,681,112
Current restricted assets debt service and reserve funds	2,164,963	4,352,109	-	6,517,072	-
Current restricted assets construction funds	1,057,042	1,204,429	-	2,261,471	-
Noncurrent restricted assets debt service and reserve funds	26,131,202	-	-	26,131,202	-
Noncurrent restricted assets construction funds	108,743,935	-	-	108,743,935	-
Cash and cash equivalents at end of year	\$ 158,991,621	\$ 10,552,759	\$ 6,531,884	\$ 176,076,264	\$ 87,681,112

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, 2009

	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)	\$ 17,703,221	\$ 937,098	\$ (3,622,989)	\$ 15,017,330	\$ (23,558,037)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	60,988,679	1,927,861	2,142,678	65,059,218	13,631,754
Provision for doubtful accounts	-	-	(2,577)	(2,577)	-
Other receipts (payments)	295,171	-	-	295,171	(945,113)
Changes in assets and liabilities:					
Accounts receivable	(1,720,797)	(81,410)	(35,319)	(1,837,526)	894,835
Due from other funds of the primary government	159,844	-	(1,640,676)	(1,480,832)	9,232,831
Due from component units	-	-	-	-	5,150
Inventories of supplies	(412,408)	-	-	(412,408)	(6,884)
Other current assets	110,614	-	(23,404)	87,210	214,595
Due from other governmental agencies	2,178,018	-	-	2,178,018	-
Accounts payable	4,448,062	11,632	(172,355)	4,287,339	(3,659,089)
Accrued payroll	161,354	439	83,395	245,188	(394,552)
Claims payable	-	-	-	-	4,046,943
Due to other funds of the primary government	(58,865)	(120)	(321,758)	(380,743)	136,059
Due to component units	-	-	(3,278)	(3,278)	-
Customer deposits	1,483,998	-	43,035	1,527,033	-
Unearned revenue	-	-	307,571	307,571	-
Other current liabilities	34,113	-	28,825	62,938	988
Total adjustments	67,667,783	1,858,402	406,137	69,932,322	23,157,517
Net cash provided by (used in) operating activities	\$ 85,371,004	\$ 2,795,500	\$ (3,216,852)	\$ 84,949,652	\$ (400,520)
<u>Non-Cash Capital, Financing and Investing Activities:</u>					
Contributions of capital assets	\$ 23,488,475	\$ -	-	\$ 23,488,475	\$ (20,794)

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





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS

June 30, 2009

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
<u>ASSETS</u>				
Cash and cash equivalents	\$ 135,689	\$ 12,000	\$ 6,227,459	\$ 412,533
Investments	-	-	507,147	-
Accounts receivable	-	-	711,203	-
Allowance for doubtful accounts	-	-	-	-
Accrued interest receivable	-	-	873	-
Due from the primary government	-	-	1,730,399	-
Inventories of supplies	-	-	-	-
Other current assets	3,029	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Other restricted assets	-	-	-	-
Notes receivable	-	-	-	-
Capital assets:				
Utility plant in service	-	-	-	-
Land	-	-	61,892,387	-
Buildings and improvements	-	-	359,042,051	-
Improvements other than buildings	134,290	-	1,452,071	-
Furniture, machinery and equipment	45,599	-	9,975,671	-
Infrastructure	-	-	-	-
Construction work in progress	-	-	2,636,757	-
Less accumulated depreciation	(152,407)	-	(96,297,517)	-
Other noncurrent assets	-	-	574,172	-
	<u>166,200</u>	<u>12,000</u>	<u>348,452,673</u>	<u>412,533</u>
Total assets	<u>166,200</u>	<u>12,000</u>	<u>348,452,673</u>	<u>412,533</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

Total Governmental Types	Hospital Authority			Metropolitan Development and Housing Agency	Electric Power Board
	General Hospital	Bordeaux Long Term Care	Total		
\$ 6,787,681	\$ 825,581	\$ 267,520	\$ 1,093,101	\$ 3,731,614	\$ 91,812,000
507,147	-	-	-	40,288,496	-
711,203	68,546,103	3,767,147	72,313,250	5,376,497	119,936,000
-	(59,739,241)	(781,000)	(60,520,241)	-	(797,000)
873	-	-	-	506,931	674,000
1,730,399	-	335	335	-	-
-	1,948,317	420,838	2,369,155	5,141,418	18,379,000
3,029	401,974	152,222	554,196	792,904	1,923,000
-	-	215,221	215,221	4,476,657	11,050,000
-	-	-	-	7,826,632	114,857,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	35,890,722	366,000
-	-	-	-	-	1,084,476,000
61,892,387	-	-	-	48,831,993	1,139,000
359,042,051	49,874,921	20,127,265	70,002,186	240,095,573	45,133,000
1,586,361	-	523,885	523,885	-	-
10,021,270	31,992,778	4,996,967	36,989,745	4,429,520	82,285,000
-	-	-	-	20,657,288	-
2,636,757	1,819,994	-	1,819,994	25,437,492	54,211,000
(96,449,924)	(41,699,867)	(14,413,909)	(56,113,776)	(121,527,086)	(468,839,000)
574,172	-	-	-	1,056,496	3,084,000
<u>349,043,406</u>	<u>53,970,560</u>	<u>15,276,491</u>	<u>69,247,051</u>	<u>323,013,147</u>	<u>1,159,689,000</u>

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

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,560,299	\$ 23,381,738	\$ 1,111,136
Investments	-	4,125,797	6,722,068
Accounts receivable	910,856	6,013,810	1,519,271
Allowance for doubtful accounts	(81,623)	(86,484)	-
Accrued interest receivable	-	51,103	-
Due from the primary government	-	-	-
Inventories of supplies	1,325,172	425,140	-
Other current assets	213,737	892,794	-
Restricted assets:			
Cash and cash equivalents	-	88,591,691	-
Investments	-	10,844,148	-
Accrued interest receivable	-	50,532	-
Due from other governmental agencies	5,599,508	5,483,457	-
Other restricted assets	-	2,181,303	-
Notes receivable	-	-	-
Capital assets:			
Utility plant in service	-	-	-
Land	14,621,239	99,360,965	-
Buildings and improvements	62,783,866	171,150,808	-
Improvements other than buildings	-	446,349,767	-
Furniture, machinery and equipment	57,805,192	50,436,887	7,591,023
Infrastructure	-	-	-
Construction work in progress	3,785,659	32,813,869	-
Less accumulated depreciation	(38,363,474)	(357,349,262)	(2,452,059)
Other noncurrent assets	1,886,726	15,814,795	-
	<u>112,047,157</u>	<u>600,532,858</u>	<u>14,491,439</u>
Total assets			

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

Total Proprietary Types	Total Component Units
\$ 122,689,888	\$ 129,477,569
51,136,361	51,643,508
206,069,684	206,780,887
(61,485,348)	(61,485,348)
1,232,034	1,232,907
335	1,730,734
27,639,885	27,639,885
4,376,631	4,379,660
104,333,569	104,333,569
133,527,780	133,527,780
50,532	50,532
11,082,965	11,082,965
2,181,303	2,181,303
36,256,722	36,256,722
1,084,476,000	1,084,476,000
163,953,197	225,845,584
589,165,433	948,207,484
446,873,652	448,460,013
239,537,367	249,558,637
20,657,288	20,657,288
118,068,014	120,704,771
(1,044,644,657)	(1,141,094,581)
21,842,017	22,416,189
2,279,020,652	2,628,064,058

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
<b>LIABILITIES</b>				
Accounts payable	\$ 134,330	\$ 25,906	\$ 2,018,062	\$ 11,209
Accrued payroll	-	-	6,708	-
Due to the primary government	-	-	288	-
Customer deposits	-	-	-	-
Current portion of long-term liabilities	-	-	-	-
Current portion of capitalized lease obligations	-	-	-	-
Accrued interest	-	-	-	-
Other current liabilities	-	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued interest	-	-	1,698,903	-
Funds held in trust	-	-	-	-
Current portion of long-term liabilities	-	-	3,355,000	-
Revenue bonds payable	-	-	66,186,848	-
Capitalized lease obligations	-	-	-	-
TVA advances	-	-	-	-
Other long-term liabilities	-	-	-	-
	<u>134,330</u>	<u>25,906</u>	<u>73,265,809</u>	<u>11,209</u>
<b>Total liabilities</b>	<b>134,330</b>	<b>25,906</b>	<b>73,265,809</b>	<b>11,209</b>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets, net of related debt	27,482	-	269,159,572	-
Restricted for debt retirement	-	-	-	-
Restricted for other purposes	-	12,000	-	-
Unrestricted	4,388	(25,906)	6,027,292	401,324
	<u>4,388</u>	<u>(25,906)</u>	<u>6,027,292</u>	<u>401,324</u>
<b>Total net assets (deficit)</b>	<b>\$ 31,870</b>	<b>\$ (13,906)</b>	<b>\$ 275,186,864</b>	<b>\$ 401,324</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

Total Governmental Types	Hospital Authority			Metropolitan Development and Housing Agency	Electric Power Board
	General Hospital	Bordeaux Long Term Care	Total		
\$ 2,189,507	\$ 6,469,512	\$ 814,330	\$ 7,283,842	\$ 11,255,355	\$ 131,880,000
6,708	3,863,028	2,410,928	6,273,956	538,891	-
288	31,085,881	30,577	31,116,458	8,108,626	-
-	-	-	-	253,478	12,261,000
-	-	-	-	4,952,468	-
-	1,308,764	-	1,308,764	-	-
-	-	-	-	-	1,725,000
-	893,227	60,769	953,996	6,210,252	1,469,000
-	-	-	-	-	-
1,698,903	-	-	-	-	-
-	-	214,649	214,649	-	-
3,355,000	-	-	-	-	14,881,000
66,186,848	-	-	-	-	506,027,000
-	35,196,465	-	35,196,465	-	-
-	-	-	-	-	366,000
-	12,149,330	-	12,149,330	5,623,158	2,976,000
<u>73,437,254</u>	<u>90,966,207</u>	<u>3,531,253</u>	<u>94,497,460</u>	<u>36,942,228</u>	<u>671,585,000</u>
269,187,054	(6,666,733)	11,234,208	4,567,475	201,151,132	350,101,000
-	-	-	-	-	52,854,000
12,000	-	-	-	7,316,413	-
6,407,098	(30,328,914)	511,030	(29,817,884)	77,603,374	85,149,000
<u>\$ 275,606,152</u>	<u>\$ (36,995,647)</u>	<u>\$ 11,745,238</u>	<u>\$ (25,250,409)</u>	<u>\$ 286,070,919</u>	<u>\$ 488,104,000</u>

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

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
<u>LIABILITIES</u>			
Accounts payable	\$ 762,359	\$ 6,565,078	\$ 337,137
Accrued payroll	1,450,140	2,113,237	-
Due to the primary government	8,865,618	-	-
Customer deposits	-	-	-
Current portion of long-term liabilities	-	448,000	-
Current portion of capitalized lease obligations	77,190	-	-
Accrued interest	-	-	-
Other current liabilities	3,248,581	-	-
Liabilities payable from restricted assets:			
Accounts payable	-	4,339,137	-
Accrued interest	-	4,441,911	-
Funds held in trust	-	-	-
Current portion of long-term liabilities	-	26,170,000	-
Revenue bonds payable	-	216,260,391	-
Capitalized lease obligations	-	-	-
TVA advances	-	-	-
Other long-term liabilities	11,983,172	25,976,014	-
	<u>26,387,060</u>	<u>286,313,768</u>	<u>337,137</u>
Total liabilities			
<u>NET ASSETS (DEFICIT)</u>			
Invested in capital assets, net of related debt	86,935,206	235,035,655	5,138,964
Restricted for debt retirement	-	32,430,731	-
Restricted for other purposes	-	36,203,315	-
Unrestricted	(1,275,109)	10,549,389	9,015,338
	<u>(1,275,109)</u>	<u>10,549,389</u>	<u>9,015,338</u>
Total net assets (deficit)	<u>\$ 85,660,097</u>	<u>\$ 314,219,090</u>	<u>\$ 14,154,302</u>

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

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS  
COMPONENT UNITS (CONTINUED)

June 30, 2009

Total Proprietary Types	Total Component Units
\$ 158,083,771	\$ 160,273,278
10,376,224	10,382,932
48,090,702	48,090,990
12,514,478	12,514,478
5,400,468	5,400,468
1,385,954	1,385,954
1,725,000	1,725,000
11,881,829	11,881,829
4,339,137	4,339,137
4,441,911	6,140,814
214,649	214,649
41,051,000	44,406,000
722,287,391	788,474,239
35,196,465	35,196,465
366,000	366,000
58,707,674	58,707,674
<u>1,116,062,653</u>	<u>1,189,499,907</u>
882,929,432	1,152,116,486
85,284,731	85,284,731
43,519,728	43,531,728
151,224,108	157,631,206
<u>\$ 1,162,957,999</u>	<u>\$ 1,438,564,151</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES  
COMPONENT UNITS

For the Year Ended June 30, 2009

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Nashville District Management Corporation	\$ 1,245,733	\$ 1,176,420	\$ -	\$ 54,777
Gulch Business Improvement District, Inc.	66,007	32,913	-	-
Sports Authority	32,605,696	2,080,146	16,941,156	7,594,350
Industrial Development Board	6,298	4,855	-	-
General Hospital	94,688,724	50,256,321	33,523,613	1,497,781
Bordeaux Long Term Care	42,550,505	27,888,562	13,841,787	104,460
Metropolitan Development and Housing Agency	104,650,200	26,060,706	73,130,530	11,731,840
Electric Power Board	1,138,463,000	1,146,747,000	-	-
Metropolitan Transit Authority	53,759,382	11,060,292	25,304,409	27,265,738
Metropolitan Nashville Airport Authority	93,778,182	99,381,282	24,316,658	-
Emergency Communications District	3,479,305	6,384,347	643,320	-
Total component units	\$ 1,565,293,032	\$ 1,371,072,844	\$ 187,701,473	\$ 48,248,946

General revenues:

Revenues from the use of  
money or property  
Compensation for loss, sale or  
damage to property

Total general revenues

Changes in net assets

Net assets (deficit) - beginning (restated)

Net assets (deficit) - ending

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, 2009

Net (Expense) Revenue and Changes in Net Assets							
Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board	Total Governmental Types	Hospital Authority		
					General Hospital	Bordeaux Long Term Care	Total
\$ (14,536)	\$ -	\$ -	-	\$ (14,536)	\$ -	\$ -	-
-	(33,094)	-	-	(33,094)	-	-	-
-	-	(5,990,044)	-	(5,990,044)	-	-	-
-	-	-	(1,443)	(1,443)	-	-	-
-	-	-	-	-	(9,411,009)	-	(9,411,009)
-	-	-	-	-	-	(715,696)	(715,696)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(14,536)</u>	<u>(33,094)</u>	<u>(5,990,044)</u>	<u>(1,443)</u>	<u>(6,039,117)</u>	<u>(9,411,009)</u>	<u>(715,696)</u>	<u>(10,126,705)</u>
3,897	-	350,653	-	354,550	-	29,603	29,603
-	-	657,009	-	657,009	-	-	-
<u>3,897</u>	<u>-</u>	<u>1,007,662</u>	<u>-</u>	<u>1,011,559</u>	<u>-</u>	<u>29,603</u>	<u>29,603</u>
(10,639)	(33,094)	(4,982,382)	(1,443)	(5,027,558)	(9,411,009)	(686,093)	(10,097,102)
42,509	19,188	280,169,246	402,767	280,633,710	(27,584,638)	12,431,331	(15,153,307)
<u>\$ 31,870</u>	<u>\$ (13,906)</u>	<u>\$ 275,186,864</u>	<u>\$ 401,324</u>	<u>\$ 275,606,152</u>	<u>\$ (36,995,647)</u>	<u>\$ 11,745,238</u>	<u>\$ (25,250,409)</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES  
COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2009

	Net (Expense) Revenue and Changes in Net Assets			
	Metropolitan Development and Housing Agency	Electric Power Board	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority
Nashville District Management Corporation	\$ -	\$ -	\$ -	-
Gulch Business Improvement District, Inc.	-	-	-	-
Sports Authority	-	-	-	-
Industrial Development Board	-	-	-	-
General Hospital	-	-	-	-
Bordeaux Long Term Care	-	-	-	-
Metropolitan Development and Housing Agency	6,272,876	-	-	-
Electric Power Board	-	8,284,000	-	-
Metropolitan Transit Authority	-	-	9,871,057	-
Metropolitan Nashville Airport Authority	-	-	-	29,919,758
Emergency Communications District	-	-	-	-
<b>Total component units</b>	<b>6,272,876</b>	<b>8,284,000</b>	<b>9,871,057</b>	<b>29,919,758</b>
General revenues:				
Revenues from the use of money or property	2,110,074	7,721,000	67,239	1,642,936
Compensation for loss, sale or damage to property	-	-	-	-
<b>Total general revenues</b>	<b>2,110,074</b>	<b>7,721,000</b>	<b>67,239</b>	<b>1,642,936</b>
Changes in net assets	8,382,950	16,005,000	9,938,296	31,562,694
Net assets (deficit) - beginning (restated)	277,687,969	472,099,000	75,721,801	282,656,396
<b>Net assets (deficit) - ending</b>	<b>\$ 286,070,919</b>	<b>\$ 488,104,000</b>	<b>\$ 85,660,097</b>	<b>\$ 314,219,090</b>

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, 2009

Net (Expense) Revenue and Changes in Net Assets		
Emergency Communications District	Total Proprietary Types	Total Component Units
\$ \$ -	-	\$ (14,536)
-	-	(33,094)
-	-	(5,990,044)
-	-	(1,443)
-	(9,411,009)	(9,411,009)
-	(715,696)	(715,696)
-	6,272,876	6,272,876
-	8,284,000	8,284,000
-	9,871,057	9,871,057
-	29,919,758	29,919,758
3,548,362	3,548,362	3,548,362
<u>3,548,362</u>	<u>47,769,348</u>	<u>41,730,231</u>
107,411	11,678,263	12,032,813
-	-	657,009
<u>107,411</u>	<u>11,678,263</u>	<u>12,689,822</u>
3,655,773	59,447,611	54,420,053
<u>10,498,529</u>	<u>1,103,510,388</u>	<u>1,384,144,098</u>
<u>\$ 14,154,302</u>	<u>\$ 1,162,957,999</u>	<u>\$ 1,438,564,151</u>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

**A. Reporting Entity**

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

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

The **Nashville District Management Corporation** was established in 1998 to administer special assessment revenue collected by the Government for the benefit of the Central Business Improvement District (CBID). The Corporation's duties and responsibilities are defined in a memorandum of agreement with the Government and include, but are not limited to, providing services for improvement and operation of the CBID through security enhancement, downtown marketing, and improving downtown beautification, sanitation and maintenance. The original agreement was one year, renewable annually by mutual notification by each party to the other. The agreement may be terminated by the Government upon thirty days notice. The Corporation is fiscally dependent on the Government as the Government levies 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 fiscally dependent on the Government as the Government levies 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 NFL Stadium. The Sports Authority administers and manages these facilities and sports projects for the Government. The Government is responsible for the annual funding for both the Nashville Arena and NFL 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 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 Assets – 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 to obtain public financing through the issuance of nontaxable 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 Assets – 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) and Bordeaux Long Term Care (a long-term care facility) for the residents of Nashville and Davidson County. The Hospital Authority was created in March 1999 to operate both entities, which were previously accounted for as enterprise funds of the Government. Effective October 1, 2004, Bordeaux Long Term Care absorbed the operations of the J.B. Knowles Home for the Aged which was previously accounted for in the General Fund of the Government. The members of the Hospital Authority are all appointed and can also be removed by the Government. The

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Government approves and can modify the annual operating budget of each entity. Hospital Authority land and buildings and improvements are titled in the Government's name. Both entities are financially dependent on contributions from the Government's General Fund. Complete financial statements for each entity can be obtained by writing to the Hospital Authority at 1818 Albion Street, Nashville, TN 37208.

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

The **Electric Power Board** operates and regulates an electric power system for the purpose of supplying electricity for public property and for resale to consumers. The members of the Board of Directors are all appointed and can also be removed by the Government. The Government is required to approve debt issuance 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 must act on ordinances passed by the Government, and the Authority is financially dependent on the Government. Complete financial statements of the Authority can be obtained from its administrative offices at 130 Nestor Street, Nashville, TN 37210.

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. The Government believes the nature and significance of its relationship with the Airport Authority is such that exclusion would cause these financial statements to be misleading. 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** is engaged to secure 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 700 2nd Avenue South, Nashville, TN 37210.

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. with a December 31 year end, and the Industrial Development Board with a March 31 year end.

The primary government includes \$48,180,150 due from component units and \$2,055,059 due to component units in the Statement of Net Assets. The component units include \$48,090,990 due to the primary government and \$1,729,184 due from the primary government. The differences of \$89,160 and \$325,875 are due to transactions between the primary government and the Metropolitan Development and Housing Agency subsequent to the Agency's year end.

## **B. Accounting Pronouncements**

The Government adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, required for fiscal periods beginning after December 15, 2007, in fiscal 2009. This Statement sets uniform standards requiring more timely and complete reporting of pollution remediation obligations. The effect of the adoption of this Statement was immaterial to the Government's financial statements.

The Government plans to adopt GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, required for fiscal periods beginning after June 15, 2009, in fiscal 2010. This Statement establishes accounting and financial reporting requirements for intangible assets.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Government adopted GASB Statement No. 52, Land and Other Real Estate Held as Investments by Endowments, required for fiscal periods beginning after June 15, 2008, in fiscal 2009. This Statement requires endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The Government has no such assets; therefore, the adoption of this Statement had no effect on the Government's financial statements.

The Government plans to adopt GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, required for fiscal periods beginning after June 15, 2009, in fiscal 2010. This Statement requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Government plans to adopt GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, required for fiscal periods beginning after June 15, 2010, in fiscal 2011. This Statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

The Government adopted GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, required upon its issuance, in fiscal 2009. This Statement identifies the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with generally accepted accounting principles.

The Government adopted GASB Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, required upon its issuance, in fiscal 2009. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations.

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 Assets 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 Assets** presents the Government's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

**Invested in capital assets, net of related debt**, 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. The outstanding debt is offset by any unspent proceeds from such debt.

**Restricted net assets** result from restrictions placed on net assets by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** consist of net assets which do 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or up to one year for grant revenues. Property taxes, sales tax, 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.

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Government has elected not to apply any Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds. The Metropolitan Nashville Airport Authority, a component unit, has elected to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

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 METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

The Government reports the following major enterprise funds:

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

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

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, 2009, these services include fleet management, information systems, radio maintenance, insurance, central storeroom, postal services, treasury management, general services 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 purchaser 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 and Net Assets 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. 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, 2009. 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.

Annuities - Annuities are recorded at the estimated present value of future benefits, which approximates fair value at June 30, 2009.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$5,000 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 fair market 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. Capitalized interest totaled \$685,000 for the year ended June 30, 2009.

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

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

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

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

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, 2009. 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 Assets 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 matured is reported in the applicable governmental activities in the Statements of Net Assets 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 METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 Assets 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 Assets and Activities and as a reservation of fund balance in the Balance Sheet - Governmental Funds. For proprietary funds (including component units) any such rebates are reflected as liabilities in the appropriate individual proprietary funds.

Landfills - State and federal laws and regulations require the Government to place a final cover on all its landfill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near, or after, the date the landfill stops accepting waste, the Government is required to report a portion of these closure and postclosure care costs as an expense in the government-wide financial statements. This expense is based on landfill capacity used at the reporting date. The current year expenditures of the landfills are reported in the Solid Waste Operations Fund, a nonmajor governmental fund, in the Governmental Funds section of this report. The long term liability and expense are reported in the Statements of Net Assets and Activities. The total liability for landfill purposes is \$12,532,250.

Bordeaux Sanitary Landfill – This landfill has stopped accepting solid waste, and closure procedures are 100% complete. Estimated postclosure costs of \$6,824,786 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 \$2,826,806 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 \$1,967,794 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 \$912,864 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, discounts and issuance costs – In the governmental funds, bond premiums, discounts and issuance costs 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, discounts and issuance costs are deferred and amortized over the term of the related bonds.

Swaptions – In the governmental funds, swaption proceeds are reported as other financing sources. In the government-wide statements, proceeds from swaptions are deferred and amortized over the term of the related bonds.

Reserve for long-term receivable from General Hospital – The Government has reserved fund balance for an amount due from the Hospital Authority that does not have a fixed repayment date.

## **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 Assets - 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.

Pass-through grant proceeds - Capital and operating grant amounts received on behalf of secondary recipients are reported in agency funds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Passenger facility charges – On January 1, 1993, the airlines began collecting a Passenger Facility Charge (PFC) on qualifying enplaning passengers at Nashville International Airport on behalf of the Airport Authority. PFC's are fees imposed on enplaning passengers by airports to finance eligible airport related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such a system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the Federal Aviation Administration (FAA). Federal guidance on the PFC program has been updated from time to time since 1993, and the current maximum fee that can be authorized through federal regulation is \$4.50 per enplaning passenger. The Authority received approval to impose a \$3 PFC. PFC's are recorded as program revenues in the Statement of Activities. PFC revenue during the year ended June 30, 2009 totaled \$11,480,154.

The following cumulative project summary has been approved by the FAA:

Airfield development	\$ 182,379,025
Terminal development	26,727,200
Land acquisition	132,818,236
	<hr/>
	\$ 341,924,461
	<hr/>

As of June 30, 2009, cumulative expenditures to date on approved PFC projects totaled \$187,548,988.

Customer facility charges – On January 1, 2008, the Airport Authority began requiring the car rental companies at Nashville International Airport to charge a Customer Facility Charge (CFC) to be used to pay, or to reimburse the Airport Authority for cost, fees and expenses associated with the planning, design, construction, financing, maintenance and operation of the Consolidated Rental Car Facility (CONRAC Facility), and other costs, fees and expenses that may be paid from CFC proceeds. The CFC is a \$4.00 per transaction day fee and is collected by the on-Airport car rental companies from each of their customers and subsequently remitted to the Airport Authority. The Airport Authority has the right to pledge the CFC proceeds as collateral security for the payment of any debt obligations incurred by the Airport Authority in connection with the planning, design, construction, financing, maintenance and operation of the CONRAC Facility. CFC's are recorded as program revenues in the Statement of Activities. CFC revenue during the year ended June 30, 2009 totaled \$7,648,876. Restricted net assets relating to CFC's totaled \$5,756,087 at June 30, 2009 and are included in restricted assets in the Statement of Net Assets.

Unbilled revenues and purchased power liability – 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 of the Electric Power Board are recognized from meters read on a monthly cycle basis. At the end of each month, service rendered from the latest date of each meter-reading cycle to month end is accrued and included in accounts receivable. The Board purchases electric power from the TVA. The cost of purchased power is calculated based on retail billing units adjusted for estimated line losses. The Board accrues for unbilled purchased power based on retail billing units.

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%	

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Taxes are levied at a rate of \$4.04 per \$100 of assessed value for the entire metropolitan area (General Services District) with an additional tax of \$.65 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 revenue to reflect amounts not available at June 30, 2009. Amounts available at June 30, 2009 have been recorded as revenue in the governmental fund statements. Current tax collections of \$732,021,054 for the fiscal year ended June 30, 2009 were approximately 99% of the tax levy.

Of the \$782,901,038 property tax receivable, \$761,122,463 represents the 2009 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.

**H. Change in Component Unit Presentation**

The audited financial statements for the Industrial Development Board, a component unit of the Government, were excluded from the Government's financial statements for the year ended June 30, 2008 due to their unavailability by the Government's reporting date and the immateriality of the Board to the reporting entity. For the year ended June 30, 2009, the Government has assumed management responsibility for the fiscal operations of the Board, and the financial statements of the Board are included in the Government's financial statements. The effect is an increase in beginning net assets of \$402,767.

Beginning net assets for the Emergency Communications District were restated to recognize subscriber fee revenues collected by a service provider in prior years but received by the District in the current year. The effect is an increase in beginning net assets of \$176,849.

Accordingly, beginning net assets for component units of \$1,383,564,482 as previously reported has been changed to \$1,384,144,098 to reflect the inclusion of the Board and the restatement of the District.

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

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

Management believes that the Government has no material violations of finance related legal and contractual provisions as of June 30, 2009.

**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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.
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 2009-2010 was submitted to the Metropolitan Council and subsequently approved by Substitute Bill Number BL 2009-456. Unreserved and undesignated fund balance resources at June 30, 2009 have been appropriated to the 2009-2010 fiscal year operating budget as follows:

General Purpose School Fund	\$ 12,431,400
General Services District School Purposes Debt Service Fund	23,565,000

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, 2009 were as follows:

	Outstanding Encumbrances
General Fund	\$ 957,115
Special Revenue Funds:	
General Purpose School	331,879
Metropolitan Action Commission	86,107
General Government Services	23,094
General Fund 4% Reserve	1,404,659
Law Enforcement and Justice Services	30,251
Solid Waste Operations	1,351,111
Stormwater Operations	2,132,659
Library Services	4,120

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

	Outstanding Encumbrances
Health Services	\$ 43,956
Education Services	9,050,473
Infrastructure Services	30,806
Nashville Career Advancement Center	158,049
Capital Projects Funds:	
GSD Capital Projects	38,866,214
Education Capital Projects	13,255,940
USD Capital Projects	2,108,049

**C. Deficit Balances and Excess Expenditures**

The following funds have deficit balances at June 30, 2009:

	Undesignated Fund Balance/ Unrestricted Net Assets	Reserved/ Invested in Capital Assets, Net of Related Debt/ Restricted for Debt Retirement/ Held in Trust	Total Fund Balances/ Total Net Assets
Special Revenue Funds:			
Metropolitan Action Commission	\$ (117,486)	\$ -	\$ (117,486)
Capital Projects Funds:			
GSD Capital Projects	(97,161,024)	-	(97,161,024)
Education Capital Projects	(84,436,686)	-	(84,436,686)
USD Capital Projects	(379,050)	-	(379,050)
Enterprise Funds:			
Surplus Property Auction	(156,596)	-	(156,596)
Police Impound	(1,989,750)	-	(1,989,750)
Internal Service Funds:			
Injured on Duty	(413,871)	-	(413,871)
Treasury Management	(49,744)	-	(49,744)
Technology Revolving	(10,057)	-	(10,057)
General Services	(686,415)	355,229	(331,186)

The responsibility for funding the above deficit balances is as follows:

Funds with deficits

Special Revenue Funds  
Capital Projects Funds  
Enterprise Funds  
Internal Service Funds

Funding responsibility

General Fund  
Future issuance of notes and bonds  
Future user charges  
Future user charges

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the year ended June 30, 2009, 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:			
Administration of Justice:			
District Attorney	\$ 4,968,700	\$ 5,061,724	\$ (93,024)
Juvenile Court Clerk	1,627,700	1,641,313	(13,613)
Recreation and Cultural:			
Parks and Recreation	31,818,206	32,522,999	(704,793)
Miscellaneous:			
Subsidies	23,235,700	23,941,250	(705,550)
Transfers Out:			
GSD General Purpose Debt Service	3,566,000	3,583,318	(17,318)
Fiduciary Funds	-	47,859	(47,859)
General Purpose School Fund:			
Transfers Out	9,343,700	9,877,368	(533,668)
GSD General Purposes Debt Service Fund:			
Principal Retirement	43,700,000	43,939,850	(239,850)
Interest	48,350,000	48,380,710	(30,710)
Fiscal Charges	1,495,900	2,710,518	(1,214,618)
Debt Issue Costs	-	240,000	(240,000)
Payments to refunded bond escrow agent	-	58,900,000	(58,900,000)
GSD School Purposes Debt Service Fund:			
Principal Retirement	30,822,500	30,965,309	(142,809)
Fiscal Charges	570,000	651,544	(81,544)
USD General Purposes Debt Service Fund:			
Fiscal Charges	175,600	240,876	(65,276)

The District Attorney, Juvenile Court Clerk, and Parks and Recreation Department experienced unanticipated operational needs late in the fiscal year that resulted in budget overages.

Subsidies for the General Fund GSD are over budget due to increases in tax increment payments to the Metropolitan Development and Housing Agency, a component unit, in excess of budget.

Transfers Out to the GSD General Purposes Debt Service Fund were over budget due to revision in the amount of the transfer needed.

Transfers Out to Fiduciary Funds were related to pension fund reimbursements that were included in specific departmental salary budgets.

General Purpose School Fund Transfers Out include energy savings repayments for debt service that were budgeted under utility costs. The General Purpose School Fund total expenditures and transfers out are under budget in total.

Expenditures for the GSD and USD General Purposes and GSD School Purposes Debt Service Funds are not controlled on a line item basis. Also, costs related to debt issues and refundings are not budgeted. During the current year, certain principal and interest payments were reallocated between these Debt Service Funds for consistency with the use of bond proceeds received in prior years. This resulted in principal retirement and interest exceeding the budget in the GSD General Purposes and GSD School Purposes Debt Service Funds. However, expenditures excluding costs related to debt issues and refundings for the GSD and USD General Purposes and GSD School Purposes Debt Service Funds were under budget in total.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**Primary Government**

The Government is authorized by 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; most bonds issued by U.S. Government Agencies; bonds of commercial entities 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 Metropolitan Employees' Benefit Trust is authorized to invest funds in accordance with the Statement of Investment Objectives of the Investment Board of the Government, which states that the Investment Board may make investments it deems suitable for the trust fund. Investments of the Teachers Retirement Plan are administered by the Administrative Retirement Committee of the Metropolitan Nashville Public Schools.

**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, 2009, all deposits were insured or collateralized, as required by Government policy.

**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 separate investment policies.

As of June 30, 2009, the Government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Weighted Maturity (in Years)</u>
Metro Investment Pool:		
Tennessee Local Government Investment Pool	\$ 399,046,766	0.22
Cash on Deposit	<u>25,071,674</u>	-
Total Metro Investment Pool (a)	<u>\$ 424,118,440</u>	
Separate Portfolios:		
U.S. Treasuries	\$ 26,131,202	0.01
Tennessee Local Government Investment Pool	<u>1,793,127</u>	0.22
Total Separate Portfolios (a)	<u>\$ 27,924,329</u>	
Metropolitan Employees' Benefit Trust:		
U.S. Government Bonds	\$ 47,929,577	7.62
U.S. Government Agencies	50,949,372	3.90
Foreign Government Agencies	3,592,432	3.96
Government Mortgage Backed Securities	67,221,599	3.03
Corporate Bonds and Notes	326,801,122	6.16
Common Stock (b)	838,397,747	(c)
Preferred Stock	2,742,769	(c)
Commercial Mortgage Backed Securities	24,939,661	3.77
Collateralized Mortgage Obligations	14,658,800	1.07
Asset Backed Securities	6,554,568	3.29
Mortgages and Real Estate	101,912,028	(c)

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

Investment Type	Fair Value	Average Weighted Maturity (in Years)
Metropolitan Employees' Benefit Trust: (Continued)		
Warrants and Options	\$ 5,234,007	(c)
Venture Capital and Partnerships	79,609,949	(c)
Cash Collateral Received - Securities Lending Program	<u>154,978,956</u>	(c)
Total Metropolitan Employees' Benefit Trust	<u>\$ 1,725,522,587</u>	
Teachers' Retirement Plan:		
Corporate Bonds and Notes	\$ 8,374,078	5.21
U.S. Government Agencies	29,894	8.39
Common Stock	33,601,090	(c)
Preferred Stock	208,445	(c)
Cash Collateral Received - Securities Lending Program	<u>9,724,158</u>	(c)
Total Teachers' Retirement Plan	<u>\$ 51,937,665</u>	

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

(b) The Metropolitan Employees' Benefit Trust investment portfolio contains \$9,903,346 of common stock reported in the Government's closed pension plans funds.

(c) The 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 Policy places 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. As of June 30, 2009, the investments of the Government had average weighted maturities as noted on the preceding table.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**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 its investments in corporate obligations to prime banker acceptances which are eligible for purchase by the federal reserve system and commercial paper which is rated at least A1 or the equivalent by at least two nationally recognized rating agencies. The investment policy for the Metropolitan Employee's Benefit Trust limits fixed income managers to investment grade debt but allows the Core Plus manager to invest up to 20% in low grade securities. The Core Plus fixed income portfolio accounts for less than 7% of plan assets and less than 25% of the fixed income allocation. The investment policy for the Teachers' Retirement Plan only allows investment grade debt. As of June, 30, 2009, the investments of the Government had credit ratings as follows:

Investment Type	Fair Value	Credit Ratings						
		AAA	AA	A	BBB	BB	B	Not Rated
Metropolitan Employees' Benefit Trust:								
Corporate Bonds and Notes	\$ 326,801,122	\$ 6,598,017	\$ 9,625,693	\$ 49,723,565	\$ 56,694,918	\$ 1,828,809	\$ -	\$ 202,330,120
Commercial Mortgage Backed Securities	24,939,661	22,115,088	-	31,381	-	538,308	-	2,254,884
Collateralized Mortgage Obligations	14,658,800	6,542,225	-	468,524	3,985,452	1,414,043	624,543	1,624,013
Asset Backed Securities	6,554,568	6,154,535	-	122,139	157,106	-	42,245	78,543
Foreign Government Agencies	3,592,432	1,733,517	-	-	-	-	-	1,858,915
Total Metropolitan Employees' Benefit Trust	<u>\$ 376,546,583</u>	<u>\$ 43,143,382</u>	<u>\$ 9,625,693</u>	<u>\$ 50,345,609</u>	<u>\$ 60,837,476</u>	<u>\$ 3,781,160</u>	<u>\$ 666,788</u>	<u>\$ 208,146,475</u>
Teachers' Retirement Plan:								
Corporate Bonds and Notes	\$ 8,374,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,374,078
Total Teachers' Retirement Plan	<u>\$ 8,374,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,374,078</u>

**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 10% except for the securities of the U.S. Government or its agencies. For the Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan, the investment policies limit single issuer exposure for each investment manager to 5%.

**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, 2009, all investments were insured or registered or the securities were held by the Government or its agent in the Government's name.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Foreign currency risk** is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of June 30, 2009, no Metro Investment Pool or Separate Portfolio investments were held in foreign currency. The investment policies for the Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan place no specific limits on investments in international markets; however, investments in international markets are targeted not to exceed 15% of the portfolios. As of June 30, 2009, the Government's exposure to foreign currency risk is as follows:

<u>Base Currency</u>	<u>Fair Value</u>
Common Stock:	
Australian dollar	\$ 8,917,408
Canadian dollar	4,635,492
Danish krone	686,525
Euro	65,073,118
Hong Kong dollar	19,037,990
Korean WON	1,350,022
Norwegian krone	455,624
Pound sterling	44,299,942
Real	163,358
Singapore dollar	3,435,326
Swedish krona	1,487,044
Swiss franc	17,532,636
Yen	<u>42,666,191</u>
 Total Common Stock	 <u>209,740,676</u>
Preferred Stock:	
Real	<u>2,742,769</u>
 Total Preferred Stock	 <u>2,742,769</u>
 Total Metropolitan Employees' Benefit Trust	 <u>\$ 212,483,445</u>

**C. Securities Lending Program**

The Metropolitan Employees' Benefit Trust (Trust) and Teachers' Retirement Plan (Plan) are authorized by the Metropolitan Charter, the Statement of Investment Objectives of the Investment Board of the Government, and the investment policy of the Plan, to lend securities to brokerage firms on a temporary basis through their custodian bank, Northern Trust (Custodian). During the fiscal year, the Custodian lent the Trust and Plan 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 market value of loaned foreign securities.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Neither the Trust nor Plan imposed any 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 and Plan loans for the year ended June 30, 2009 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 system's loans is affected by the maturities of the securities loans made by other entities that use the Custodian's pool, which the 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 market value of the securities on loan as of June 30, 2009 was \$154,978,956 and \$150,459,708, respectively, for the Trust, and \$9,724,158 and \$9,437,129, respectively, for the Plan. The cash collateral is recorded as both an asset and a liability on the Trust and Plan financial statements. Securities and letters of credit received as collateral at June 30, 2009 are not recorded in the Statement of Plan Net Assets, as the Trust and Plan cannot sell or pledge the collateral received absent a borrower default.

At year-end, neither the Trust nor Plan have credit risk by borrowers because the amounts the Trust and Plan owe the borrowers exceed the amounts the borrowers owe the Trust and Plan. The gross earnings for securities lending were \$2,593,187 and the related expenses were \$717,084 in borrowers rebates and \$484,953 in agent fees, netting \$1,391,150 in securities lending income for the Trust. The gross earnings for securities lending were \$188,456 and the related expenses were \$78,889 in borrowers rebates and \$28,524 in agent fees, netting \$81,043 in securities lending income for the Plan.

**D. Net Depreciation of Investments**

For the year ended June 30, 2009, the Metropolitan Employees' Benefit Trust reported unrealized losses and realized losses on investments of \$318,519,227 and \$169,657,784, respectively, and the Teachers' Retirement Plan reported unrealized losses and realized losses on investments of \$1,885,687 and \$9,758,818, respectively.

**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 and Industrial Development Board 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.

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

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009 was as follows:

**Primary Government**

Governmental Activities:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Capital assets, not being depreciated:				
Land	\$ 191,604,008	\$ 33,343,646	\$ (606,048)	\$ 224,341,606
Transportation infrastructure	1,405,421,582	24,805,459	-	1,430,227,041
Construction in progress	263,689,880	76,680,474	(137,398,490)	202,971,864
	<u>1,860,715,470</u>	<u>134,829,579</u>	<u>(138,004,538)</u>	<u>1,857,540,511</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings and improvements	1,246,295,202	133,055,680	(9,817,826)	1,369,533,056
Furniture, machinery and equipment	304,884,825	17,506,893	(39,549,758)	282,841,960
Stormwater infrastructure	98,700,047	501,597	-	99,201,644
	<u>1,649,880,074</u>	<u>151,064,170</u>	<u>(49,367,584)</u>	<u>1,751,576,660</u>
Total capital assets, being depreciated				
Less accumulated depreciation:				
Building and improvements	(415,036,038)	(37,665,831)	6,037,066	(446,664,803)
Furniture, machinery and equipment	(211,267,262)	(26,923,170)	37,598,234	(200,592,198)
Stormwater infrastructure	(27,800,697)	(1,974,826)	-	(29,775,523)
	<u>(654,103,997)</u>	<u>(66,563,827)</u>	<u>43,635,300</u>	<u>(677,032,524)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>995,776,077</u>	<u>84,500,343</u>	<u>(5,732,284)</u>	<u>1,074,544,136</u>
Governmental activities capital assets, net	<u>\$ 2,856,491,547</u>	<u>\$ 219,329,922</u>	<u>\$ (143,736,822)</u>	<u>\$ 2,932,084,647</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, 2008	Increases	Decreases	Balance June 30, 2009
Capital assets, not being depreciated:				
Land	\$ 17,866,931	\$ 271,307	\$ -	\$ 18,138,238
Construction in progress	57,157,008	56,577,241	(51,717,230)	62,017,019
Total capital assets, not being depreciated	<u>75,023,939</u>	<u>56,848,548</u>	<u>(51,717,230)</u>	<u>80,155,257</u>
Capital assets, being depreciated:				
Utility plant in service	2,118,068,754	67,951,019	(2,442,818)	2,183,576,955
Buildings and improvements	123,230,826	4,082,690	(284,708)	127,028,808
Improvements other than buildings	42,316,626	405,185	(140,730)	42,581,081
Furniture, machinery and equipment	43,544,182	2,793,321	(6,737,802)	39,599,701
Property under capital lease	3,645,000	-	-	3,645,000
Total capital assets, being depreciated	<u>2,330,805,388</u>	<u>75,232,215</u>	<u>(9,606,058)</u>	<u>2,396,431,545</u>
Less accumulated depreciation:				
Utility plant in service	(625,470,047)	(57,654,596)	2,420,564	(680,704,079)
Buildings and improvements	(61,246,695)	(3,431,319)	178,794	(64,499,220)
Improvements other than buildings	(32,873,391)	(1,187,417)	138,346	(33,922,462)
Furniture, machinery and equipment	(38,405,083)	(2,051,664)	6,556,868	(33,899,879)
Property under capital lease	(1,100,969)	(91,125)	-	(1,192,094)
Total accumulated depreciation	<u>(759,096,185)</u>	<u>(64,416,121)</u>	<u>9,294,572</u>	<u>(814,217,734)</u>
Total capital assets, being depreciated, net	<u>1,571,709,203</u>	<u>10,816,094</u>	<u>(311,486)</u>	<u>1,582,213,811</u>
Business-type activities capital assets, net	<u>\$ 1,646,733,142</u>	<u>\$ 67,664,642</u>	<u>\$ (52,028,716)</u>	<u>\$ 1,662,369,068</u>

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

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

Governmental activities:	
General government	\$ 9,428,515
Fiscal administration	1,381,534
Administration of justice	2,072,027
Law enforcement and care of prisoners	5,198,737
Fire prevention and control	898,716
Education	22,616,225
Regulation and inspection	5,754
Public welfare	218,567
Public health and hospitals	647,743
Public library system	2,298,968
Public works, highways and streets, including depreciation of stormwater infrastructure	4,050,252
Recreational and cultural	4,115,035
Capital assets held by internal service funds are charged to the various functions based on each function's usage of the services provided by the funds	<u>13,631,754</u>
Total depreciation expense, governmental activities	<u>\$ 66,563,827</u>
Business-type activities:	
Department of Water and Sewerage Services	\$ 60,296,084
District Energy System	1,977,359
Nashville Convention Center	1,441,288
Board of Fair Commissioners	418,495
Farmers Market	127,044
Municipal Auditorium	<u>155,851</u>
Total depreciation expense, business-type activities	<u>\$ 64,416,121</u>

**Component Units**

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Capital assets, not being depreciated:				
Land	\$ 221,191,343	\$ 4,654,241	\$ -	\$ 225,845,584
Construction in progress	<u>197,093,635</u>	<u>81,688,639</u>	<u>(158,077,503)</u>	<u>120,704,771</u>
Total capital assets, not being depreciated	<u>418,284,978</u>	<u>86,342,880</u>	<u>(158,077,503)</u>	<u>346,550,355</u>
Capital assets, being depreciated:				
Utility plant in service	1,026,484,000	64,008,000	(6,016,000)	1,084,476,000
Buildings and improvements	860,300,055	92,639,081	(4,731,652)	948,207,484
Improvements other than buildings	408,541,081	40,869,840	(950,908)	448,460,013
Furniture, machinery and equipment	229,752,762	25,787,852	(5,981,977)	249,558,637
Infrastructure	<u>15,030,788</u>	<u>5,626,500</u>	<u>-</u>	<u>20,657,288</u>
Total capital assets, being depreciated	<u>2,540,108,686</u>	<u>228,931,273</u>	<u>(17,680,537)</u>	<u>2,751,359,422</u>

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

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Less accumulated depreciation for:				
Utility plant in service	\$ (373,888,000)	\$ (37,209,000)	\$ 14,436,000	\$ (396,661,000)
Buildings and improvements	(313,194,407)	(30,215,905)	3,258,285	(340,152,027)
Improvements other than buildings	(238,941,579)	(14,342,430)	723,811	(252,560,198)
Furniture, machinery and equipment	(125,760,604)	(21,791,296)	5,679,724	(141,872,176)
Infrastructure	(9,331,129)	(518,051)	-	(9,849,180)
Total accumulated depreciation	<u>(1,061,115,719)</u>	<u>(104,076,682)</u>	<u>24,097,820</u>	<u>(1,141,094,581)</u>
Total capital assets, being depreciated, net	<u>1,478,992,967</u>	<u>124,854,591</u>	<u>6,417,283</u>	<u>1,610,264,841</u>
Component units activities capital assets, net	<u>\$ 1,897,277,945</u>	<u>211,197,471</u>	<u>(151,660,220)</u>	<u>\$ 1,956,815,196</u>

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

**Primary Government**

**A. Transaction Summary**

Bonds, notes and other obligations activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds and notes payable:					
General Services District	\$ 978,897,015	\$ -	\$ (100,629,850)	\$ 878,267,165	\$ 42,250,543
Schools	586,369,966	-	(30,550,742)	555,819,224	29,602,800
Urban Services District	153,348,019	-	(9,299,408)	144,048,611	9,746,657
Deferred charge/premium, net	<u>42,632,474</u>	<u>-</u>	<u>(2,334,041)</u>	<u>40,298,433</u>	<u>-</u>
Total general obligation bonds and notes payable	<u>1,761,247,474</u>	<u>-</u>	<u>(142,814,041)</u>	<u>1,618,433,433</u>	<u>81,600,000</u>
Limited obligation revenue bonds payable:					
Correctional Facility Revenue Bonds	7,375,000	-	(1,710,000)	5,665,000	1,795,000
Deferred charge/premium, net	<u>(79,562)</u>	<u>-</u>	<u>25,124</u>	<u>(54,438)</u>	<u>-</u>
Total limited obligation revenue bonds payable	<u>7,295,438</u>	<u>-</u>	<u>(1,684,876)</u>	<u>5,610,562</u>	<u>1,795,000</u>
Qualified zone academy notes payable:					
Qualified Zone Academy Notes	5,389,367	-	(414,567)	4,974,800	414,567
Deferred charge/premium, net	<u>(129,552)</u>	<u>-</u>	<u>10,364</u>	<u>(119,188)</u>	<u>-</u>
Total qualified zone academy notes payable	<u>5,259,815</u>	<u>-</u>	<u>(404,203)</u>	<u>4,855,612</u>	<u>414,567</u>

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

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
Tennessee Municipal Bond Fund loan payable	\$ -	\$ 59,140,000	\$ (2,210,000)	\$ 56,930,000	\$ 2,080,000
Other obligations payable:					
Net pension obligation	70,295,028	12,844,723	(12,192,584)	70,947,167	-
Net other postemployment benefits obligation	137,356,000	222,269,000	(64,150,000)	295,475,000	-
Compensated absences	71,076,735	60,580,656	(54,842,134)	76,815,257	51,304,681
Claims and judgments	3,029,390	45,000	(69,390)	3,005,000	3,005,000
Landfill closure costs	8,982,343	4,131,833	(581,926)	12,532,250	777,562
Total other obligations payable	290,739,496	299,871,212	(131,836,034)	458,774,674	55,087,243
Total governmental activities long-term liabilities	<u>\$ 2,064,542,223</u>	<u>\$ 359,011,212</u>	<u>\$ (278,949,154)</u>	<u>\$ 2,144,604,281</u>	<u>\$ 140,976,810</u>
<b>Business-type activities:</b>					
Department of Water and Sewerage Services:					
Revenue bonds payable	\$ 373,810,000	\$ -	\$ (31,185,000)	\$ 342,625,000	\$ 33,370,000
Deferred charge/premium, net	2,704,261	-	(326,171)	2,378,090	-
State construction loans	155,647,644	10,430,686	(7,408,666)	158,669,664	7,711,980
State economic and development loan	-	330,000	-	330,000	43,067
Total Department of Water and Sewerage Services	532,161,905	10,760,686	(38,919,837)	504,002,754	41,125,047
District Energy System:					
Revenue bonds payable	63,050,000	-	(1,290,000)	61,760,000	1,330,000
Deferred charge/premium, net	1,944,044	-	(76,992)	1,867,052	-
General obligation bonds payable	7,170,000	-	(280,000)	6,890,000	290,000
Deferred charge/premium, net	453,890	-	(27,508)	426,382	-
Total District Energy System	72,617,934	-	(1,674,500)	70,943,434	1,620,000
Farmers Market:					
Capitalized lease obligations payable	1,455,000	-	(185,000)	1,270,000	175,000
Total business-type activities long-term liabilities	<u>\$ 606,234,839</u>	<u>\$ 10,760,686</u>	<u>\$ (40,779,337)</u>	<u>\$ 576,216,188</u>	<u>\$ 42,920,047</u>

The balances at July 1, 2008 for the General Services District, Schools and Urban Services District have been restated to reflect the reallocation of certain bond proceeds received in prior years. Amounts totalling \$1,516,114 previously reported as School bonds outstanding were reallocated to General Services District and Urban Services District in the amounts of \$1,453,792 and \$62,322, respectively, to properly reflect the outstanding bond balances consistent with the projects funded.

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

**B. Description of Amounts Payable**

Amounts payable at June 30, 2009 are as follows:

	Interest Rate	Amount
<b>Governmental activities:</b>		
General obligation bonds and notes payable from ad valorem taxes:		
General Services District - General Purposes, due in varying amounts to May 15, 2030	3.25 - 6.00%	\$ 878,267,165
General Services District - School Purposes, due in varying amounts to May 15, 2030	3.25 - 5.50%	555,819,224
Urban Services District - General Purposes, due in varying amounts to May 15, 2030	3.25 - 6.00%	144,048,611
Deferred charge/premium, net		40,298,433
Total general obligation bonds and notes payable from ad valorem taxes		1,618,433,433
Limited obligation revenue bonds payable:		
Correctional Facility Revenue Bonds, due in varying amounts to September 1, 2011	5.00%	5,665,000
Deferred charge/premium, net		(54,438)
Total limited obligation revenue bonds payable		5,610,562
Qualified zone academy notes payable:		
Qualified Zone Academy Notes, due in varying amounts to December 28, 2020	N/A	4,974,800
Deferred charge/premium, net		(119,188)
Total qualified zone academy notes payable		4,855,612
Tennessee Municipal Bond Fund loan payable	variable	56,930,000
Other obligations payable:		
Net pension obligation		70,947,167
Net other postemployment benefits obligation		295,475,000
Compensated absences		76,815,257
Claims and judgments		3,005,000
Landfill closure		12,532,250
Total other obligations payable		458,774,674
Total governmental activities long-term liabilities		\$ 2,144,604,281
<b>Business-type activities:</b>		
Bonds payable:		
Department of Water and Sewerage Revenue Refunding Bonds of 1986, due in varying amounts to January 1, 2016	7.30 - 7.70%	\$ 73,595,000
Department of Water and Sewerage Revenue Bonds, Series 1993, due in varying amounts to January 1, 2013	5.20 - 6.50%	32,045,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 1998A, due in varying amounts to January 1, 2022	4.50 - 5.00%	4,695,000
Department of Water and Sewerage Revenue Bonds Series 1998B, due in varying amounts to January 1, 2014	4.55 - 5.25%	18,050,000

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

	Interest Rate	Amount
<b>Business-type activities: (Continued)</b>		
Bonds payable: (Continued)		
Department of Water and Sewerage Revenue Refunding Bonds Series 2002, due in varying amounts to January 1, 2016	5.125%	\$ 27,825,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2007, due in varying amounts to January 1, 2016	4.25 - 5.00%	36,030,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2008A, due in varying amounts to January 1, 2022	3.25 - 5.25%	122,530,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2008B, due in varying amounts to January 1, 2016	3.45 - 4.84%	27,855,000
Deferred charge/premium, net		2,378,090
Total Department of Water and Sewerage Services		345,003,090
District Energy System Revenue Bonds, Series 2002A, due in varying amounts to October 1, 2033	3.25 - 5.25%	61,760,000
District Energy System G. O. Multi-purpose Bonds, Series 2005A, due in varying amounts to January 1, 2025	4.25 - 5.25%	6,890,000
Deferred charge/premium, net		2,293,434
Total District Energy System		70,943,434
Total bonds payable		415,946,524
Department of Water and Sewerage Services - state construction loans	2.82 - 4.90%	158,669,664
Department of Water and Sewerage Services - state economic and development loan	3.00%	330,000
Farmers Market - capitalized lease obligations payable	7.50%	1,270,000
Total business-type activities long-term liabilities		\$ 576,216,188

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

**Governmental activities:**

Noncurrent liabilities:

Due within one year	\$ 140,976,810
Due in more than one year	2,003,627,471
Total governmental activities	\$ 2,144,604,281

**Business-type activities:**

Liabilities payable from restricted assets:

Current portion of long-term liabilities	\$ 42,745,047
Noncurrent liabilities:	
Due within one year	175,000
Due in more than one year	533,296,141
Total business-type activities	\$ 576,216,188

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Correctional Facility Revenue Bonds are special limited obligations of the Government payable solely from payments received from the State of Tennessee. Payments by the state for debt service on the bonds are considered reimbursements to the Government of reasonable allowable costs under the County Correctional Incentives Act of 1981, as amended, and regulations adopted by the State Department of Corrections. The obligation of the state to make payments under the contract is subject to, and dependent upon, annual appropriations by the State General Assembly and allotment by appropriate state officials and does not constitute a moral or general obligation or a debt of the state. The State General Assembly is not obligated to make appropriations to satisfy the state's obligation to make these payments, and there is no assurance that the State General Assembly will make any such appropriations. The bonds are not deemed to constitute a debt or liability of the Government for which there is recourse against the General Fund or a right to compel the exercise of the ad valorem taxing power of the Government. No right, title or interest in or to the DeBerry Correctional Facility financed by the bonds is pledged for the payment or security of the bonds.

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

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

**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, 2009, the Government believes it was in compliance with all financial limitations and restrictions.

**E. Annual Debt Service Requirements**

The annual requirements to amortize all general obligation bonds and notes and revenue bonds outstanding as of June 30, 2009 are as follows:

Year Ending June 30	General Obligation Bonds and Notes		Limited Obligation Revenue Bonds		Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 81,890,000	\$ 76,802,555	\$ 1,795,000	\$ 238,375	\$ 34,700,000	\$ 21,872,299	\$ 118,385,000	\$ 98,913,229
2011	83,515,000	72,788,117	1,885,000	146,375	36,895,000	19,496,834	122,295,000	92,431,326
2012	78,470,000	69,063,218	1,985,000	49,625	39,080,000	17,087,632	119,535,000	86,200,475
2013	79,230,000	65,224,134	-	-	41,745,000	14,420,854	120,975,000	79,644,988
2014	79,780,000	61,374,150	-	-	43,290,000	12,374,593	123,070,000	73,748,743
2015-2019	434,145,300	246,565,867	-	-	117,795,000	36,668,918	551,940,300	283,234,785
2020-2024	473,690,000	137,475,073	-	-	56,375,000	14,733,381	530,065,000	152,208,454
2025-2029	269,105,000	29,215,787	-	-	15,615,000	6,672,775	284,720,000	35,888,562
2030-2034	5,199,700	234,042	-	-	18,890,000	2,453,000	24,089,700	2,687,042
Total	1,585,025,000	758,742,943	5,665,000	434,375	404,385,000	145,780,286	1,995,075,000	904,957,604
Deferred Charge/ Premium	40,724,815	-	(54,438)	-	4,245,142	-	44,915,519	-
Total	\$ 1,625,749,815	\$ 758,742,943	\$ 5,610,562	\$ 434,375	\$ 408,630,142	\$ 145,780,286	\$ 2,039,990,519	\$ 904,957,604

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

**F. Commercial Paper**

In August 2003, the Government instituted a general obligation commercial paper (bond anticipation note) program. Commercial paper notes are issued to provide interim or short-term financing of various authorized 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. Through June 30, 2007, the Government provided "self-liquidity" for the program, meaning if the commercial paper dealer was ever unable to market notes in the amount needed to pay the maturing notes, the Government would purchase the rollover notes as an investment within the Metropolitan Government Investment Pool. The Government would continue to hold the notes until the commercial paper dealer was able to successfully market additional rollover notes and thereby pay the rollover notes held by the Government. Effective July 11, 2007, the Government entered into a contract with a third party to provide liquidity for the commercial paper program. If the commercial paper dealer was ever unable to market notes in the amount needed to pay the maturing notes, the liquidity provider would purchase the rollover notes and hold them until the commercial paper dealer was able to successfully market the additional rollover notes and pay the rollover notes held by the liquidity provider.

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, 2009, the amount of principal outstanding could not exceed \$400 million.

Commercial paper obligations of \$175,000,000 with interest rates ranging from .35% to .65% were outstanding at June 30, 2009. These obligations were refunded subsequent to year-end with rollover notes. The obligations are considered short-term debt at June 30, 2009 and are recorded as a liability in the Capital Project Funds and the District Energy System of the Government.

Short-term debt activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009
Commercial paper payable	\$ 75,000,000	\$ 1,022,000,000	\$ (922,000,000)	\$ 175,000,000
Total short-term debt	<u>\$ 75,000,000</u>	<u>\$ 1,022,000,000</u>	<u>\$ (922,000,000)</u>	<u>\$ 175,000,000</u>

The short-term debt is classified in the Statement of Net Assets as follows:

<b>Governmental activities:</b>	
Commercial paper payable	<u>\$ 173,320,000</u>
Total governmental activities	<u>173,320,000</u>
<b>Business-type activities:</b>	
Commercial paper payable	<u>1,680,000</u>
Total business-type activities	<u>1,680,000</u>
Total commercial paper payable	<u>\$ 175,000,000</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**G. Advance and Current Refunding of Bonds**

On December 5, 2008, the Government entered a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, through the Tennessee Municipal Bond Fund, to borrow \$59,140,000 (the TMBF Loan). The TMBF Loan refunded the outstanding General Obligation Refunding Bonds, Series 2006A (Series 2006A Bonds), maturing May 15, 2026, in the amount of \$58,900,000 and provided for the cost of issuance. As a result, the Series 2006A Bonds are considered to be defeased. By entering the TMBF Loan, the Government maintained a repayment schedule significantly matching the remaining eighteen years on the Series 2006A Bonds. The estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) and the effect on debt service payments are not considered significant.

In prior years, the Government has defeased certain other obligation 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, 2009, \$171,420,000 of general obligation bonds and \$29,530,000 of revenue bonds are considered defeased.

**H. 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, Series 1993, Series 1996, and Series 1998 Bonds are insured by municipal bond insurance policies which cannot be canceled.

**I. 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 a loan agreement with the TSSBA in December, 2005 where by 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, 2009 are summarized below:

Year Ending June 30	Principal	Investment Credit (1)
2010	\$ 414,567	\$ 97,031
2011	414,567	97,031
2012	414,567	97,031
2013	414,567	97,031
2014	414,567	97,031
2015-2019	2,072,830	485,156
2020	<u>829,135</u>	<u>194,063</u>
Total qualified zone academy notes payable	<u>\$ 4,974,800</u>	<u>\$ 1,164,374</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**J. Tennessee Municipal Bond Fund Loan**

The Government entered a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, through the Tennessee Municipal Bond Fund (the TMBF Loan) in December 2008 for \$59,140,000 with an initial variable interest rate of .45%. The interest rate is calculated daily by the Bank of America based on the prevailing conditions in the variable rate municipal market. Proceeds of the TMBF Loan were used primarily to refund the General Obligation Refunding Bonds, Series 2006, as discussed in Section G above.

Because this is variable rate debt, a letter of credit agreement was entered into with the Bank of America. In conjunction with the letter of credit agreement, the Government agreed to deposit \$25 million with the Bank of America. The deposit was made in December 2008.

TMBF Loan maturities at June 30, 2009 are summarized below:

Year Ending June 30	Principal	Interest (1)
2010	\$ 2,080,000	\$ 175,520
2011	2,200,000	168,480
2012	2,325,000	161,040
2013	2,455,000	153,184
2014	2,590,000	144,896
2015-2019	15,330,000	582,688
2020-2024	20,185,000	292,512
2025-2026	9,765,000	16,048
Total Tennessee Municipal League loan payable	<u>\$ 56,930,000</u>	<u>\$ 1,694,368</u>

(1) Interest is calculated using the June 30, 2009 Bank of America rate of .32%.

**K. The Department of Water and Sewerage Services - State Construction Loans**

As of June 30, 2009, the Department has entered into 23 loan agreements with the Tennessee Department of Conservation and the Tennessee Local Development Authority under the State of Tennessee's Revolving Fund Loan Program to provide financing for all or a portion of certain wastewater facility projects. Interest on the loans begins to accrue upon the first receipt of the loan proceeds and is computed at the rate established by the Authority (between 2.82% and 5.52% at June 30, 2009). The loans mature in monthly installments, as stipulated in the agreed-upon payment schedule, and are secured by the Government's unobligated state-shared taxes in an amount equal to the maximum annual debt service requirements under the agreements. In addition, the Government has pledged user fees and charges to be paid from the Department's Extension and Replacement Fund and/or from ad valorem taxes.

As of June 30, 2009, nine of the project loans have been fully funded and the Department has begun repaying the loans in accordance with the specified payment schedules. Principal on eight of the loans has been fully paid. Three loans are active but not finalized and require only monthly interest payments, and three loan projects have yet to begin. The fully funded loans, which total \$148,930,472 at June 30, 2009, call for monthly payments of principal and interest of approximately \$1,050,000.

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

State construction loan principal maturities as of June 30, 2009 are summarized below:

Year Ending June 30	Principal	Interest
2010	\$ 7,711,980	\$ 4,652,508
2011	7,984,992	4,379,496
2012	8,268,252	4,096,236
2013	8,562,144	3,802,344
2014	8,867,100	3,497,388
2015-2019	43,493,016	12,782,904
2020-2024	35,103,491	6,586,059
2025-2029	28,939,497	1,637,870
Total fully funded loans	<u>148,930,472</u>	<u>41,434,805</u>
Active but incomplete loans (1)	<u>9,739,192</u>	<u>-</u>
Total state construction loans	<u>\$ 158,669,664</u>	<u>\$ 41,434,805</u>

(1) These loans are active but formalization of a final payment schedule is incomplete. These loans are expected to be repaid over 20 years at an interest rate between 2.94% and 3.31% beginning in the year ending June 30, 2010.

**L. The Department of Water and Sewerage Services - State Economic and Development Loan**

In January 2009, the Department entered a loan agreement with the Tennessee Department of Economic Development for \$330,000. The proceeds of the loan will be used to fund the installation of variable frequency drives on the raw water pumps at the K.R. Harrington water treatment plant. The energy savings resulting from the ability to gradually increase or decrease pump speeds rather than adding or dropping pumps at full capacity will be used to repay the loan. The load is for seven years, and interest is calculated on the loan at 3%.

State economic and development loan principal maturities as of June 30, 2009 are summarized below:

Year Ending June 30	Principal	Interest
2010	\$ 43,067	\$ 9,900
2011	44,359	8,608
2012	45,690	7,277
2013	47,061	5,907
2014	48,472	4,495
2015-2016	<u>101,351</u>	<u>4,583</u>
Total state economic and development loan	<u>\$ 330,000</u>	<u>\$ 40,770</u>

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

**M. Swap**

In connection with the 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. 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. The fixed swap rate was set at 5.4%.

The Counterparty exercised the Swaption agreement on March 13, 2006, and the swap commenced on May 15, 2006. The notional amount reduces annually and was \$56,930,000 at June 30, 2009.

Under the terms of the swap agreement, the Government pays a net fixed rate to the Counterparty. The Counterparty remits to the Government at the SIFMA rate. The SIFMA rate at June 24, 2009 (the last reset date prior to June 30, 2009) was .35%. All terms of the swap remain in effect. The estimated fair market value of this swap contract was \$ (10,620,477) at June 30, 2009.

**N. Unissued Bonds or Notes**

At June 30, 2009, authorized but unissued general obligation bonds totaled \$560,803,000. 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, 2009 was as follows:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
<b>Governmental types:</b>					
Revenue bonds payable:					
Sports Authority	\$ 72,595,780	\$ -	\$ (3,053,932)	\$ 69,541,848	\$ 3,355,000
Total revenue bonds payable - governmental types	72,595,780	-	(3,053,932)	69,541,848	3,355,000
<b>Proprietary types:</b>					
Revenue bonds payable:					
Metropolitan Development and Housing Agency	4,018,758	81,732	(1,415,000)	2,685,490	2,685,490
Electric Power Board	537,974,000	-	(17,066,000)	520,908,000	14,881,000
Metropolitan Nashville Airport Authority	228,831,129	37,999,262	(24,400,000)	242,430,391	26,170,000
Total revenue bonds payable - proprietary types	770,823,887	38,080,994	(42,881,000)	766,023,881	43,736,490

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

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
<b>Proprietary types: (Continued)</b>					
Notes payable:					
Metropolitan Development and Housing Agency:					
Notes payable	\$ 4,823,332	\$ 1,156,200	\$ -	\$ 5,979,532	\$ 2,266,978
Metropolitan Nashville Airport Authority:					
Notes payable	8,721,333	-	(448,000)	8,273,333	448,000
Total notes payable - proprietary types	<u>13,544,665</u>	<u>1,156,200</u>	<u>(448,000)</u>	<u>14,252,865</u>	<u>2,714,978</u>
Total revenue bonds and notes payable	<u>856,964,332</u>	<u>39,237,194</u>	<u>(46,382,932)</u>	<u>849,818,594</u>	<u>49,806,468</u>
Other liabilities payable:					
Hospital Authority:					
Capitalized lease obligation	37,719,785	-	(1,214,556)	36,505,229	1,308,764
Other liabilities	11,609,616	539,714	-	12,149,330	-
Metropolitan Development and Housing Agency:					
Other liabilities	1,703,852	1,910,604	(1,703,852)	1,910,604	-
Electric Power Board:					
TVA Advances and Other	3,926,000	3,265,000	(3,849,000)	3,342,000	-
Metropolitan Transit Authority:					
Capitalized lease obligation	220,810	-	(143,620)	77,190	77,190
Deferred lease revenue	6,500,000	-	(195,003)	6,304,997	-
Other postemployment benefits obligation	2,533,727	4,809,724	(1,665,276)	5,678,175	-
Metropolitan Nashville Airport Authority:					
Synthetic Advance Refunding, Series 2001	3,308,619	-	(730,851)	2,577,768	-
Fair value of derivative financial instruments	2,860,390	1,474,466	-	4,334,856	-
Deferred interest income	2,044,693	-	(358,396)	1,686,297	-
Other postemployment benefits obligation	2,529,829	6,362,894	(1,319,810)	7,572,913	-
Other liabilities	1,982,151	31,600	(34,904)	1,978,847	-
Total other liabilities payable - proprietary types	<u>76,939,472</u>	<u>18,394,002</u>	<u>(11,215,268)</u>	<u>84,118,206</u>	<u>1,385,954</u>
Total revenue bonds, notes and other liabilities payable - component units	<u>\$ 933,903,804</u>	<u>\$ 57,631,196</u>	<u>\$ (57,598,200)</u>	<u>\$ 933,936,800</u>	<u>\$ 51,192,422</u>

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

**B. Description of Amounts Payable**

Amounts payable at June 30, 2009 are as follows:

	<u>Interest Rates</u>	<u>Amount</u>
<b>Governmental types:</b>		
Revenue bonds payable:		
Public Improvement Revenue Bonds (Stadium Project), Series 2004 due in varying amounts to July 1, 2027	5.375 - 5.875%	\$ 59,090,000
Taxable Public Facility Revenue Bonds, Series 1998, due in varying amount to July 1, 2018	5.87 - 6.60%	13,530,000
Deferred charge/premium, net		<u>(3,078,152)</u>
Total revenue bonds payable - governmental types		<u>69,541,848</u>
<b>Proprietary types:</b>		
Revenue bonds payable:		
Metropolitan Development and Housing Agency, Revenue Bonds, 2003 Series, due June 11, 2009	1.61 - 2.80%	2,685,490
Electric Power Board Electric System Revenue Bonds, 1996 Series A, due in varying amounts to May 15, 2013	5.50 - 6.00%	40,642,000
Electric Power Board Electric System Revenue Bonds, 1998 Series A, due in varying amounts to May 15, 2023	5.125 - 5.40%	22,149,000
Electric Power Board Electric System Revenue Bonds, 1998 Series B, due in varying amounts to May 15, 2017	3.80 - 5.50%	33,189,000
Electric Power Board Electric System Revenue Bonds, 2001 Series A, due in varying amounts to May 15, 2017	4.50 - 5.00%	104,890,000
Electric Power Board Electric System Revenue Bonds, 2001 Series B, due in varying amounts to May 15, 2014	5.50%	18,565,000
Electric Power Board Electric System Revenue Bonds, 2004 Series A, due in varying amounts to May 15, 2029	4.50 - 5.00%	109,375,000
Electric Power Board Electric System Revenue Bonds, 2008 Series A, due in varying amounts to May 15, 2033	3.25 - 5.00%	109,589,000
Electric Power Board Electric System Revenue Bonds, 2008 Series B, due in varying amounts to May 15, 2023	3.25 - 5.00%	82,509,000
Airport Improvement Revenue Bonds, Adjustable Rate Refunding, Series 1995, due in varying amounts to July 1, 2015	4.45 - 5.00%	42,775,000
Airport Improvement Revenue Bonds, Series 1998A, due in varying amounts to July 1, 2014	4.80 - 5.15%	5,810,000
Airport Improvement Revenue Bonds, Series 1998C, due in varying amounts to July 1, 2016	5.00 - 5.38%	18,150,000
Airport Improvement Revenue Bonds, Series 2001A, due in varying amounts to July 1, 2015	6.60 - 6.625%	56,030,000
Passenger Facility Charge and Airport Revenue Bonds, Series 2003, due in varying amounts to July 1, 2012	Adjustable (1.85% at June 30, 2009)	14,145,000
Airport Improvement Revenue Bonds, Series 2003 B, due in varying amounts to July 1, 2033	2.69 - 5.94%	17,610,000
Airport Improvement Revenue Bonds, Series 2008A, due in varying amounts to July 1, 2019	4.49%	31,800,000
Airport Improvement Revenue Bonds, Series 2008B, due in varying amounts to July 1, 2018	3.32%	27,605,000

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

	Interest Rates	Amount
<b>Proprietary types: (Continued)</b>		
Revenue bonds payable: (Continued)		
Airport Improvement Revenue Bonds, Series 2009A, due in varying amounts to July 1, 2019	3.00 - 5.25%	\$ 36,000,000
Metropolitan Nashville Airport Authority: Unamortized deferred amount on refunding		(7,494,609)
Total revenue bonds payable - proprietary types		766,023,881
Notes payable:		
Metropolitan Development and Housing Agency: Notes payable		5,979,532
Metropolitan Nashville Airport Authority: Notes payable		8,273,333
Total notes payable - proprietary types		14,252,865
Total revenue bonds and notes payable		849,818,594
Other liabilities payable:		
Hospital Authority:		
Capitalized lease obligation		36,505,229
Other liabilities		12,149,330
Metropolitan Development and Housing Agency: Other liabilities		1,910,604
Electric Power Board:		
TVA Advances		366,000
Other		2,976,000
Metropolitan Transit Authority:		
Capitalized lease obligation		77,190
Deferred lease revenue		6,304,997
Other postemployment benefits obligation		5,678,175
Metropolitan Nashville Airport Authority:		
Synthetic Advance Refunding, Series 2001		2,577,768
Fair value of derivative financial instruments		4,334,856
Deferred interest income		1,686,297
Other postemployment benefits obligation		7,572,913
Other liabilities		1,978,847
Total other liabilities payable - proprietary types		84,118,206
Total bonds, notes and other liabilities payable - component units		\$ 933,936,800

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

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

Liabilities payable from restricted assets:	
Current portion of long-term liabilities	\$ 44,406,000
Noncurrent liabilities:	
Due within one year	6,786,422
Due in more than one year	882,744,378
Total component units long-term liabilities	\$ 933,936,800

**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.

Electric Power Board

All bond issues are secured by a pledge and lien on the net revenues of the Board.

Metropolitan Nashville Airport Authority

All of the Airport Authority's bonds, except for the Series 2003B Bonds, are secured by a pledge of and lien on net revenues derived by the Airport Authority from the operation of the airports. The 2003B Bonds are secured by an additional pledge of and line on PFC revenues less operating expenses.

**D. Issuance of Bonds**

Metropolitan Nashville Airport Authority

In March 2009, the Airport Authority issued Series 2009A Bonds in the principal amount of \$36,000,000. The Bonds were issued to provide funds for the majority of the costs associated with the second phase of the terminal renovation project, to fund a deposit to the debt service reserve account for the Series 2009A Bonds, and the pay for the cost of issuance. The Series 2009A Bonds contain serial bonds at interest rates ranging from 3.00% to 5.25%, maturing in progressive annual amounts ranging for \$715,000 on July 1, 2010, to \$7,970,000 on July 1, 2019. The debt service reserve account and interest earned on that account will be used to pay a portion of the final principal payment on July 1, 2019.

**E. Advance and Current Refundings of Bonds**

Electric Power Board

The 1998 Bonds have been defeased through advance refundings; therefore, the related outstanding balances at June 30, 2009, do not appear as a liability on the Board's Statement of Net Assets.

Metropolitan Nashville Airport Authority

In prior years, Bonds have been defeased through advance refundings; therefore, the related outstanding balances at June 30, 2009, do not appear as a liability on the Airport Authority's Statement of Net Assets.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**F. Conduit Debt Obligations**

Metropolitan Development and Housing Agency

Tax increment financing is a method of funding certain public investments for redevelopment by recapturing, for a time, all or a portion of the increased tax revenue that may result if private investment can be stimulated to occur. Tax increment can only be generated by the increased taxes resulting from private development on land in a redevelopment district that has been acquired and re-sold or leased by the Agency. The tax increment, due to the difference in the tax basis, is then diverted to the redevelopment agency which may use those funds to finance public purpose expenditures or to repay bonds or notes that were floated to finance those expenditures. These loans are special limited obligations of the Agency, payable solely from and secured by a pledge of the tax increment revenues designated for the payment of the loan. Because the borrowers are external developers, the loans do not constitute a debt or pledge of the faith and credit of the Agency or the Government and, accordingly, are not reported in the Agency's financial statements. At September 30, 2008, the tax increment financing loans, including related accrued interest payable, aggregated approximately \$66.5 million.

Industrial Development Board

The Government, through the Industrial Development Board (The 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 March 31, 2009 for the Industrial Revenue Bonds issued after April 1, 1996 was approximately \$409,819,056. 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 \$3,243,143,525. The aggregate principal amount of revenue bonds which were issued by the Board and are 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.

**G. Other Matters**

Metropolitan Development and Housing Agency

During July 2004, the Metropolitan Development and Housing Agency entered into a maximum \$8 million revolving line of credit agreement with the Metropolitan Government for the purpose of funding the development of Rolling Mill Hill. The line of credit agreement was increased to \$8.5 million in June 2006 and the maturity date was extended through June 2010. The line of credit can be further extended upon mutual agreement of both parties. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. During fiscal 2008, the Agency drew \$1,107,296 on the line of credit. A total of \$8,108,626 was outstanding on the line of credit at September 30, 2008.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During 2007, the Metropolitan Development and Housing Agency entered into a \$2.5 million promissory note agreement with a banking institution. The note proceeds were utilized to finance the construction of certain market rate units at Sam Levy Homes. The note bears interest at 5.8% annum and principal and interest payments are due monthly through July 2014. A total of \$2,469,752 was outstanding on the promissory note at September 30, 2008.

During 2008, the Metropolitan Development and Housing Agency entered into a maximum \$2.5 million construction loan agreement with a banking institution for the purpose of funding construction of forty John Henry Hale market rate apartments. Interest on the outstanding balance is variable based upon the 30-day LIBOR rate, plus 175 basis points. Interest is paid monthly during the construction period. When construction is complete (conversion date), the construction loan will be converted to a term loan. The principal amount, interest rate and other terms shall be determined at the conversion date. If parties are unable to agree on new terms, then the outstanding principal and accrued interest will be due and payable at that time. A total of \$2,178,430 was outstanding on the construction loan at September 30, 2008

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) Program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities and large scale physical development projects. The Metropolitan Development and Housing Agency has borrowed funds under this program and guaranteed repayment of the loan by pledging present and future community development block grants. The outstanding loan does not constitute a debt of the Agency and is not reported in the Agency's financial statements. At September 30, 2008, the Section 108 loans outstanding aggregated approximately \$3.92 million.

Electric Power Board

The Electric Power Board is a fiscal intermediary for the TVA energy conservation programs whereby loans are made to the Board's customers to be used in connection with TVA's Residential Energy Services Program. Pursuant to the terms of an agreement with TVA, the energy conservation loans made to the Board's customers are funded and guaranteed by TVA.

The Electric Power Board has a \$25,000,000 unsecured line of credit to be used for purchased power in case of natural disaster. Borrowings under this line of credit bear a negotiated interest rate. There were no borrowings under this line of credit at June 30, 2009.

Metropolitan Transit Authority

The Authority has a \$2,000,000 revolving credit line agreement with the Metropolitan Government for the purpose of funding operational activities. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. The Authority is not required to make monthly interest payments; the amount of any unpaid interest accrued each month is added to the amount of principal outstanding. The total outstanding balance as of June 30, 2009 is \$1,588,685. The amount is reported as due to the primary government.

The Authority also has a \$10,000,000 revolving credit line agreement with the Metropolitan Government for the purpose of providing short-term construction financing for the Music City Central project. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. The total outstanding balance as of June 30, 2009 is \$5,277,375.

In May 2009, the Authority entered into a \$5,000,000 revolving credit line agreement with the Metropolitan Government for the purpose of funding capital activities until the Authority receives expected Federal and State grant monies from capital grants. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. The total outstanding balance as of June 30, 2009 is \$1,999,558.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Metropolitan Nashville Airport Authority

**Notes Payable:** In October 2007, MPC Holdings, LLC, a blended component unit of the Airport Authority, entered into a term note in the amount of \$7,600,000 with a financial institution. Proceeds were used to replenish MPC Holdings, LLC's cash balance shortly after its purchase of International Plaza for \$7,500,000 plus associated costs in September 2007. The variable rate loan was entered into bearing interest at a monthly rate. Principal payments are due in level monthly installments of \$31,667. The obligation matures in November 2012, at which time the remaining balance will be \$5,700,000. The principal balance at June 30, 2009 was \$6,998,333. In order to reduce its exposure to fluctuations in interest rates, MPC Holdings, LLC entered into an interest rate swap agreement (2007 MPC Swap Agreement) that fixes the interest rate at 5.67%.

**Notes Payable:** In March 2008, MPC Holdings, LLC, a blended component unit of the Airport Authority, entered into a term note in the amount of \$1,360,000 with a financial institution. Proceeds were used to purchase a multi-purpose building on airport property from a major tenant. The variable rate loan was entered into bearing interest at a monthly rate. Principal payments are due in level monthly installments of \$5,666. The obligation matures in February 2013, at which time the remaining balance will be \$1,020,000. The principal balance at June 30, 2009 was \$1,275,000. In order to reduce its exposure to fluctuations in interest rates, MPC Holdings, LLC entered into an interest rate swap agreement (2008 MPC Swap Agreement) that fixes the interest rate at 4.33%.

**1993/2008A Interest Rate Swap Agreement:** In connection with the issuance of the Series 1993 bonds, so as to manage its exposure to market risks from fluctuations on interest rates, the Airport Authority entered into an interest rate swap agreement dated November 1, 1993 (the 1993 Swap Agreement) with a bank (the 1993 Swap Provider), which, in general, provides that the Authority will pay a fixed rate of 4.49% to the 1993 Swap Provider on a notional amount equal to the principal amount of the Series 1993 bonds outstanding and the 1993 Swap Provider will pay interest at the rate borne by the Series 1993 bonds on such notional amount on a net basis. The 1993 Swap Agreement has a term equal to the term of the Series 1993 bonds. Arrangements made in the 1993 Swap Agreement do not alter the Airport Authority's obligation to pay the principal of, premium, if any, and interest on the Series 1993 bonds. Since the counterparty to the 1993 Swap Agreement is a major bank, the Airport Authority does not anticipate credit related losses from nonperformance by such counterparty. During 2008, in connection with the refunding of the Series 1993 Bonds with the Series 2008A Bonds, the 1993 Swap Agreement was transferred from the 1993 Bonds to the 2008A Bonds. All terms of the 1993 Swap Agreement remained intact and apply to the Series 2008A Bonds.

**2008B Interest Rate Swap Agreement:** In connection with the Series 2008B Bonds, so as to manage its exposure to market risks from fluctuations in interest rates, the Airport Authority entered into an interest rate swap agreement dated June 9, 2008 (the 2008B Swap Agreement) with a bank (the 2008B Swap Provider). In general, the 2008B Swap Agreement provides that the Airport Authority will pay a fixed rate of 3.32% to the 2008B Swap Provider on a notional amount equal to the principal amount of the Series 2008B Bonds. Arrangements made in the 2008 Swap Agreement do not alter the Airport Authority's obligation to pay the principal of, premium, if any, and interest on the 2008B Bonds. Since the counterparty to the 2008B Swap Agreement is a major bank, the Airport Authority does not anticipate credit related losses from nonperformance by such counterparty.

**MPC 2007 Interest Rate Swap Agreement:** In October 2007, MPC Holdings, LLC, a blended component unit of the Airport Authority, entered into an interest rate swap agreement (2007 MPC Swap Agreement) in order to manage its exposure to market risks from fluctuations in interest rates in connection with a term loan used to purchase a multi-tenant structure. In general, this agreement provides that MPC will pay a fixed rate of 5.67% on the outstanding principal amount. This agreement terminates November 1, 2012, to correspond with termination of the loan. Since the counterparty to this agreement is a major bank, MPC does not anticipate credit related losses from nonperformance by such counterparty.

**MPC 2008 Interest Rate Swap Agreement:** In March 2008, MPC Holdings, LLC, a blended component unit of the Airport Authority, entered into an interest rate swap agreement (2008 MPC Swap Agreement) in order to manage its exposure to market risks from fluctuations in interest rates in connection with a term loan used to purchase a multi-purpose structure. In general, this agreement provides that MPC will pay a fixed rate of 4.33% on the outstanding principal amount. This agreement terminates March 1, 2013, to correspond with termination of the loan. Since the counterparty to this agreement is a major bank, MPC does not anticipate credit related losses from nonperformance by such counterparty.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Fair Value of Swap Agreements:** The Airport Authority has recorded the fair value of the Swap Agreements as of June 30, 2009 (a liability of \$4,334,856) in the Statement of Net Assets. The fair values of these financial instruments have been calculated by a third-party service provider taking into consideration current interest rates. The change in the fair values has been recorded as a loss (reported in expenses) in the Statement of Activities for the year ended June 30, 2009.

**Special Facility Revenue Bonds, Series 2005:** During April 2005, the Airport Authority issued \$9,500,000 of Special Facility Revenue Bonds, Series 2005, on behalf of Embraer Aircraft Maintenance Services, Inc. The bonds were issued to finance the development and construction of an aircraft maintenance facility at Nashville International Airport. The outstanding Special Facility Revenue Bonds, Series 2005, are special obligations of the Airport Authority and the debt service thereon shall be payable solely from revenues provided by Embraer pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. Since these bonds do not represent a claim on the Airport Authority's assets or require the Airport Authority to incur future obligations, they have not been recorded in the Airport Authority's financial statements.

**Special Facility Revenue Bonds, Series 2006:** During July 2006, the Airport Authority approved an amendment to the ground lease with Aero Nashville, LLC whereby the Airport Authority agreed to issue \$6,515,000 of Special Facility Revenue Bonds, Series 2006, on behalf of Aero Nashville. Aero Nashville is an affiliate of Aeroterm US, Inc., the firm selected by Federal Express Corporation in 2005 to be the developer of a 69,000 square foot cargo and support facility on approximately 15 acres of land at Nashville International Airport. The outstanding Special Facility Revenue Bonds, Series 2006, are special obligations of the Airport Authority and the debt service thereon shall be payable solely from revenues provided by Aero Nashville pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. Since these bonds do not represent a claim on the Airport Authority's assets or require the Airport Authority to incur future obligations, they have not been recorded in the Airport Authority's financial statements.

During September 2008, the Airport Authority entered into a \$15,000,000 line of credit with a financial institution. Proceeds from the line of credit shall be used solely to pay accrued debt services on certain bond issues designated for refunding by the Airport Authority. There were no draws on the line of credit as of the date of the financial statements. The line of credit bears interest at LIBOR plus 40 basis points and expires in September 2010.

**H. Annual Debt Service Requirements**

The annual principal maturities of all bonds and notes payable as of June 30, 2009 for the component units are as follows:

Year Ending June 30	Revenue Bonds and Notes Payable	
	Principal	Interest
2010	\$ 49,806,468	\$ 40,053,853
2011	53,103,404	38,677,456
2012	56,252,586	35,439,104
2013	60,671,375	32,893,231
2014	52,225,803	30,341,659
2015-2019	241,806,229	113,858,980
2020-2024	182,171,000	64,190,728
2025-2029	127,732,000	25,585,101
2030-2034	36,677,000	4,183,922
Total	860,445,865	385,224,034
Deferred Charges	(10,627,271)	-
Total	\$ 849,818,594	\$ 385,224,034

Deferred amounts for the Electric Power Board are netted with principal. Interest amounts are excluded for the Metropolitan Development and Housing Agency.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 6 - PENSION PLANS**

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, an independent board created by the Metropolitan Charter. No separate financial reports are issued for these plans.

The Government has the following single-employer pension plans:

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

<u>Name</u>	<u>Type</u>	<u>Status</u>	<u>Administering Fund</u>
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**Component Units**

Sports Authority and Hospital Authority	Included in primary government plans		
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

The Metropolitan Transit Authority guarantees the plan sponsored by the Davidson Transit Organization (DTO), which provides Metropolitan Transit Authority labor. For comparative purposes, the DTO pension plan information, where presented, is disclosed as the Metropolitan Transit Authority plan.

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.

**A. Summary of Significant Accounting Policies**

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 asset and obligation are reported in the applicable governmental activities in the Statements of Net Assets and Activities. All plans with a net pension obligation are governmental in nature.

Investments are reported at fair value. Common stocks, bonds and U.S. Government and other domestic and foreign securities are stated at quoted market prices as of June 30, 2009. Accounts receivable consists of amounts due from investment brokers for pending trades.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**B. Plan Descriptions**

**Primary Government**

The Primary Government plans are administered by the Government, and the authority under which the obligations to contribute to the plan were created and the authority under which the plans may be amended are granted by the Metropolitan Charter.

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.

***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; and (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.

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.

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 5 years of service 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.

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. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Members joining the plan on or after July 1, 1979 are vested after five years of service. Members joining prior to July 1, 1979 are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. A financial report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

**Component Units**

Metropolitan Development and Housing Agency

The Agency's retirement plan is a 401(a) plan administered by the Vanguard Group. The plan, which is principally a defined contribution plan, also provides certain minimum defined benefits for employees who were participants in the Agency's Retirement Fund as of September 30, 2000. Employees are eligible to participate beginning the first day of the month following the date of hire. There are no required contributions by the participants; however, participants may make voluntary contributions from 0.5% to 10% of their basic compensation and the Agency contributes 13% of participants' basic compensation. Contributions are invested in any of twenty two funds as elected by the participant. Investment options and voluntary contributions may be changed daily.

Participants are immediately vested in their voluntary contributions plus actual earnings. Participants are also immediately vested in 5.5% out of the 13% of the Agency's contributions. For each year of participation in the plan, participants vest at the rate of 20% of the remaining balance and become fully vested after five years.

Benefits are paid in the form of a cash distribution or various other annuity options at normal retirement date, age 65, death or disability. Participants may also elect to roll the vested portion of their retirement savings into another qualifying plan or an IRA or leave the amount in the plan. Early retirement may be elected by employees at age 55 who have at least ten years of service.

The plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Metropolitan Development and Housing Agency at P. O. Box 846, Nashville, TN 37202.

Electric Power Board

The plan is a single-employer defined benefit pension plan which provides retirement and survivors' benefits to members and their beneficiaries. Cost of living adjustments are provided to members and their beneficiaries at the discretion of the Electric Power Board. The Metropolitan Charter assigns the authority to establish and amend benefit provisions to the Electric Power Board. The plan is administered by the Electric Power Board.

All full-time regular employees under age 65 are eligible to participate in the Plan. The vesting provision of the Plan provides for five-year cliff vesting. Board employees who retire at or after age 65 are entitled to annual retirement benefits payable monthly for life in an amount equal to 2% of final average compensation multiplied by years in the Plan not in excess of 35 years. Final average compensation is the average compensation in the 36 consecutive months in which compensation is highest. Unused sick leave may be used to increase credited service and the benefit percentage under certain circumstances. Early retirement is an option beginning at age 55 with 15 years of credited service or at age 50 with 30 years of credited service with an actuarially reduced monthly benefit.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At April 1, 2009 (the latest date available), the actuarial value of assets was \$222,571,000 the actuarial accrued liability was \$400,759,000, and the unfunded actuarial accrued liability was \$178,188,000. Covered payroll was \$65,694,000.

A change was made in the Plan funding method effective April 1, 2009, whereby the amortization period was reset to a 30-year period beginning April 1, 2009. The result of this funding method change was a decrease in the normal cost of the Plan of \$11,044,000 and an increase in the Plan's actuarial accrued liability of \$120,452,000.

The plan does not issue a separate financial report, however, complete financial statements of the Electric Power Board can be obtained from its administrative offices at 1214 Church Street, Nashville, TN 37246.

In 1994 the Electric Power Board established a nonqualified supplemental executive retirement plan (SERP) limited to certain employees. Benefits accrue at the rate of 5% of salary for each year of credited service not to exceed 12 years and benefits vest at the rate of 20% for each year of service, reduced by the percentage accrued and vested under the Electric Power Board's qualified plan. Effective April 1, 2005 the Board merged the SERP with the Electric Power Board's Retirement Annuity and Survivor's Benefit Plan. Adding the SERP benefits to the Plan increased the funding requirements for the Plan, but the amounts that had accumulated in the SERP Trust were transferred to the Plan in order to offset those increased costs. Future payments that would have been made into the SERP Trust will be directed into the Plan. At the time of conversion, no benefits had been paid from the SERP. Any change in funding requirements is reflected in the actuarial values above.

Metropolitan Transit Authority

The Disability and Retirement Plan of Davidson Transit Organization (the Plan) is a single-employer defined benefit pension plan which covers substantially all employees of the Metropolitan Transit Authority and Local 1235 of the Amalgamated Transit Union (the Union) providing retirement, disability and death benefits to members and their beneficiaries. Articles XII and XIII of the Plan document establish the benefits.

At July 1, 2008 (the latest date available), the actuarial value of assets was \$23,381,938; the actuarial accrued liability was \$37,361,538. There is an unfunded actuarial accrued liability of \$13,979,600. Covered payroll was \$19,054,285.

The plan issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the Metropolitan Transit Authority, 130 Nestor Street, Nashville TN, 37210, or by calling (615) 862-5969.

Metropolitan Nashville Airport Authority

Effective September 1989, the Airport Authority adopted a new single-employer public employee retirement system (PERS) for its employees whereby the net assets available for benefits relative to the Airport Authority's employees were transferred from the Metropolitan Government's pension system to the Metropolitan Nashville Airport Authority Retirement Plan for Employees (Plan). While certain Airport Authority employees participate in the pension system of the Government, new employees of the Airport Authority and those previously selecting the new Airport Authority's single-employer PERS are not eligible for participation in the Government's pension system. The Airport Authority Plan is a non-contributory defined benefit pension plan administered by the Airport Authority. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Airport Authority. Benefit provisions are established and may be amended by the Airport Authority. Effective June 27, 2003, the Plan was closed to new participants. Employees hired after June 27, 2003 are not eligible to participate in the Plan.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Metropolitan Nashville Airport Authority, One Terminal Drive, Suite 501, Nashville, TN 37214, or by calling (615) 275-1600.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**C. Contributions**

**Primary Government**

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 13.012% for the non-certificated employees of Metropolitan Nashville Public Schools and all other Metro employers.

City Plan

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

County Plan

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

Metro Education Plan

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

The TCRS plan is financed by contributions from teachers, most of whom are required by state statute to contribute 5% of their salary, and by Metropolitan Nashville Public Schools, which contributes at an actuarially determined rate (6.42% of covered payroll for the fiscal year ending June 30, 2009). The contribution requirement is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ending June 30, 2009, 2008, and 2007 were \$20,658,908, \$18,614,273, and \$17,585,461, respectively, and were equal to the required contributions for each year.

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).

**Component Units**

Metropolitan Development and Housing Agency

The Agency's contributions for the year ended September 30, 2008 amounted to \$1,766,265 which equaled the amount of the annual required contribution. Employee contributions were \$160,715. The Agency's payroll for employees covered by this plan was \$13,711,653 during the fiscal year ended September 30, 2008.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Electric Power Board

The contribution requirements of the Board are established and may be amended by the Board. The Plan is currently non-contributory. The Board's policy is to fund at least the minimum contribution for a thirty-year funding level. The current rate is 36.18% of annual covered payroll. The Board contributed 100% of the required contribution for the Plan years 2009 and 2008. For the year ended June 30, 2009, the required and actual amount contributed was \$16,614,000. The annual contribution for the year was determined as part of the April 1, 2008, actuarial valuation using the frozen initial liability method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 4.5%. Both (a) and (b) included an inflation component. The assumptions include cost-of-living postretirement benefit increases equal to 2% a year. The actuarial value of the Plan assets is determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrual liability is being amortized over 30 years.

Metropolitan Transit Authority

Plan members are required to contribute 4.5% of their covered payroll. The Metropolitan Transit Authority is required to contribute at an actuarially determined rate of 9.12% in 2009. Contribution requirements of members and the Metropolitan Transit Authority are established per Article VII of the plan document. Administrative costs of the plan are paid out of plan assets. For the year ended June 30, 2009, the annual pension costs were \$1,872,171. The entry age normal method has been used to compute the annual contribution requirement. The actuarial assumptions included (a) 7.75% investment rate of return and (b) projected salary increases of 4.0%.

Metropolitan Nashville Airport Authority

Contribution requirements are established and may be amended by the Airport Authority. For the year ended June 30, 2009, the Airport Authority's annual pension cost of \$1,665,239 was equal to the annual required contribution of \$1,478,412 less interest of \$1,092,652 on the net pension asset plus the annual required contribution adjustment of \$1,279,479. There was no actual contribution made to the Plan because a contribution of \$19,000,000 was made in 2004 through the issuance of Airport Improvement Revenue Bonds, Series 2003B. The annual required contribution for the current year was determined as part of the July 1, 2008 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 4%. The actuarial value of Plan assets was calculated based on the three-year weighted average of asset gains and losses.

**D. Selected Pension Information**

**Primary Government**

The following is a summary of the total net pension obligation and asset by plan for the beginning and end of the year:

	<u>Beginning of Year</u>	<u>End of Year</u>
Net pension obligation:		
Metro Education	\$ 70,295,028	\$ 70,947,167
Total net pension obligation	<u>70,295,028</u>	<u>70,947,167</u>
Net pension assets:		
County	(9,028,405)	(8,325,046)
Metro	(12,660,311)	(23,120,510)
County Education	(6,072,649)	(6,287,582)
City	(16,300,953)	(14,870,275)
City Education	<u>(8,877,778)</u>	<u>(8,797,871)</u>
Total net pension assets	<u>(52,940,096)</u>	<u>(61,401,284)</u>
Total net pension obligation (assets)	<u>\$ 17,354,932</u>	<u>\$ 9,545,883</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Additional information regarding annual pension cost and net pension obligation (asset), trend information and participant information for the plans of the primary government is summarized on the following schedules. The net pension benefit obligations for the plans of Metropolitan Nashville Public Schools are calculated net of expected reimbursements from the State of Tennessee. Information for the plans of the component units is omitted due to the inavailability of the information in separately issued reports in a consistent manner.

The significant actuarial assumptions underlying the plans of the primary government are summarized on the following schedules. The assumptions used to calculate the actuarially determined contribution requirements are the same as those used to compute the net pension obligation except where indicated. Information for the plans of the component units is omitted due to the inavailability of the information in separately issued reports in a consistent manner.

The funded status of each plan at the most recent actuarial valuation date is also summarized on the following schedules.

**E. Required Supplementary Information**

A Schedule of Funding Progress (Unaudited) and a Schedule of Employer Contributions (Unaudited) as required by GASB Statement No. 25 are included as Required Supplementary Information following the notes to the financial statements.

**F. Other**

In the Metro Plan, the investments in the Northern Trust Daily S&P 500 Equity Index Fund totaling \$260,493,978 and PIMCO PAPS Mortgage Portfolio totaling \$121,506,542 exceed 5% of plan assets at June 30, 2009. In the Metro Education Plan, the investments in Northern Trust Daily Emerging Markets Equity totaling \$2,239,513 and Northern Trust Daily Aggregate Bond Fund totaling \$8,370,084 exceed 5% of plan assets at June 30, 2009. The categorization of pension investments by asset type is included in Note 3 – Deposits and Investments.

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	<u>County</u>	<u>Metro</u>	<u>County Education</u>
<b>ANNUAL PENSION COST AND NET PENSION OBLIGATION (ASSET) - FISCAL 2009</b>			
Annual required contribution	\$ 1,979,968	\$ 61,635,311	\$ 5,432,587
Interest on net pension obligation	(722,272)	(1,012,825)	(485,812)
Adjustment to annual required contribution	<u>1,445,265</u>	<u>1,479,105</u>	<u>972,108</u>
Annual pension cost	2,702,961	62,101,591	5,918,883
Contributions made	<u>(1,999,602)</u>	<u>(72,561,790)</u>	<u>(6,133,816)</u>
Increase (decrease) in net pension obligation	703,359	(10,460,199)	(214,933)
Net pension obligation (asset) beginning of year	<u>(9,028,405)</u>	<u>(12,660,311)</u>	<u>(6,072,649)</u>
Net pension obligation (asset) end of year	<u><u>\$ (8,325,046)</u></u>	<u><u>\$ (23,120,510)</u></u>	<u><u>\$ (6,287,582)</u></u>
<b>THREE-YEAR TREND INFORMATION</b>			
<b>2009</b>			
Annual pension cost (APC)	\$ 2,702,961	\$ 62,101,591	\$ 5,918,883
Percentage of APC contributed	73.98%	116.84%	103.63%
Net pension obligation (asset)	\$ (8,325,046)	\$ (23,120,510)	\$ (6,287,582)
<b>2008</b>			
Annual pension cost (APC)	\$ 2,689,876	\$ 67,883,652	\$ 5,816,887
Percentage of APC contributed	89.36%	133.94%	126.48%
Net pension obligation (asset)	\$ (9,028,405)	\$ (12,660,311)	\$ (6,072,649)
<b>2007</b>			
Annual pension cost (APC)	\$ 2,770,967	\$ 85,494,709	\$ 5,883,714
Percentage of APC contributed	89.08%	99.92%	127.57%
Net pension obligation (asset)	\$ (9,314,679)	\$ 10,378,756	\$ (4,532,566)
<b>PARTICIPANTS - Latest Actuarial Valuation Date</b>			
<b>Active:</b>			
Fully vested	-	9,131	1
Non-vested and partially vested	-	<u>3,856</u>	-
Total active	-	<u>12,987</u>	<u>1</u>
Retirees and beneficiaries receiving benefits	135	6,111	295
Terminated vested	-	<u>1,783</u>	-
Total	<u><u>135</u></u>	<u><u>20,881</u></u>	<u><u>296</u></u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

<u>Metro Education</u>	<u>City</u>	<u>City Education</u>	<u>Total Primary Government</u>
\$ 14,112,255	\$ 9,516,767	\$ 3,165,266	\$ 95,842,154
5,623,602	(1,304,076)	(710,222)	1,388,395
<u>(6,891,134)</u>	<u>2,609,453</u>	<u>1,421,153</u>	<u>1,035,950</u>
12,844,723	10,822,144	3,876,197	98,266,499
<u>(12,192,584)</u>	<u>(9,391,466)</u>	<u>(3,796,290)</u>	<u>(106,075,548)</u>
652,139	1,430,678	79,907	(7,809,049)
<u>70,295,028</u>	<u>(16,300,953)</u>	<u>(8,877,778)</u>	<u>17,354,932</u>
<u>\$ 70,947,167</u>	<u>\$ (14,870,275)</u>	<u>\$ (8,797,871)</u>	<u>\$ 9,545,883</u>
\$ 12,844,723	\$ 10,822,144	\$ 3,876,197	\$ 98,266,499
94.92%	86.78%	97.94%	107.95%
\$ 70,947,167	\$ (14,870,275)	\$ (8,797,871)	\$ 9,545,883
\$ 12,513,500	\$ 10,984,130	\$ 3,781,327	\$ 103,669,372
63.07%	103.55%	118.49%	120.03%
\$ 70,295,028	\$ (16,300,953)	\$ (8,877,778)	\$ 17,354,932
\$ 12,631,003	\$ 11,043,419	\$ 3,911,926	\$ 121,735,738
58.12%	104.67%	117.88%	97.68%
\$ 65,673,643	\$ (15,910,725)	\$ (8,178,715)	\$ 38,115,714
6	-	-	9,138
-	-	-	3,856
<u>6</u>	<u>-</u>	<u>-</u>	<u>12,994</u>
1,192	628	210	8,571
8	-	-	1,791
<u>1,206</u>	<u>628</u>	<u>210</u>	<u>23,356</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	<u>County (a)</u>	<u>Metro</u>	<u>County Education (a)</u>	<u>Metro Education</u>
<b>ACTUARIAL VALUATION INFORMATION</b>				
Valuation date	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008
Actuarial cost method	entry age normal	entry age normal	entry age normal	entry age normal
Amortization method	level dollar closed	level dollar open	level dollar closed	level dollar closed
Amortization period	15 years (8 remaining)	40 years (10 remaining)	15 years (8 remaining)	30 years (22 remaining)
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:				
Investment rate of return*	8.00%	8.00%	8.00%	8.00%
Projected salary increases*	4.00%	4.00%	5.00%	5.00%
Postretirement benefit increase adjustments	2.75%	2.75%	3.00%	3.00%
* Includes inflation at	None	None	3.00%	2.75%
<b>FUNDED STATUS</b>				
Actuarial value of assets	\$ 1,455,077	\$ 2,119,228,659	\$ 4,936,879	\$ 76,820,678
Actuarial accrued liability (AAL)	\$ 14,299,429	\$ 2,323,837,472	\$ 40,178,889	\$ 226,313,635
Unfunded (overfunded) AAL	\$ 12,844,352	\$ 204,608,813	\$ 35,242,010	\$ 149,492,957
Funded ratio	10.18 %	91.20 %	12.29 %	33.95 %
Covered payroll	\$ -	\$ 555,972,878	\$ 73,418	\$ 384,557
Unfunded AAL as a percentage of covered payroll	- %	36.81 %	48,001.87 %	38,874.07 %

(a) These plans are closed and funded on a "pay-as-you-go" basis. Contributions are not made based on actuarial computation.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

<u>City (a)</u>	<u>City Education (a)</u>
July 1, 2008	July 1, 2008
entry age normal	entry age normal
level dollar closed	level dollar closed
15 years (8 remaining)	15 years (8 remaining)
5 year smoothed market	5 year smoothed market
8.00%	8.00%
4.00%	5.00%
2.75%	3.00%
None	2.75%
\$ 6,816,106	\$ 3,104,280
\$ 68,552,808	\$ 23,637,839
\$ 61,736,702	\$ 20,533,559
9.95 %	13.14 %
\$ -	\$ -
- %	- %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

**Primary Government**

**A. 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. 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. The School Plan does not issue a stand-alone financial report.

**B. Funding Policies**

Metropolitan Government

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. For health insurance, the Government contributes 75% of all premium payments, and the retirees contribute 25%. For the fiscal year ended June 30, 2009, the Government and retirees contributed \$29,150,787 and \$9,716,929 to the Metro Plan, respectively, for health insurance. The Government also provides a 50% matching contribution on dental insurance for any retiree who elects to participate. For the fiscal year ended June 30, 2009, the Government and retirees each contributed \$1,933,320 for dental insurance. Finally, the Government provides life insurance at no charge to the retirees. For the fiscal year ended June 30, 2009, the Government contributed \$1,647,555 for life insurance.

Metropolitan Nashville Public Schools

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%. For the fiscal year ended June 30, 2009, the Government and retirees contributed \$12,325,242 and \$3,926,894 to the School Plan, respectively.

**C. Annual OPEB Cost and Net OPEB Obligation**

The Government's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The Plans contain both active employees and retirees. Although the Government's contribution is 75% of premium payments for the combined participants, the share of claims related to retirees represents a higher percentage of the total claims. Accordingly, contributions reflected in the OPEB calculations, including contributions made, have been adjusted to reflect that a portion of contributions for active employees are subsidizing the retiree claims.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table shows the components of the Government's annual OPEB cost for the year, the amounts contributed to the Plans, and changes in the Government's net OPEB obligation.

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan	Total
Annual required contribution	\$ 174,288,000	\$ 46,643,000	\$ 220,931,000
Interest on net OPEB obligation	5,061,000	1,119,000	6,180,000
Adjustment to annual required contribution	(3,965,000)	(877,000)	(4,842,000)
Annual OPEB cost	175,384,000	46,885,000	222,269,000
Contributions made	(45,982,000)	(18,168,000)	(64,150,000)
Increase (decrease) in net OPEB obligation	129,402,000	28,717,000	158,119,000
Net OPEB obligation beginning of year	112,479,000	24,877,000	137,356,000
Net OPEB obligation end of year	\$ 241,881,000	\$ 53,594,000	\$ 295,475,000

The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plans, and the net OPEB obligation for the current and preceding year were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Metro Employees' Medical Benefit Plan				
	June 30, 2009	\$ 175,384,000	26.22 %	\$ 241,881,000
	June 30, 2008	\$ 159,616,000	29.53 %	\$ 112,479,000
School Professional Employees' Insurance Plan				
	June 30, 2009	\$ 46,885,000	38.75 %	\$ 53,594,000
	June 30, 2008	\$ 42,974,000	42.11 %	\$ 24,877,000

**D. Funded Status and Funding Progress**

Metropolitan Government

As of June 30, 2009, the most recent actuarial valuation date, the Metro Employee' Medical Benefit Plan was 0% funded. The actuarial accrued liability for benefits was \$1.779 billion, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.779 billion. The covered payroll (annual payroll of active employees covered by the Metro Plan) was \$544 million, and the ratio of the UAAL to the covered payroll was 327.18%.

Metropolitan Nashville Public Schools

As of June 30, 2009, the most recent actuarial valuation date, the School Professional Employees' Insurance Plan was 0% funded. The actuarial accrued liability for benefits was \$571 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$571 million. The covered payroll (annual payroll of active employees covered by the School Plan) was \$304 million, and the ratio of the UAAL to the covered payroll was 187.68%.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**E. Actuarial Valuations**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the Plans and the annual required contributions of the Government and Plan members are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities.

**F. Actuarial Methods and Assumptions**

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

In the June 30, 2009 valuations for both Plans, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5% rate of return (net of administrative expenses). Because the Government has not begun funding the Plans, the rate of return was based on the Government's historic interest earned on idle cash. Annual non prescription drug medical costs are assumed to increase 5% in the first year of valuation. Future annual increases are assumed to grade uniformly from 8% to 5% over a six year period. Annual prescription drug costs are assumed to increase 5% in the first year of valuation. Future annual increases are assumed to grade uniformly from 11% to 5% over a twelve year period. Dental and vision costs are assumed to increase 4% each year in the future. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was 29 years.

**Component Units**

**Electric Power Board**

The Electric Power Board provides post-retirement health care benefits to all employees who retire under the provisions of the qualified pension plan and supplemental executive retirement plan. At June 30, 2009, approximately 522 retirees meet those eligibility requirements. Expenses of \$10,100,000 for the year ended June 30, 2009 were recognized for post-retirement health care. The post-retirement benefits for the Board employees were authorized by the Government's charter.

Under its OPEB plan, which is a single-employer defined benefit health care plan funded through an irrevocable trust, the Board provides medical, dental and life insurance benefits to eligible retirees and medical and dental insurance to their spouses. The annual required contribution (ARC) is currently 25.85% of annual covered payroll. The Board contributed \$15,382,816 which was 100% of the ARC for the plan year. At the April 1, 2009 valuation date, the actuarial accrued liability (AAL) was \$243,925,000, and the unfunded actuarial accrued liability (UAAL) was \$231,031,000. Covered payroll was \$68,775,000. The UAAL as a percentage of covered payroll was 335.9%. The actuarial valuation utilized the entry age normal method. The actuarial assumptions included a healthcare trend rate of 5% a year, 8% investment rate of return, and projected salary increases of 4.5%.

**Metropolitan Transit Authority**

Medical, dental, vision, prescription card, and life insurance benefits are available to all eligible employees retiring from the Metropolitan Transit Authority through its Davidson Transit Organization (DTO) Employee Benefit Trust (Health Plan). The Health Plan is a single-employer defined benefit plan. Benefit provisions are established and amended primarily through negotiations between DTO and the Amalgamated Transit Union (the Union). The Health Plan issues a publicly available report that includes financial statements and certain required supplementary information. That report may be obtained by writing to Metropolitan Transit Authority, 130 Nestor Street, Nashville TN, 37210, or by calling (615) 862-5969.

The Health Plan is funded by monthly contributions from Metropolitan Transit Authority based on actuarially determined rates and covered retirees. Employer contributions are generally made on a pay-as-you-go basis. Retiree contributions are generally \$90 for retiree only and \$165 for retiree and family coverage. Retiree contributions for the year ended June 30, 2009 were \$248,900. For the year ended June 30, 2009, the Metropolitan Transit Authority's annual OPEB cost of \$4,809,724, and the contribution was 34.10% of the annual

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

OPEB cost. The net OPEB obligation at June 30, 2009 was \$5,678,175. At the July 1, 2008 valuation date, the actuarial accrued liability (AAL) and the unfunded actuarial accrued liability (UAAL) were \$34,004,859. Covered payroll was \$19,347,059. The UAAL as a percentage of covered payroll was 175.8%. The actuarial valuation utilized the projected unit cost method. The actuarial assumptions included a discount rate of 6.25% and a healthcare trend rate of 7.5% a year through 2010 reducing to 5.5% in 2015 and thereafter.

Metropolitan Nashville Airport Authority

Under the Airport Authority's PERS, the Airport Authority pays approximately 75% of the medical, dental, vision, and prescription coverage cost, with the retirees paying the remaining 25%. The Airport Authority also pays 100% of the premium cost of a \$10,000 life insurance policy on each retiree. In addition, the retirees have the option to pay 100% of the cost of supplemental life insurance coverage. Currently, 81 retirees are receiving benefits under this PERS.

For the year ended June 30, 2009, the Airport Authority's annual OPEB cost of \$6,362,894 was equal to its annual required contribution plus interest less amortization on the obligation. The Airport Authority's contribution was \$1,319,807, or 20.7% of the required contribution. The net OPEB obligation at June 30, 2009 was \$7,572,913. At the July 1, 2008 valuation date, the actuarial accrued liability (AAL) and unfunded actuarial accrued liability (UAAL) were \$52,084,263. Covered payroll was \$13,075,350. The UAAL as a percentage of covered payroll was 398.3%. The actuarial valuation utilized the entry age normal method. The actuarial assumptions included a discount rate of 4%, a healthcare trend rate of 9% graded to 5% uniformly for 2012 and beyond, and varying retirement rates beginning with 10% at age 55 to 100% at age 65.

New employees of the Airport Authority and those previously selecting the new Airport Authority plan are not eligible for participation in the Government's pension plan. However, certain other Airport Authority employees do participate in the Metro Plan. The Airport Authority pays the same percentage as stated above for the medical, dental and life premiums. Currently, 17 retirees are receiving benefits from the Metro Plan. During the year ended June 30, 2009, payments of \$23,650 were made to the Government for post-retirement benefits under this PERS.

During April 2009, the Airport Authority approved a resolution establishing an investment trust for the purpose of fund OPEB. There is no obligation to fund the trust, and management is currently developing a plan whereby cash contributions would be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

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

**Primary Government**

Metro Plan

The Government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits deferral of a portion of salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Because the assets are not held in a trustee capacity by the Government, they are not included in the Government's financial statements. No contributions are made to this plan by the Government.

**Component Units**

Metropolitan Development and Housing Agency

The Agency sponsors a deferred compensation plan, available to all employees, created in accordance with Internal Revenue Code Section 457. The plan permits all employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. No contributions are made to this plan by the Agency.

Electric Power Board

The Electric Power Board has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits employees to defer a portion of their salary until future years with the Board providing a matching contribution at up to 3% of compensation. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan provides that assets or income of the plan shall be used for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Since the

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

assets of the plan are held in custodial and annuity accounts for the exclusive benefit of plan participants, the related assets of the plan are not reflected on the Statement of Net Assets. Employee and Board contributions to the plan were \$3,300,000 and \$1,800,000, respectively, during the year ended June 30, 2009.

Metropolitan Nashville Airport Authority

The Airport Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Airport Authority employees, permits the deferral of a portion of salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Since the assets of the plan are held in custodial and annuity accounts for the exclusive benefit of plan participants, the related assets of the plan are not reflected on the Airport Authority's Statement of Net Assets. Beginning January 1, 2001, the Authority's matching contributions are made to a deferred compensation plan created in accordance with Internal Revenue Code Section 401(a). The contribution by the Authority to this plan was \$662,844 for the year ended June 30, 2009.

**NOTE 9 - LEASES**

**Primary Government**

The Government entered a lease agreement commencing November, 2005, for additional office space. The terms of the agreement call for a base annual rent of \$600,191 before a 50% credit for tenant improvements through December, 2009. 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, 2009. 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 expires December, 2014. However, the Government may exercise up to six renewal options for five additional years each. Rent expense for the year ended June 30, 2009 was \$275,088.

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, 2009.

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.

The Government entered into a capital lease agreement with the State of Tennessee for the construction of a Farmers Market. Under the terms of the agreement, the Government will lease the building for 20 years at a cost of \$3,645,000. Lease payments began in June 1996 with an initial payment of \$645,000. The remaining lease payments will be made over the initial term of the lease in annual rental payments. At June 30, 2009, the leased building is carried in the enterprise funds at \$3,645,000, less accumulated depreciation of \$1,192,094. A summary of future minimum lease payments and the present value of future lease payments for the capitalized lease as of June 30, 2009 is as follows:

<u>Year Ending June 30,</u>		
2010	\$	257,113
2011		257,220
2012		256,300
2013		259,615
2014		257,075
2015		<u>258,985</u>
Total future minimum lease payments		1,546,308
Less:		
Amount representing interest imputed at 7.5%		276,308
Current portion of capital lease		<u>175,000</u>
Long-term capitalized lease obligation	\$	<u><u>1,095,000</u></u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Component Units**

Nashville District Management Corporation

The Corporation leases office space under a noncancelable operating lease which expires May, 2012. The space is paid for and used by Nashville Downtown Partnership, Inc., a related nonprofit organization. In connection with the lease, the lessor provided reduced rent totaling \$42,120 for the year ended December 31, 2008 that has been reflected in the financial statements as contributions with an offsetting charge to expense. The lease provides for additional rent to be payable in the event property taxes and/or building operating costs increase for base year amounts. Rent expense totaled \$81,864 for the year ended December 31, 2008. Future minimum lease payments at December 31, 2008 totaled \$160,019.

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 a cost of \$4 million per year. 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 on Hubbard Hospital. This lease has been subleased to the Hospital Authority. At June 30, 2009, 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 agreement as of June 30, 2009 follows:

<u>Year Ending June 30,</u>		
2010	\$	4,000,000
2011		4,000,000
2012		4,000,000
2013		4,000,000
2014		4,000,000
2015-2019		20,000,000
2020-2024		20,000,000
2025		<u>1,666,667</u>
Total future minimum lease payments		61,666,667
Less:		
Amount representing interest		25,161,438
Current portion of capital lease		<u>1,308,764</u>
Long-term capitalized lease obligation	\$	<u><u>35,196,465</u></u>

Metropolitan Development and Housing Agency

The Metropolitan Development and Housing Agency leases certain office space and equipment accounted for as operating leases. Total lease expenditures for the year ended September 30, 2008 were \$48,307 and future minimum rental commitments are insignificant.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Metropolitan Development and Housing Agency receives rental income under a building lease accounted for as an operating lease. The lease has an initial term of thirty years and provides for an option to renew for seven successive ten-year periods. The lessee is committed to pay base rents totaling \$500,000 annually through 2016, with future minimum lease payments of \$4,125,000 at September 30, 2008. In addition, rental income, other than rent directly related to low-income housing units, is received under various other short-term land and building operating leases. These leases are all either cancelable or the future minimum rentals are insignificant. Rental income from these leases amounted to \$104,870 for the year ended September 30, 2008.

Electric Power Board

The Electric Power Board's rent expense, consisting primarily of payments for pole attachment leases, facilities rental and leasing arrangements for software licensing, amounted to \$1,100,000 for the year ended June 30, 2009. These arrangements, which are all accounted for as operating leases, are all cancelable; future minimum rentals under these leases are not significant. Rental income is received under pole attachment leases, which are accounted for as operating leases. These leases are cancelable; future minimum rentals under these leases are not significant. Rental income from this source totaled \$2,400,000 for the year ended June 30, 2009.

Metropolitan Transit Authority

During fiscal 2000, the Metropolitan Transit Authority entered into a capital lease obligation for new buses with a capitalized cost of \$990,591. Also, during fiscal years 2004, 2005, 2006 and 2007, the Authority entered into a capital lease agreement with the Metropolitan Government for certain computer equipment with a total cost of \$113,364. The assets under capital lease are included in capital assets. The future minimum lease payments required under the capital leases as of June 30, 2009, are as follows:

<u>Year Ending June 30,</u>	
2010	\$ 78,757
Total future minimum lease payments	78,757
Less:	
Amount representing interest imputed at 5.05%	1,567
Current portion of capital lease	<u>77,190</u>
Long-term capitalized lease obligation	<u>\$ -</u>

During fiscal 2008, the Metropolitan Transit Authority entered into an agreement to lease certain parking facilities to the State of Tennessee. The term of the lease is 25 years and commenced in October 2008. Under the provisions of the lease agreement, the Authority received, in advance, the entire lease rental payments of \$6,500,000. The advance rental payments have been recorded as deferred lease revenue and reported in other long-term liabilities in the Statement of Net Assets, and will be recognized as revenue on the straight-line basis over the term of the lease. The Authority utilized the upfront cash payments to finance a portion of the construction costs for Music City Central. The deferred balance as of June 30, 2009 is \$6,304,997.

Metropolitan Nashville Airport Authority

The Airport Authority leases or has entered into options to lease several tracts of land to developers. The leases expire in 2058. The Airport Authority has received advance payments in the amount of \$2,533,613 (\$1,701,767 unamortized at June 30, 2009) which are being amortized into income over the terms of the leases. The buildings and any other improvements constructed on the land become the property of the Airport Authority upon the expiration or termination of the leases.

During the year ended June 30, 1975, the Airport Authority entered into long-term lease agreements with certain of the airlines serving Nashville for use of the facilities at Nashville International Airport. Rentals and fees due under terms of the leases are based upon the Airport Authority's projected cost of providing the facilities to the airlines. These long-term agreements have been amended and restated to extend through September 14, 2017, which is 30 years from the occupancy date of the new terminal. Costs recovered through rentals and fees include expenses of operating and maintaining the airport plus 110% of debt service on all bonds outstanding.

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables at June 30, 2009 are attributable to unsettled balances at year-end primarily for internal service billings and transfers between funds.

Balances at June 30, 2009 are as follows:

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES

For the Year Ended June 30, 2009

Due From	Due 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	\$ -	\$ -	\$ 376,497	\$ -	\$ -	\$ 4,900
General Purpose School Fund	4,785,816	-	-	-	-	-
GSD General Purposes Debt Service Fund	329,625	-	-	-	-	-
GSD School Purposes Debt Service Fund	19,024	-	58,257	-	2,497	-
USD General Purposes Debt Service Fund	8,846	-	-	-	-	-
GSD Capital Projects Fund	24,600	-	-	-	-	-
Education Capital Projects Fund	-	162,990	-	2,706	-	-
USD Capital Projects Fund	-	-	-	-	-	32,899
Nonmajor Governmental Funds	15,296,694	1,604,016	-	-	-	984,219
Department of Water and Sewerage Services	387,871	179,479	-	-	-	-
Nonmajor Enterprise Funds	3,600	-	-	-	-	1,718,557
Internal Service Funds	954,787	141,619	14,886	7,867	1,967	159,433
Fiduciary Funds	4,907,584	5,275	-	-	-	-
	<u>\$ 26,718,447</u>	<u>\$ 2,093,379</u>	<u>\$ 449,640</u>	<u>\$ 10,573</u>	<u>\$ 4,464</u>	<u>\$ 2,900,008</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

For the Year Ended June 30, 2009

Due To							
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
\$ -	\$ 5,897,513	\$ 331,701	\$ 4,752	\$ 1,918,869	\$ 294,634	\$ 30,397	\$ 8,859,263
1,017	6,071,023	-	-	4,805	431,998	35	11,294,694
-	-	-	-	-	-	-	329,625
-	-	-	-	-	-	-	79,778
-	-	-	-	-	-	-	8,846
-	632	-	-	303,384	21,985	-	350,601
-	248,566	-	-	-	-	-	414,262
30,970	-	-	-	-	-	-	63,869
-	78,135	3,273	-	34,817	34,224	-	18,035,378
-	13,584	-	-	84	1,931	-	582,949
-	-	-	-	22,500	-	-	1,744,657
-	371,306	86,312	-	27,018	442,678	2,244,015	4,451,888
-	-	-	-	1,027	7,135	8,605	4,929,626
<u>\$ 31,987</u>	<u>\$ 12,680,759</u>	<u>\$ 421,286</u>	<u>\$ 4,752</u>	<u>\$ 2,312,504</u>	<u>\$ 1,234,585</u>	<u>\$ 2,283,052</u>	<u>\$ 51,145,436</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 11 - INTERFUND TRANSFERS**

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

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

Interfund transfers for the year ended June 30, 2009 consist of the following:

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 2009

Transferred From	Transferred To					GSD Capital Projects Fund
	General Fund	General Purpose School Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund	
General Fund	\$ 481,000	\$ -	\$ 3,583,317	\$ -	\$ -	\$ -
General Purpose School Fund	192,000	-	-	1,530,450	-	-
GSD General Purposes Debt Service Fund	-	-	-	-	4,010,200	-
GSD Capital Projects Fund	30,000	-	-	-	-	-
USD Capital Projects Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	8,634,793	2,855,709	-	-	583,400	2,757,267
Department of Water and Sewerage						
Services	5,232,928	-	-	-	-	-
District Energy System	93,588	-	-	-	224,150	-
Nonmajor Enterprise Funds	1,038,840	4,716	291,700	-	-	-
Internal Service Funds	6,041,379	-	7,354,850	-	-	-
Fiduciary Funds	115,000	-	-	-	-	-
	<u>\$ 21,859,528</u>	<u>\$ 2,860,425</u>	<u>\$ 11,229,867</u>	<u>\$ 1,530,450</u>	<u>\$ 4,817,750</u>	<u>\$ 2,757,267</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SCHEDULE OF INTERFUND TRANSFERS (CONTINUED)

For the Year Ended June 30, 2009

Transferred To						
Nonmajor Governmental Funds	Department of Water and Sewer	District Energy System	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
\$ 43,205,525	\$ -	\$ 2,256,100	\$ 597,100	\$ 11,045,400	\$ 47,860	\$ 61,216,302
7,430,649	-	-	215,000	500,000	9,269	9,877,368
-	-	-	-	-	-	4,010,200
376,314	-	-	3,479,675	849,569	-	4,735,558
-	-	-	-	61,159	-	61,159
18,750	-	-	2,241,467	10,048,235	-	27,139,621
2,445,600	-	-	-	341,113	-	8,019,641
-	-	-	-	-	-	317,738
-	-	-	-	4,375	11,339	1,350,970
347,600	298,900	11,000	50,800	1,172,820	-	15,277,349
-	-	-	-	2,101,916	453,302	2,670,218
<u>\$ 53,824,438</u>	<u>\$ 298,900</u>	<u>\$ 2,267,100</u>	<u>\$ 6,584,042</u>	<u>\$ 26,124,587</u>	<u>\$ 521,770</u>	<u>\$ 134,676,124</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The Metropolitan Department of Law estimated a potential liability for claims, suits and judgments filed for damages to persons and property and for other alleged claims arising out of matters incidental to the operation of the Government. The estimated liability is not expected to be liquidated with expendable available resources and is recorded in the applicable governmental activities in the Statements of Net Assets 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 for aggregate losses less than \$3,000,000 in any one year, as defined by the insurance policy. Aggregate losses are calculated excluding individual losses under \$10,000 and including the amount exceeding \$10,000 for those losses over \$10,000. Once the aggregate loss of \$3,000,000 is met, the deductible is generally \$100,000 for locations with losses totaling \$100,000 for that policy year and \$25,000 for other locations. 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 \$32,487,498 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, 2008 and 2009:

	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, 2007	\$ 851,929	\$ 8,007,479	\$ 4,717,150	\$ 3,958,000	\$ 2,973,000	\$ 20,507,558
Add: Provision for events of the current fiscal year	362,167	(442,934)	61,855,622	97,340,768	11,488,555	170,604,178
Deduct: Payments on claims during the fiscal year	302,443	1,786,222	61,584,193	88,643,768	10,354,555	162,671,181
Claims payable June 30, 2008	911,653	5,778,323	4,988,579	12,655,000	4,107,000	28,440,555
Add: Provision for events of the current fiscal year	505,343	3,471,823	67,013,655	148,527,445	12,522,986	232,041,252
Deduct: Payments on claims during the fiscal year	461,116	1,973,137	67,221,625	145,940,445	12,397,986	227,994,309
Claims payable June 30, 2009	\$ 955,880	\$ 7,277,009	\$ 4,780,609	\$ 15,242,000	\$ 4,232,000	\$ 32,487,498

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Component Units**

The Metropolitan Development and Housing Agency maintains commercial insurance coverage to cover the various risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Agency. Settled claims have not exceeded this commercial coverage in the past.

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

The Electric Power Board is covered under the same Tort Liability Act as the primary government and is self-insured under the Act. The Board is a participant with the primary government in the General Government Self-Insurance Fund for coverage of all property losses. The Board is self-insured for employee dental claims and self-insured up to \$100,000 for employee medical claims. The Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Metropolitan Transit Authority is self-insured for all losses relating to the operation of any vehicle up to \$100,000 per occurrence. Non-vehicle accident losses are fully covered under a self-insurance program. A provision has been made for all such known losses incurred through June 30, 2009. Accident losses exceeding \$100,000 are covered under an insurance program subject to certain limits.

The Metropolitan Transit Authority is self insured for employee medical claims. The Authority has purchased reinsurance which provides for reimbursement of paid medical claims in excess of \$160,000 per covered participant per agreement year. The policy also provides a specified maximum of \$1,000,000 during the lifetime of a covered participant, and an aggregate maximum for total claims paid per agreement year. The aggregate maximum each year fluctuates based on the number of employees under single or family coverage contracts. The maximum amount that the reinsurance carrier will pay out in a plan year is \$1,000,000. Total claims paid in 2009 did not exceed the aggregate maximum.

As required by a collective bargaining labor agreement, the Davidson Transit Organization Employee Benefit Trust was established to pay all medical claims for Metropolitan Transit Authority employees. The accrued medical claims and reinsurance amounts are recorded by the Trust. The Metropolitan Transit Authority funds the Trust on a break-even basis. At June 30, 2009, the Metropolitan Transit Authority owed the Trust \$1,287,430.

The Metropolitan Transit Authority is self-insured, up to certain limits, for its workers' compensation claims. A provision has been made for all such known claims incurred as of June 30, 2009. The Authority has purchased reinsurance for workers compensation claims in excess of \$500,000 per employee. The maximum available for reinsurance in a plan year is \$1,000,000. During 2009, the Authority's workers' compensation claims did not exceed the maximum. At June 30, 2009, a provision of \$921,000 is included in accrued expenses relating to workers' compensation claims.

The Metropolitan Nashville Airport Authority accrues self-insured employee medical benefit claims. The liability for reported claims and claims incurred but not reported, an estimate of which is based on historical experience and management projections, is grouped with accrued payroll and related items in the financial statements. This liability does not include non-incremental claims adjustment expenses. The Airport Authority carries commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Emergency Communications District is exposed to various risks of loss related to the theft, damage and destruction of assets. All equipment is covered by warranty and service agreements. The District carries fidelity bond insurance in the amount of \$183,000 for each staff and Board member and has had no claims or settled claims in the past three fiscal years.

**C. Federal and State Financial Assistance**

The Government and its component units have received federal and state financial assistance for specific purposes that is 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.

## THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The full faith and credit of the Government is 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 acts as a conduit with respect to sewer user fees imposed by the state. These user fees are set at an amount sufficient to recover the project costs, including related interest expense. As of June 30, 2009, no deficiencies existed. The amount to be repaid from user fees is \$92,515,633 at June 30, 2009 and is recorded as capital grants and contributions by the Department of Water and Sewerage Services.

#### **D. Construction Commitments**

##### **Primary Government**

At June 30, 2009, the governmental activities of the Government had commitments of \$54,230,203 for construction contracts.

At June 30, 2009, the Department of Water and Sewerage Services had commitments of \$32,169,828 for construction contracts.

The Department of Water and Sewerage Services (the Department), the Metropolitan Council, the State of Tennessee Department of Environment and Conservation, and the United States Environmental Protection Agency, 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 decree, the Department is required to fully develop, in two years, a Corrective Action Plan/Engineering Report for its sanitary sewer system and a Long-term Control Plan 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 will have an additional nine years to complete the work as developed by the Plans. The future related capital expenditures are expected to be between \$600 million and \$900 million. Failure to comply with the mandate and meet future established deadlines could result in penalties up to \$3,000 per occurrence, and up to \$5,000 per day, for failure to implement the improvements on a timely basis. No such penalty has been assessed through June 30, 2009. Proposed plans to fund capital expenditures for the next few years include internally generated cash and borrowings.

##### **Component Units**

At September 30, 2008, the Metropolitan Development Housing Agency had outstanding construction commitments of approximately \$8.1 million which will be paid by grants committed to the Agency by HUD, and by the Metropolitan Government.

The Metropolitan Nashville Airport Authority estimates the cost of completion of various construction projects at June 30, 2009 to be \$155,950,638, of which \$45,108,610 is expected to be reimbursed by other governmental agencies under existing government contracts, \$46,829,628 by passenger facility charges, \$59,285,108 by customer facility charges, and \$4,727,292 by the Authority.

During fiscal 2007, the Metropolitan Transit Authority's Board of Directors approved a \$7.3 million project to replace bus radios and have an Automatic Vehicle Locator (AVL) installed in the dispatch center. As of June 30, 2009, the costs incurred on the project totaled \$3,437,042. The estimated costs to complete the project are approximately \$3,800,000. The project is estimated to be completed during fiscal year 2010 and the costs of the project will be reimbursed through federal, state, and local grants.

#### **E. Liquidity**

##### **Component Units**

The Government has only budgeted and legally approved approximately \$41.7 million to the Hospital Authority for the year ended June 30, 2010. Of that amount, the Hospital Authority has allocated as revenue \$30.5 million to General Hospital and \$11.2 million to Bordeaux Long Term Care. The Government has also not committed to defer payment on amounts due to the Government or provide additional funding to General Hospital should such funding become necessary. The financial statements of General Hospital and Bordeaux Long Term Care have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As reflected in General Hospital's financial statements, General Hospital had a net deficit of approximately \$9.4 million for the year ended June 30, 2009. General Hospital's financial activities resulted in net cash used in operating activities of approximately \$30.7 million for the year ended June 30, 2009, which was funded primarily by the Metropolitan Government in the form of revenue or capital contributions and advances reflected as liabilities in General Hospital's financial statements. General Hospital and

## THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Bordeaux Long Term Care are and will be dependent upon the Government to subsidize current and future operations.

Accordingly, these factors among others indicate that General Hospital and Bordeaux Long Term Care may be unable to continue as going concerns for a reasonable period of time. The financial statements for General Hospital and Bordeaux Long Term Care do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the entities be unable to continue as going concerns. The ability for General Hospital and Bordeaux Long Term Care to continue as going concerns is dependent upon their ability to generate sufficient cash flow to meet their obligations on a timely basis and to generate revenues exceeding operating expenses. General Hospital has implemented several strategic initiatives to increase cash flow including implementing electronic medical recordkeeping and renegotiating managed care contracts to improve reimbursement from payors. Bordeaux Long Term Care has implemented several strategic strategies to increase cash flow including an increase in census, improving the level of third party reimbursements, and cost saving measures.

At June 30, 2009, General Hospital had amounts due to the Metropolitan Government of approximately \$31.1 million for operating costs and \$12.1 million for capital expenditures, which accrued interest at rates determined by the Metropolitan Government (.66% at June 30, 2009).

#### **F. Other Commitments**

##### **Primary Government**

In May 1999, the Government entered into a memorandum of understanding with Dell Computer Corporation (Dell), whereby Dell agreed to locate a manufacturing and assembly plant in Davidson County, and the Government agreed to provide property, site improvements and other economic incentives. One incentive program is a 40-year grant to Dell, where the Government will pay Dell, through the Industrial Development Board, \$500 per employee, based on the average number of full-time equivalent employees. Dell is expected to employ approximately 1,500 employees, and grant payments began with the 2000 fiscal year. The amount payable to Dell totaled \$1,385,500 for the year ended June 30, 2009.

##### **Component Units**

On July 31, 2002, the Hospital Authority entered into an Amended and Restated Management Services Agreement (Agreement) with Vanderbilt University whereby the Vanderbilt University Medical Center (VUMC) manages the Hospital Authority providing the services of certain management personnel at General Hospital and Bordeaux Long Term Care. As compensation for management services, General Hospital and Bordeaux Long Term Care paid VUMC a management fee of \$559,322 and \$310,000, respectively, for the year ended June 30, 2009. The outstanding management fees payable to VUMC for General Hospital are \$45,037 at June 30, 2009. The Agreement provides that 50% of any annual operating surpluses of General Hospital, as defined by the Agreement, will be paid to VUMC to be used to benefit General Hospital. Additionally, the Agreement also stipulates that the Government will provide an operating supplement for the payment of costs of the operations of General Hospital and Bordeaux Long Term Care. The total supplement to the Hospital Authority was \$47,307,100 for fiscal year ending June 30, 2009. The total supplement to the Hospital Authority approved for the fiscal year ending June 30, 2010 was \$41,690,700.

In August 1996, Congress approved the Health Insurance Portability and Accountability Act of 1996 (Act). Under the Act, the federal government was given substantial resources and authority for the completion of fraud and abuse investigations and the Act has established substantial fines and penalties for offenders. Management of the Hospital Authority continues to implement policies, procedures, and a compliance overview organizational structure to enforce and monitor compliance with this Act and other government statutes and regulations. The Hospital Authority's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions which are unknown or unasserted at this time. While the outcome cannot be determined at this time, management is of the opinion that liability, if any, from such reviews will not have a material effect on the Hospital Authority's financial position and results of operations.

The Metropolitan Development and Housing Agency is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Agency's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Agency. Accordingly, no provision for loss, if any, related to these matters has been made in the financial statements.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Electric Power Board has an agreement with an outside firm, whereby the firm provides computer hardware services operation for the Board's mainframe information system. The agreement will expire in November 2009. The Board also has an agreement with an outside firm, whereby the firm provides professional services for the management, operation, and support of the Board's information and data processing system. The agreement will expire in October 2010. The minimum commitments remaining under these agreements are \$3.5 million for fiscal year 2010 and \$0.9 million for fiscal year 2011.

The Electric Power Board is party to various lawsuits filed against it in the normal course of business. Management does not believe that damages, if any, arising from outstanding litigation, will have a material effect on the financial position of the Board.

The Metropolitan Transit Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Authority's attorney and management, the resolution of these matters will not have a material adverse effect on the financial condition of the Authority. Accordingly, no provision for loss, if any, related to these matters has been made in the financial statements.

The Metropolitan Nashville Airport Authority is a defendant to various legal proceedings incidental to its operations. In the opinion of management and the Authority's legal counsel, while the ultimate outcome of these matters, including an estimate of potential loss, cannot presently be determined, any losses sustained would be recoverable through the Authority's leases with certain airlines.

The Metropolitan Nashville Airport Authority entered into a \$7,500,000 line of credit loan agreement in February 2009 with a financial institution to provide bridge financing on the in-line EDS project. Over half the funding from this project is expected to be received from the Department of Homeland Security (DHS), and it is unclear how long it will take to be reimbursed from ongoing costs associated with the project. The interest rate on any outstanding balance is 3.34% payable monthly. As costs are incurred, draws are made on the line of credit; when grant revenue is received, the credit line is paid down. However, DHS retains 5% of every invoice amount until the project is finalized. Therefore, there will continue to be an increasing balance on the line of credit as the project progresses. The balance at June 30, 2009 was \$2,080,996. This line of credit is available through June 30, 2011. Project completion is expected several months earlier. The balance outstanding on the line of credit is reported in accounts payable on the Statement of Net Assets.

The Emergency Communication District has contracted with the Government for master street address update services at a cost of \$4,900 in 2009. The contract also requires payments for staff and support services which totaled \$40,000 in 2009.

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, improving downtown beautification and sanitation and maintenance. The term of the agreement extends to December 31, 2017, renewable annually by the mutual notification by each party to the other. The agreement may be terminated by the Government upon thirty days notice.

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, 2008, the Corporation recognized expense of \$1,142,570 related to the agreement. The agreement expires on December 31, 2017.

The Gulch Business Improvement District, Inc. (GBID Inc.) has an agreement with the Government to provide services for improvement and operation of the Gulch Business Improvement District (GBID) through security enhancement, marketing, and improving beautification, sanitation, and maintenance. The term of the agreement extends to January 1, 2017. GBID Inc. also has an agreement with Nashville Downtown Partnership to provide clean and safe services for the GBID for a monthly fee of \$4,600. During the year ended December 31, 2008, \$55,203 was paid to the Partnership. The agreement expires July 31, 2009.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 13 – SUBSEQUENT EVENTS**

**Primary Government**

On July 6, 2009, the Government completed a draw of \$50 million of commercial paper notes. These notes carried an interest rate of .4% and matured on September 30, 2009. At maturity, these notes were rolled over into new commercial paper notes. The proceeds from the notes will be used to fund various capital projects.

The budget ordinance for fiscal year 2009-2010 passed by the Metropolitan Council included authorization for the Finance Director to direct GSD General Fund reserves in the amount of \$31,948,700 to eliminate the debt owed by the Hospital Authority, a component unit, to the GSD General Fund. Accordingly, on July 1, 2009, an amount sufficient to write-off all principal and interest owed by the Hospital Authority was appropriated for that purpose.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

CONDITION RATING OF TRANSPORTATION NETWORK

Unaudited – See Accompanying Accountants' Report

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

**ROADS AND STREETS**

Percentage of Lane Miles in Good or Better Condition

<u>2009</u>		<u>2008</u>		<u>2007</u>	
77.5	%	78.6	%	77.2	%

The condition of road and street pavement is measured using the Cartegraph Pavement View Plus pavement management system. The condition is determined based on data collected by the laser road surface test (surface condition) and the dynaflect test (pavement deflection data) along with other road and street information such as traffic, surface type, street length, street width, area and location. The system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads and streets as excellent (85-100), good (70-84), fair (60-69) and poor (less than 60). Condition assessments are determined on an annual basis. For assessment purposes, the county is divided into 5 groups with groups 1, 3 and 4 assessed in even years and groups 2 and 5 assessed in odd years. Therefore, the condition of groups 1, 3 and 4 is reported in fiscal year 2009. It is the policy of the Government to maintain at least 70 percent of its road and street system at a good or better condition.

There are currently 5,740 lane miles of roads and streets in the transportation network.

Comparison of Needed to Actual Maintenance

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Needed	\$ 20,000,000	\$ 16,000,000	\$ 15,900,000	\$ 12,839,000	\$ 9,200,000
Actual	<u>6,950,344</u>	<u>9,391,344</u>	<u>13,931,706</u>	<u>2,535,548</u>	<u>5,114,944</u>
Difference	<u>\$ (13,049,656)</u>	<u>\$ (6,608,656)</u>	<u>\$ (1,968,294)</u>	<u>\$ (10,303,452)</u>	<u>\$ (4,085,056)</u>

During fiscal year 2009, the actual amount spent on roadway paving and surface treatment was significantly lower than the needed amount due in part to the analysis and prioritization of the entire Government's capital needs. However, maintaining the condition of the roads and streets in accordance with the policy referenced above continues to be a priority. The needed amount for 2009 reflects an increase to keep pace with the growing cost of paving and surface treatment.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

CONDITION RATING OF TRANSPORTATION NETWORK (CONTINUED)

Unaudited – See Accompanying Accountants' Report

**BRIDGES AND UNDERPASSES**

Percentage of Deck Area in Non-Deficient Condition

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
(a)	98.0 %	(a)	95.3 %	(a)	(a)	94.0 %

(a) Condition assessments are determined by the State every two years. Results are released by the State late in the calendar year. Due to this timing, condition assessments are reported every even year beginning in 2006. Thus, the assessment results provided late in calendar year 2007 were reported in fiscal 2008.

The condition of bridges and underpasses is measured using the Federal Aid Bridge Inspection System supervised by the Tennessee Department of Transportation, 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 219 Non-Federal Aid and 108 Federal Aid Urban bridges and underpasses in the transportation network determined from the final analysis of the 2007 inspection as compared to 206 Non-Federal Aid and 107 Federal Aid Urban bridges and underpasses from the original analysis of the 2007 inspection. The 2007 inspection increased the number of bridges and underpasses by a net total of 14 with 15 additional bridges and the removal of 1 bridge from the network. Total square feet of deck area is estimated to be 1,469,000 from the final analysis of the 2007 inspection as compared to 1,439,264 from the original.

Comparison of Needed to Actual Maintenance

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Needed	\$ 18,749,000	\$ 12,465,000	\$ 4,920,000	\$ 9,613,000	\$ 1,800,000
Actual	2,083,245	2,990,038	5,505,805	2,517,717	1,848,895
Difference	<u>\$ (16,665,755)</u>	<u>\$ (9,474,962)</u>	<u>\$ 585,805</u>	<u>\$ (7,095,283)</u>	<u>\$ 48,895</u>

During fiscal year 2009, the actual amount spent on bridge and underpass repair and maintenance was significantly lower than the needed amount due in part to the analysis and prioritization of the entire Government's capital needs. However, maintaining the condition of bridges and underpasses in accordance with the Government's policy referenced above continues to be a priority. The needed amount for 2009 reflects an increase to keep pace with the growing cost of maintenance and replacements.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - PENSION PLANS (b)

Unaudited - See Accompanying Accountants' Report

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL	Funded Ratio
County Plan (a)				
July 1, 2003	\$ -	\$ 19,331,288	\$ 19,331,288	- %
July 1, 2004	-	18,159,599	18,159,599	-
July 1, 2005	348,492	17,422,321	17,073,829	2.00
July 1, 2006	711,665	16,971,095	16,259,430	4.19
July 1, 2007	1,129,978	15,393,075	14,263,097	7.34
July 1, 2008	1,455,077	14,299,429	12,844,352	10.18
Metro Plan				
July 1, 2003	1,569,047,675	1,688,192,909	119,145,234	92.94
July 1, 2004	1,592,671,213	1,708,318,774	115,647,561	93.23
July 1, 2005	1,602,285,363	1,818,206,856	215,921,493	88.12
July 1, 2006	1,706,677,125	1,959,952,204	253,275,079	87.08
July 1, 2007	1,921,193,702	2,144,144,792	222,951,090	89.60
July 1, 2008	2,119,228,659	2,323,837,472	204,608,813	91.20
County Education Plan (a)				
July 1, 2003	-	50,759,348	50,759,348	-
July 1, 2004	-	48,496,408	48,496,408	-
July 1, 2005	930,671	46,129,614	45,198,943	2.02
July 1, 2006	2,409,417	44,732,388	42,322,971	5.39
July 1, 2007	3,787,317	42,140,201	38,352,884	8.99
July 1, 2008	4,936,879	40,178,889	35,242,010	12.29
Metro Education Plan				
July 1, 2003	101,996,664	236,236,129	134,239,465	43.18
July 1, 2004	99,291,833	233,243,203	133,951,370	42.57
July 1, 2005	90,047,496	233,143,995	143,096,499	38.62
July 1, 2006	84,919,612	232,911,728	147,992,116	36.46
July 1, 2007	81,844,272	228,229,232	146,384,960	35.86
July 1, 2008	76,820,678	226,313,635	149,492,957	33.95

(a) Plan is closed and funded on a "pay-as-you-go" basis.

(b) There are no factors that significantly affect the identification of trends in the amounts reported.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - PENSION PLANS (CONTINUED) (b)

Unaudited - See Accompanying Accountants' Report

Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
\$ -	- %
-	-
-	-
-	-
-	-
-	-
466,820,160	25.52
481,881,171	24.00
474,531,741	45.50
515,500,760	49.13
529,100,577	42.14
555,972,878	36.81
241,202	-
114,132	-
69,331	65,192.98
68,834	61,485.56
71,769	53,439.35
73,418	48,001.87
3,216,887	4,172.96
1,175,623	11,394.08
806,833	17,735.58
622,419	23,776.93
374,495	39,088.63
384,557	38,874.07

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - PENSION PLANS (b)

Unaudited - See Accompanying Accountants' Report

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL	Funded Ratio
City Plan (a)				
July 1, 2003	\$ -	\$ 87,981,174	\$ 87,981,174	- %
July 1, 2004	-	85,325,799	85,325,799	-
July 1, 2005	1,637,445	79,815,871	78,178,426	2.05
July 1, 2006	3,303,691	78,318,066	75,014,375	4.22
July 1, 2007	5,239,396	74,125,552	68,886,156	7.07
July 1, 2008	6,816,106	68,552,808	61,736,702	9.95
City Education Plan (a)				
July 1, 2003	-	31,877,857	31,877,857	-
July 1, 2004	-	29,562,402	29,562,402	-
July 1, 2005	567,317	28,677,079	28,109,762	1.98
July 1, 2006	1,545,079	27,215,294	25,670,215	5.68
July 1, 2007	2,403,931	24,818,863	22,414,932	9.69
July 1, 2008	3,104,280	23,637,839	20,533,559	13.14

(a) Plan is closed and funded on a "pay-as-you-go" basis.

(b) There are no factors that significantly affect the identification of trends in the amounts reported.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - PENSION PLANS (CONTINUED) (b)

Unaudited - See Accompanying Accountants' Report

<u>Covered Payroll</u>	<u>Unfunded AAL as a Percentage of Covered Payroll</u>
\$ -	- %
-	-
-	-
-	-
-	-
-	-
127,441	-
132,349	-
-	-
-	-
-	-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
County Plan		
2004	\$ 1,702,332	140.30 %
2005	2,212,493	118.24
2006	2,226,235	113.84
2007	2,193,202	112.55
2008	2,046,891	117.43
2009	1,979,968	100.99
Metro Plan		
2004	56,816,644	79.03
2005	66,773,405	88.20
2006	78,948,767	86.99
2007	85,874,502	99.48
2008	68,265,903	133.19
2009	61,635,311	117.73
County Education Plan		
2004	4,469,917	148.50
2005	5,908,608	127.30
2006	5,894,471	128.77
2007	5,708,861	131.48
2008	5,504,007	133.67
2009	5,432,587	112.91
Metro Education Plan		
2004	11,821,256	83.33
2005	11,932,549	57.45
2006	13,140,571	53.29
2007	13,535,466	54.24
2008	13,592,019	58.06
2009	14,112,255	86.39

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
City Plan		
2004	\$ 7,747,707	138.63 %
2005	10,395,754	115.53
2006	10,198,923	114.01
2007	10,118,539	114.24
2008	9,885,825	115.06
2009	9,516,767	98.68
City Education Plan		
2004	2,807,195	141.07
2005	3,601,764	125.38
2006	3,664,376	128.79
2007	3,462,604	133.18
2008	3,216,757	139.28
2009	3,165,266	119.94

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFIT PLANS (a)

Unaudited - See Accompanying Accountants' Report

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio
Metro Employees' Medical Benefit Plan				
July 1, 2007	\$ -	\$ 1,664,761,000	\$ 1,664,761,000	- %
July 1, 2008	-	1,779,497,000	1,779,497,000	-
School Professional Employees' Insurance Plan				
July 1, 2007	-	555,403,000	555,403,000	-
July 1, 2008	-	570,753,000	570,753,000	-

(a) There are no factors that significantly affect the identification of trends in the amounts reported.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED) (a)

Unaudited - See Accompanying Accountants' Report

<u>Covered Payroll</u>	<u>Unfunded AAL as a Percentage of Covered Payroll</u>
537,281,000	309.85 %
543,891,000	327.18
294,779,000	188.41
304,145,000	187.66

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFIT PLANS

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
Metro Employees' Medical Benefit Plan		
2008	\$ 159,616,000	29.53 %
2009	174,288,000	26.22
School Professional Employees' Insurance Plan		
2008	42,974,000	42.11
2009	46,643,000	38.75



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

Special Revenue Funds

	Metropolitan Action Commission	General Government Services	Recreational and Cultural Services	General Fund 4% Reserve
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 126	\$ 1,839,625	\$ 1,601,477	\$ 55,932,838
Accounts receivable	1,267,888	1,209,622	214,344	-
Accrued interest receivable	114	967	770	27,244
Due from other funds of the primary government	815,631	3,431	39,429	2,042,520
Inventories of supplies	-	-	136,595	-
Other assets	-	3,000	-	-
<b>Total assets</b>	<b>\$ 2,083,759</b>	<b>\$ 3,056,645</b>	<b>\$ 1,992,615</b>	<b>\$ 58,002,602</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 524,554	\$ 731,403	\$ 93,680	\$ 896,107
Accrued payroll	550,573	30,136	50,589	-
Due to other funds of the primary government	1,126,118	460,365	599,512	308,584
Due to component units	-	-	-	-
Deferred revenue	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>2,201,245</b>	<b>1,221,904</b>	<b>743,781</b>	<b>1,204,691</b>
<b>FUND BALANCES (DEFICITS):</b>				
Reserved for imprest cash and inventories	-	-	136,595	-
Reserved for equipment acquisitions	-	-	-	51,234,055
Reserved for perpetual care	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds:				
Designated for convention center and tourist promotion	-	-	-	-
Designated for scholarships	-	-	-	-
Undesignated	(117,486)	1,834,741	1,112,239	5,563,856
Permanent funds:				
Undesignated	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>(117,486)</b>	<b>1,834,741</b>	<b>1,248,834</b>	<b>56,797,911</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 2,083,759</b>	<b>\$ 3,056,645</b>	<b>\$ 1,992,615</b>	<b>\$ 58,002,602</b>

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, 2009

Special Revenue Funds

Law Enforcement and Justice Services	Solid Waste Operations	Stormwater Operations	Library Services	Health Services	Public Welfare Services
\$ 11,702,910	\$ 5,689,414	\$ 9,515,535	\$ 979,285	\$ -	\$ 24,405
1,483,125	643,309	1,367,057	-	2,356,072	-
6,071	2,803	4,819	505	234	11
5,057,861	135,483	261	-	2,996,564	-
-	-	-	-	-	-
319	-	-	-	-	-
<u>\$ 18,250,286</u>	<u>\$ 6,471,009</u>	<u>\$ 10,887,672</u>	<u>\$ 979,790</u>	<u>\$ 5,352,870</u>	<u>\$ 24,416</u>
\$ 4,274,376	\$ 1,703,586	\$ 624,229	\$ 30,093	\$ 410,133	\$ -
283,174	198,484	242,955	10,516	534,768	-
263,202	3,087	45,327	1,331	2,494,177	159
-	-	-	-	-	-
-	-	1,364,278	130,885	-	-
2,421,131	-	-	-	-	-
<u>7,241,883</u>	<u>1,905,157</u>	<u>2,276,789</u>	<u>172,825</u>	<u>3,439,078</u>	<u>159</u>
508,000	900	100	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,500,403	4,564,952	8,610,783	806,965	1,913,792	24,257
-	-	-	-	-	-
<u>11,008,403</u>	<u>4,565,852</u>	<u>8,610,883</u>	<u>806,965</u>	<u>1,913,792</u>	<u>24,257</u>
<u>\$ 18,250,286</u>	<u>\$ 6,471,009</u>	<u>\$ 10,887,672</u>	<u>\$ 979,790</u>	<u>\$ 5,352,870</u>	<u>\$ 24,416</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, 2009

	Special Revenue Funds		
	Education Services	Infrastructure Services	Nashville Career Advancement Center
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 5,069,552	\$ 1,074,516	\$ 71,061
Accounts receivable	16,428,761	-	1,742,164
Accrued interest receivable	3,619	487	-
Due from other funds of the primary government	6,713,423	11,340	119,435
Inventories of supplies	794,177	-	-
Other assets	-	-	-
<b>Total assets</b>	<b>\$ 29,009,532</b>	<b>\$ 1,086,343</b>	<b>\$ 1,932,660</b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 3,942,859	\$ 9,813	\$ 1,506,791
Accrued payroll	-	-	264,241
Due to other funds of the primary government	6,347,172	6,984	129,426
Due to component units	-	-	-
Deferred revenue	3,101,036	-	-
Other liabilities	-	-	-
<b>Total liabilities</b>	<b>13,391,067</b>	<b>16,797</b>	<b>1,900,458</b>
<b>FUND BALANCES (DEFICITS):</b>			
Reserved for imprest cash and inventories	2,780,990	-	-
Reserved for equipment acquisitions	-	-	-
Reserved for perpetual care	-	-	-
Reserved for debt service	-	-	-
Unreserved, reported in:			
Special revenue funds:			
Designated for convention center and tourist promotion	-	-	-
Designated for scholarships	1,100	-	-
Undesignated	12,836,375	1,069,546	32,202
Permanent funds:			
Undesignated	-	-	-
<b>Total fund balances (deficits)</b>	<b>15,618,465</b>	<b>1,069,546</b>	<b>32,202</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 29,009,532</b>	<b>\$ 1,086,343</b>	<b>\$ 1,932,660</b>

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, 2009

Special Revenue Funds					Debt Service Fund
Public Works Services	Regulation and Inspection Services	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	Correctional Facility Revenue Bonds
\$ 1,295,523	\$ -	\$ 14,680,482	\$ 2,677,192	\$ 678,772	\$ 1,625,000
17,880	-	2,640,605	1,089,554	218,218	-
605	-	6,187	2,375	219	-
-	100,000	-	-	-	-
-	-	-	-	-	-
-	-	500,000	-	-	-
<u>\$ 1,314,008</u>	<u>\$ 100,000</u>	<u>\$ 17,827,274</u>	<u>\$ 3,769,121</u>	<u>\$ 897,209</u>	<u>\$ 1,625,000</u>
\$ 21,164	\$ 6,562	\$ 1,679,453	\$ 132,867	\$ 750,000	\$ -
-	-	-	-	-	-
-	84,526	810,789	-	-	-
-	-	1,730,365	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,164</u>	<u>91,088</u>	<u>4,220,607</u>	<u>132,867</u>	<u>750,000</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,625,000
-	-	12,029,556	3,636,254	147,209	-
-	-	-	-	-	-
1,292,844	8,912	1,577,111	-	-	-
-	-	-	-	-	-
<u>1,292,844</u>	<u>8,912</u>	<u>13,606,667</u>	<u>3,636,254</u>	<u>147,209</u>	<u>1,625,000</u>
<u>\$ 1,314,008</u>	<u>\$ 100,000</u>	<u>\$ 17,827,274</u>	<u>\$ 3,769,121</u>	<u>\$ 897,209</u>	<u>\$ 1,625,000</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, 2009

	Permanent Funds		Total Nonmajor Governmental Funds
	General Government	Education	
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 204,599	\$ 201,146	\$ 114,863,458
Accounts receivable	-	-	30,678,599
Accrued interest receivable	99	97	57,226
Due from other funds of the primary government	-	-	18,035,378
Inventories of supplies	-	-	930,772
Other assets	-	-	503,319
<b>Total assets</b>	<b>\$ 204,698</b>	<b>\$ 201,243</b>	<b>\$ 165,068,752</b>
<b>LIABILITIES:</b>			
Accounts payable	\$ -	\$ -	\$ 17,337,670
Accrued payroll	-	-	2,165,436
Due to other funds of the primary government	-	-	12,680,759
Due to component units	-	-	1,730,365
Deferred revenue	-	-	4,596,199
Other liabilities	-	-	2,421,131
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>40,931,560</b>
<b>FUND BALANCES (DEFICITS):</b>			
Reserved for imprest cash and inventories	-	-	3,426,585
Reserved for equipment acquisitions	-	-	51,234,055
Reserved for perpetual care	105,994	79,118	185,112
Reserved for debt service	-	-	1,625,000
Unreserved, reported in:			
Special revenue funds:			
Designated for convention center and tourist promotion	-	-	15,813,019
Designated for scholarships	-	-	1,100
Undesignated	-	-	51,631,492
Permanent funds:			
Undesignated	98,704	122,125	220,829
<b>Total fund balances (deficits)</b>	<b>204,698</b>	<b>201,243</b>	<b>124,137,192</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 204,698</b>	<b>\$ 201,243</b>	<b>\$ 165,068,752</b>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

	Special Revenue Funds			
	Metropolitan Action Commission	General Government Services	Recreational and Cultural Services	General Fund 4% Reserve
REVENUES:				
Property taxes	\$ -	\$ 1,454,359	\$ -	\$ -
Other taxes, licenses and permits	-	100,000	-	-
Fines, forfeits and penalties	-	-	-	-
Revenues from the use of money or property	1,978	24,976	18,983	709,623
Revenues from other governmental agencies	18,842,186	3,877,305	141,071	-
Commissions and fees	-	8,450,307	-	-
Charges for current services	147,755	37,149	1,437,689	-
Compensation for loss, sale or damage to property	2,596	-	1,250	-
Contributions and gifts	39,604	175,134	364,749	-
Miscellaneous	1,017	900	-	-
Total revenues	<u>19,035,136</u>	<u>14,120,130</u>	<u>1,963,742</u>	<u>709,623</u>
EXPENDITURES:				
Current:				
General government	-	13,193,041	-	-
Law enforcement and care of prisoners	-	-	-	-
Regulation and inspection	-	-	-	-
Public welfare	22,731,432	-	-	-
Public health and hospitals	-	-	-	-
Public library system	-	-	-	-
Public works, highways and streets	-	-	-	-
Recreational and cultural	-	-	1,772,931	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Capital outlay	-	474,078	20,994	8,262,981
Total expenditures	<u>22,731,432</u>	<u>13,667,119</u>	<u>1,793,925</u>	<u>8,262,981</u>
Excess (deficiency) of revenues over expenditures	<u>(3,696,296)</u>	<u>453,011</u>	<u>169,817</u>	<u>(7,553,358)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,682,100	115,351	356,376	23,210,697
Transfers out	-	(553,242)	(636,044)	(9,858,284)
Total other financing sources (uses)	<u>3,682,100</u>	<u>(437,891)</u>	<u>(279,668)</u>	<u>13,352,413</u>
Net change in fund balances (deficits)	(14,196)	15,120	(109,851)	5,799,055
FUND BALANCES (DEFICITS), beginning of year	<u>(103,290)</u>	<u>1,819,621</u>	<u>1,358,685</u>	<u>50,998,856</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ (117,486)</u>	<u>\$ 1,834,741</u>	<u>\$ 1,248,834</u>	<u>\$ 56,797,911</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, 2009

Special Revenue Funds

Law Enforcement and Justice Services	Solid Waste Operations	Stormwater Operations	Library Services	Health Services	Public Welfare Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82,265	-	-	-	-	-
3,734,695	-	26,821	-	-	-
185,878	111,740	206,583	14,936	6,833	385
23,139,534	629,652	135,743	102,345	16,437,458	-
-	-	-	-	-	-
193	3,350,036	238,759	-	8,814	-
-	-	-	-	829	-
11,840	-	-	515,138	357,138	1,816
320,698	143,993	-	-	-	-
<u>27,475,103</u>	<u>4,235,421</u>	<u>607,906</u>	<u>632,419</u>	<u>16,811,072</u>	<u>2,201</u>
-	-	-	-	-	-
28,063,131	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	6,305
-	-	-	-	18,155,999	-
-	-	-	673,024	-	-
-	19,797,773	9,382,627	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
357,665	-	225	-	66,124	-
<u>28,420,796</u>	<u>19,797,773</u>	<u>9,382,852</u>	<u>673,024</u>	<u>18,222,123</u>	<u>6,305</u>
<u>(945,693)</u>	<u>(15,562,352)</u>	<u>(8,774,946)</u>	<u>(40,605)</u>	<u>(1,411,051)</u>	<u>(4,104)</u>
1,514,454	14,392,100	2,445,600	58,264	3,192,905	-
<u>(2,981,265)</u>	<u>(1,869,956)</u>	<u>(32,916)</u>	<u>-</u>	<u>(1,239,420)</u>	<u>-</u>
<u>(1,466,811)</u>	<u>12,522,144</u>	<u>2,412,684</u>	<u>58,264</u>	<u>1,953,485</u>	<u>-</u>
<u>(2,412,504)</u>	<u>(3,040,208)</u>	<u>(6,362,262)</u>	<u>17,659</u>	<u>542,434</u>	<u>(4,104)</u>
<u>13,420,907</u>	<u>7,606,060</u>	<u>14,973,145</u>	<u>789,306</u>	<u>1,371,358</u>	<u>28,361</u>
<u>\$ 11,008,403</u>	<u>\$ 4,565,852</u>	<u>\$ 8,610,883</u>	<u>\$ 806,965</u>	<u>\$ 1,913,792</u>	<u>\$ 24,257</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, 2009

	Special Revenue Funds		
	Education Services	Infrastructure Services	Nashville Career Advancement Center
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Other taxes, licenses and permits	-	-	-
Fines, forfeits and penalties	-	-	-
Revenues from the use of money or property	113,432	18,316	623
Revenues from other governmental agencies	89,505,336	264,887	7,756,582
Commissions and fees	-	-	-
Charges for current services	14,788,904	-	-
Compensation for loss, sale or damage to property	-	-	223
Contributions and gifts	5,647,181	27,207	-
Miscellaneous	-	-	-
Total revenues	<u>110,054,853</u>	<u>310,410</u>	<u>7,757,428</u>
EXPENDITURES:			
Current:			
General government	-	-	-
Law enforcement and care of prisoners	-	-	-
Regulation and inspection	-	-	-
Public welfare	-	-	7,726,595
Public health and hospitals	-	-	-
Public library system	-	-	-
Public works, highways and streets	-	213,561	-
Recreational and cultural	-	-	-
Education	112,634,483	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Fiscal charges	-	-	-
Capital outlay	<u>523,478</u>	<u>192,627</u>	<u>8,268</u>
Total expenditures	<u>113,157,961</u>	<u>406,188</u>	<u>7,734,863</u>
Excess (deficiency) of revenues over expenditures	<u>(3,103,108)</u>	<u>(95,778)</u>	<u>22,565</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	4,543,945	26,857	185,017
Transfers out	<u>(2,906,717)</u>	<u>(213,670)</u>	<u>(76,356)</u>
Total other financing sources (uses)	<u>1,637,228</u>	<u>(186,813)</u>	<u>108,661</u>
Net change in fund balances (deficits)	(1,465,880)	(282,591)	131,226
FUND BALANCES (DEFICITS), beginning of year	<u>17,084,345</u>	<u>1,352,137</u>	<u>(99,024)</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 15,618,465</u>	<u>\$ 1,069,546</u>	<u>\$ 32,202</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, 2009

Special Revenue Funds					Debt Service Fund
Public Works Services	Regulation and Inspection Services	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	Correctional Facility Revenue Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	28,087,045	10,473,714	1,645,303	-
-	-	-	-	-	-
17,915	-	159,351	126,760	1,906	8,116
-	-	-	-	-	2,020,970
-	-	-	-	-	-
225,733	164,188	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>243,648</u>	<u>164,188</u>	<u>28,246,396</u>	<u>10,600,474</u>	<u>1,647,209</u>	<u>2,029,086</u>
-	-	18,719,211	-	1,500,000	-
-	-	-	-	-	-
-	143,542	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,873	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,710,000
-	-	-	-	-	326,000
-	-	-	-	-	2,040
<u>222,700</u>	<u>-</u>	<u>-</u>	<u>16,408,642</u>	<u>-</u>	<u>-</u>
<u>245,573</u>	<u>143,542</u>	<u>18,719,211</u>	<u>16,408,642</u>	<u>1,500,000</u>	<u>2,038,040</u>
<u>(1,925)</u>	<u>20,646</u>	<u>9,527,185</u>	<u>(5,808,168)</u>	<u>147,209</u>	<u>(8,954)</u>
-	100,000	-	-	-	-
-	-	(6,771,751)	-	-	-
-	<u>100,000</u>	<u>(6,771,751)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,925)	120,646	2,755,434	(5,808,168)	147,209	(8,954)
<u>1,294,769</u>	<u>(111,734)</u>	<u>10,851,233</u>	<u>9,444,422</u>	<u>-</u>	<u>1,633,954</u>
<u>\$ 1,292,844</u>	<u>\$ 8,912</u>	<u>\$ 13,606,667</u>	<u>\$ 3,636,254</u>	<u>\$ 147,209</u>	<u>\$ 1,625,000</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, 2009

	Permanent Funds		Total Nonmajor Governmental Funds
	General Government	Education	
REVENUES:			
Property taxes	\$ -	\$ -	\$ 1,454,359
Other taxes, licenses and permits	-	-	40,388,327
Fines, forfeits and penalties	-	-	3,761,516
Revenues from the use of money or property	2,877	2,853	1,734,064
Revenues from other governmental agencies	-	-	162,853,069
Commissions and fees	-	-	8,450,307
Charges for current services	-	-	20,399,220
Compensation for loss, sale or damage to property	-	-	4,898
Contributions and gifts	-	-	7,139,807
Miscellaneous	-	-	466,608
<b>Total revenues</b>	<b>2,877</b>	<b>2,853</b>	<b>246,652,175</b>
EXPENDITURES:			
Current:			
General government	-	-	33,412,252
Law enforcement and care of prisoners	-	-	28,063,131
Regulation and inspection	-	-	143,542
Public welfare	-	-	30,464,332
Public health and hospitals	-	-	18,155,999
Public library system	-	-	673,024
Public works, highways and streets	-	-	29,416,834
Recreational and cultural	-	-	1,772,931
Education	-	4,722	112,639,205
Debt service:			
Principal retirement	-	-	1,710,000
Interest	-	-	326,000
Fiscal charges	-	-	2,040
Capital outlay	-	-	26,537,782
<b>Total expenditures</b>	<b>-</b>	<b>4,722</b>	<b>283,317,072</b>
Excess (deficiency) of revenues over expenditures	2,877	(1,869)	(36,664,897)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	772	53,824,438
Transfers out	-	-	(27,139,621)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>772</b>	<b>26,684,817</b>
Net change in fund balances (deficits)	2,877	(1,097)	(9,980,080)
FUND BALANCES (DEFICITS), beginning of year	201,821	202,340	134,117,272
FUND BALANCES (DEFICITS), end of year	\$ 204,698	\$ 201,243	\$ 124,137,192

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 78,076,300	\$ 78,076,300	\$ 78,481,091	\$ 404,791
Local option sales tax	2,777,300	2,777,300	2,918,925	141,625
Other taxes, licenses and permits	-	-	126,816	126,816
Fines, forfeits and penalties	557,500	557,500	434,021	(123,479)
Revenues from the use of money or property	88,000	88,000	-	(88,000)
Revenues from other governmental agencies	2,100,000	2,100,000	2,052,471	(47,529)
Charges for current services	950,000	950,000	838,699	(111,301)
Miscellaneous	-	-	896,925	896,925
<b>Total revenues</b>	<b>84,549,100</b>	<b>84,549,100</b>	<b>85,748,948</b>	<b>1,199,848</b>
<b>EXPENDITURES:</b>				
Principal retirement	43,700,000	43,700,000	43,939,850	(239,850)
Interest	48,350,100	48,350,000	48,380,710	(30,710)
Fiscal charges	1,495,800	1,495,900	2,710,518	(1,214,618)
Debt issue costs	-	-	240,000	(240,000)
<b>Total expenditures</b>	<b>93,545,900</b>	<b>93,545,900</b>	<b>95,271,078</b>	<b>(1,725,178)</b>
Excess (deficiency) of revenues over expenditures	(8,996,800)	(8,996,800)	(9,522,130)	(525,330)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of refunding debt	-	-	59,140,000	59,140,000
Payments to refunded bond escrow agent	-	-	(58,900,000)	(58,900,000)
Transfers in	11,598,200	11,598,200	11,229,867	(368,333)
Transfers out	(4,010,200)	(4,010,200)	(4,010,200)	-
<b>Total other financing sources (uses)</b>	<b>7,588,000</b>	<b>7,588,000</b>	<b>7,459,667</b>	<b>(128,333)</b>
Net change in fund balances	(1,408,800)	(1,408,800)	(2,062,463)	(653,663)
FUND BALANCES, beginning of year	3,170,054	3,170,054	3,170,054	-
FUND BALANCES, end of year	\$ 1,761,254	\$ 1,761,254	\$ 1,107,591	\$ (653,663)

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 SCHOOL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 27,664,200	\$ 27,664,200	\$ 27,800,290	\$ 136,090
Local option sales tax	17,953,500	17,953,500	16,122,202	(1,831,298)
Revenues from the use of money or property	2,556,000	2,556,000	770,181	(1,785,819)
Miscellaneous	-	-	9,733	9,733
<b>Total revenues</b>	<b>48,173,700</b>	<b>48,173,700</b>	<b>44,702,406</b>	<b>(3,471,294)</b>
<b>EXPENDITURES:</b>				
Principal retirement	30,822,500	30,822,500	30,965,309	(142,809)
Interest	29,033,700	29,033,700	27,471,938	1,561,762
Fiscal charges	570,000	570,000	651,544	(81,544)
<b>Total expenditures</b>	<b>60,426,200</b>	<b>60,426,200</b>	<b>59,088,791</b>	<b>1,337,409</b>
Excess (deficiency) of revenues over expenditures	(12,252,500)	(12,252,500)	(14,386,385)	(2,133,885)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,530,500	1,530,500	1,530,450	(50)
<b>Total other financing sources (uses)</b>	<b>1,530,500</b>	<b>1,530,500</b>	<b>1,530,450</b>	<b>(50)</b>
Net change in fund balances	(10,722,000)	(10,722,000)	(12,855,935)	(2,133,935)
FUND BALANCE, beginning of year	51,412,069	51,412,069	51,412,069	-
FUND BALANCE, end of year	<u>\$ 40,690,069</u>	<u>\$ 40,690,069</u>	<u>\$ 38,556,134</u>	<u>\$ (2,133,935)</u>

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  
USD GENERAL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 13,036,700	\$ 13,036,700	\$ 12,293,769	\$ (742,931)
Revenues from the use of money or property	50,000	50,000	-	(50,000)
Miscellaneous	-	-	1,497,260	1,497,260
Total revenues	<u>13,086,700</u>	<u>13,086,700</u>	<u>13,791,029</u>	<u>704,329</u>
<b>EXPENDITURES:</b>				
Principal retirement	9,579,400	9,579,400	9,299,408	279,992
Interest	7,341,900	7,341,900	6,990,964	350,936
Fiscal charges	175,600	175,600	240,876	(65,276)
Total expenditures	<u>17,096,900</u>	<u>17,096,900</u>	<u>16,531,248</u>	<u>565,652</u>
Excess (deficiency) of revenues over expenditures	<u>(4,010,200)</u>	<u>(4,010,200)</u>	<u>(2,740,219)</u>	<u>1,269,981</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>4,010,200</u>	<u>4,010,200</u>	<u>4,817,750</u>	<u>807,550</u>
Total other financing sources (uses)	<u>4,010,200</u>	<u>4,010,200</u>	<u>4,817,750</u>	<u>807,550</u>
Net change in fund balances	-	-	2,077,531	2,077,531
FUND BALANCES, beginning of year	<u>2,221,176</u>	<u>2,221,176</u>	<u>2,221,176</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,221,176</u>	<u>\$ 2,221,176</u>	<u>\$ 4,298,707</u>	<u>\$ 2,077,531</u>

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

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 GOVERNMENT SERVICES FUND

The General Government Services Fund accounts for funds which support various general government activities such as federal, state and private grants and contributions.

RECREATIONAL AND CULTURAL SERVICES FUND

The Recreational and Cultural Services Fund accounts for funds from the general public and the Tennessee Commission on National and Community Service used for specific purposes and the purchase and sale of souvenir and concession items within the parks and recreation system of the Government.

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.

LAW ENFORCEMENT AND JUSTICE SERVICES FUND

The Law Enforcement and Justice Services Fund accounts for federal and state funds, fines, fees, donations and proceeds from the sale of seized property, which are used to support various law enforcement programs.

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.

STORMWATER OPERATIONS FUND

The Stormwater Operations Fund is under the administrative responsibility of the Department of Water and Sewerage Services and is used to account for the activities surrounding the maintenance of the Government's stormwater drainage system.

LIBRARY SERVICES FUND

The Library Services Fund accounts for federal and state programs - primarily from the U.S. Department of Education, Library Services and the State of Tennessee Libraries and Archives - aimed at providing library services to all facets of the community. It also accounts for funds received from private donations given on behalf of the Metropolitan Public Library and funds contributed by the general public for the purchase of equipment for blind and handicapped individuals.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

HEALTH SERVICES FUND

The Health Services Fund accounts for Title V Clean Air fees and expenditures, various federal and state grant programs and donations by the public designated to provide adequate shelter and humane treatment of animals.

PUBLIC WELFARE SERVICES FUND

The Public Welfare Services Fund accounts for various activities promoting human relations and social services provided to the general public.

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.

INFRASTRUCTURE SERVICES FUND

The Infrastructure Services Fund accounts for funds supporting the infrastructure of the Government, including the development of sidewalks in multi-family and non-residential development and supporting accessibility of all programs, services, activities, facilities and rights-of-way as mandated by the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973.

NASHVILLE CAREER ADVANCEMENT CENTER FUND

The Nashville Career Advancement Center Fund accounts for funds received under the Federal Workforce Investment Act and the National Council of Aging Citizens Act (Title IV). These funds are utilized to provide employment and training opportunities for senior citizens and economically disadvantaged, unemployed or underemployed individuals.

PUBLIC WORKS SERVICES FUND

The Public Works Services Fund is under the administrative responsibility of the Department of Public Works and was established to account for funds received from downtown parking operations which are managed by an outside party. Surplus funds are allocated between the Government and the outside party for projects or activities to improve the downtown area.

REGULATION AND INSPECTION SERVICES FUND

The Regulation and Inspection Services Fund is under the administrative responsibility of the Department of Codes Administration and was established to account for funds supporting demolition projects.

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 one-third for direct promotion of tourism, one-sixth for tourist-related activities, one-sixth for the operation of the existing Convention Center, one-sixth for the construction, financing and operation of a new Convention Center, and one-sixth for distribution to the General Fund.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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 in 2007 to be utilized for the construction, financing and operation of a new Convention 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 in 2008 to be utilized to support events or projects which have a positive economic impact on the Government.

**DEBT SERVICE FUND**

CORRECTIONAL FACILITY REVENUE BONDS FUND

The Correctional Facility Revenue Bonds Fund is used to account for the accumulation of resources and the payment of principal and interest for the Correctional Facility Revenue Bonds, Series 2002.

**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 ASSETS  
NONMAJOR ENTERPRISE FUNDS

June 30, 2009

<u>ASSETS</u>	<u>Nashville Convention Center</u>	<u>Board of Fair Commissioners</u>	<u>Farmers Market</u>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 2,938,120	\$ 2,210,541	\$ 202,270
Accounts receivable	476,595	18,057	21
Allowance for doubtful accounts	(33,477)	-	-
Accrued interest receivable	1,234	1,001	70
Due from other funds of the primary government	1,718,921	-	-
Other current assets	-	34,483	-
	<u>5,101,393</u>	<u>2,264,082</u>	<u>202,361</u>
<b>CAPITAL ASSETS:</b>			
Land	6,056,529	175,293	-
Buildings and improvements	52,668,319	8,945,500	376,745
Improvements other than buildings	50,220	3,743,643	151,939
Furniture, machinery and equipment	632,084	660,594	142,303
Property under capital lease	-	-	3,645,000
Construction work in progress	5,330	-	2,760,222
Accumulated depreciation	(24,883,946)	(8,119,810)	(1,630,015)
	<u>34,528,536</u>	<u>5,405,220</u>	<u>5,446,194</u>
Capital assets - net			
	<u>\$ 39,629,929</u>	<u>\$ 7,669,302</u>	<u>\$ 5,648,555</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2009

<u>Police Secondary Employment</u>	<u>Surplus Property Auction</u>	<u>Municipal Auditorium</u>	<u>Police Impound</u>	<u>School Community Education</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ -	\$ 6,014	\$ 793,444	\$ -	\$ 381,495	\$ 6,531,884
254,071	2,861	1,517	-	372	753,494
(5,000)	-	-	-	-	(38,477)
-	62	378	-	186	2,931
-	-	-	22,137	3,599	1,744,657
-	-	-	-	-	34,483
<u>249,071</u>	<u>8,937</u>	<u>795,339</u>	<u>22,137</u>	<u>385,652</u>	<u>9,028,972</u>
-	-	587,400	-	-	6,819,222
-	-	9,458,157	-	-	71,448,721
-	-	84,651	-	-	4,030,453
60,000	-	229,306	-	-	1,724,287
-	-	-	-	-	3,645,000
-	-	-	-	-	2,765,552
<u>(60,000)</u>	<u>-</u>	<u>(7,529,424)</u>	<u>-</u>	<u>-</u>	<u>(42,223,195)</u>
-	-	2,830,090	-	-	48,210,040
<u>\$ 249,071</u>	<u>\$ 8,937</u>	<u>\$ 3,625,429</u>	<u>\$ 22,137</u>	<u>\$ 385,652</u>	<u>\$ 57,239,012</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2009

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 944,292	\$ 120,531	\$ 47,670
Accrued payroll	400,256	142,323	64,570
Due to other funds of the primary government	321,079	6,518	747
Due to component units	-	-	-
Customer deposits	104,969	76,540	10,190
Unearned revenue	801,646	53,497	-
Current portion of capitalized lease obligations	-	-	175,000
Other current liabilities	-	1,707	-
Total current liabilities	<u>2,572,242</u>	<u>401,116</u>	<u>298,177</u>
NONCURRENT LIABILITIES:			
Capitalized lease obligations	-	-	1,095,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,095,000</u>
Total liabilities	<u>2,572,242</u>	<u>401,116</u>	<u>1,393,177</u>
NET ASSETS (DEFICIT):			
Invested in capital assets, net of related debt	34,528,536	5,405,220	4,176,194
Unrestricted	<u>2,529,151</u>	<u>1,862,966</u>	<u>79,184</u>
Total net assets (deficit)	<u>\$ 37,057,687</u>	<u>\$ 7,268,186</u>	<u>\$ 4,255,378</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2009

<u>Police Secondary Employment</u>	<u>Surplus Property Auction</u>	<u>Municipal Auditorium</u>	<u>Police Impound</u>	<u>School Community Education</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 837	\$ 21,895	\$ 97,123	\$ 50,858	\$ 3,485	\$ 1,286,691
35,373	70,119	158,391	216,054	93,991	1,181,077
89,871	73,485	64,015	1,744,975	11,814	2,312,504
-	34	-	-	-	34
-	-	-	-	-	191,699
-	-	184,069	-	-	1,039,212
-	-	-	-	-	175,000
41,315	-	-	-	-	43,022
<u>167,396</u>	<u>165,533</u>	<u>503,598</u>	<u>2,011,887</u>	<u>109,290</u>	<u>6,229,239</u>
-	-	-	-	-	1,095,000
-	-	-	-	-	1,095,000
<u>167,396</u>	<u>165,533</u>	<u>503,598</u>	<u>2,011,887</u>	<u>109,290</u>	<u>7,324,239</u>
-	-	2,830,090	-	-	46,940,040
81,675	(156,596)	291,741	(1,989,750)	276,362	2,974,733
<u>\$ 81,675</u>	<u>\$ (156,596)</u>	<u>\$ 3,121,831</u>	<u>\$ (1,989,750)</u>	<u>\$ 276,362</u>	<u>\$ 49,914,773</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 FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2009

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
OPERATING REVENUES:			
Charges for services	\$ 5,675,010	\$ 3,437,798	\$ 899,097
Other	-	-	-
	<u>5,675,010</u>	<u>3,437,798</u>	<u>899,097</u>
Total operating revenues			
	<u>5,675,010</u>	<u>3,437,798</u>	<u>899,097</u>
OPERATING EXPENSES:			
Personal services	2,883,104	1,393,645	357,436
Contractual services	2,750,788	2,047,807	501,929
Supplies and materials	150,078	195,695	38,052
Depreciation	1,441,288	418,495	127,044
Other	124,701	359,271	4,897
	<u>7,349,959</u>	<u>4,414,913</u>	<u>1,029,358</u>
Total operating expenses			
	<u>7,349,959</u>	<u>4,414,913</u>	<u>1,029,358</u>
OPERATING INCOME (LOSS)	<u>(1,674,949)</u>	<u>(977,115)</u>	<u>(130,261)</u>
NONOPERATING REVENUE (EXPENSE):			
Investment income	31,438	35,149	2,961
Interest expense	-	-	(72,487)
Gain (loss) on sale of property	(170,827)	-	(110,426)
	<u>(139,389)</u>	<u>35,149</u>	<u>(179,952)</u>
Total nonoperating revenue (expense)			
	<u>(139,389)</u>	<u>35,149</u>	<u>(179,952)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(1,814,338)</u>	<u>(941,966)</u>	<u>(310,213)</u>
TRANSFERS IN	3,335,235	16,300	1,217,415
TRANSFERS OUT	(410,260)	(157,248)	(52,656)
	<u>1,110,637</u>	<u>(1,082,914)</u>	<u>854,546</u>
CHANGE IN NET ASSETS			
	<u>1,110,637</u>	<u>(1,082,914)</u>	<u>854,546</u>
NET ASSETS (DEFICIT), beginning of year	<u>35,947,050</u>	<u>8,351,100</u>	<u>3,400,832</u>
NET ASSETS (DEFICIT), end of year	<u>\$ 37,057,687</u>	<u>\$ 7,268,186</u>	<u>\$ 4,255,378</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 FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	School Community Education	Total Nonmajor Enterprise Funds
\$ 1,094,154	\$ 957,619	\$ 1,107,437	\$ 2,181,939	\$ 140,694	\$ 15,493,748
-	-	-	310	-	310
<u>1,094,154</u>	<u>957,619</u>	<u>1,107,437</u>	<u>2,182,249</u>	<u>140,694</u>	<u>15,494,058</u>
862,619	400,690	700,256	1,137,900	963,522	8,699,172
15,450	377,179	818,963	664,991	52,966	7,230,073
879	4,765	30,310	11,883	31,594	463,256
-	-	155,851	-	-	2,142,678
<u>2,838</u>	<u>42,459</u>	<u>32,405</u>	<u>13,697</u>	<u>1,600</u>	<u>581,868</u>
<u>881,786</u>	<u>825,093</u>	<u>1,737,785</u>	<u>1,828,471</u>	<u>1,049,682</u>	<u>19,117,047</u>
<u>212,368</u>	<u>132,526</u>	<u>(630,348)</u>	<u>353,778</u>	<u>(908,988)</u>	<u>(3,622,989)</u>
-	1,899	4,077	-	6,632	82,156
(1,792)	-	-	(27,622)	-	(101,901)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(281,253)</u>
<u>(1,792)</u>	<u>1,899</u>	<u>4,077</u>	<u>(27,622)</u>	<u>6,632</u>	<u>(300,998)</u>
<u>210,576</u>	<u>134,425</u>	<u>(626,271)</u>	<u>326,156</u>	<u>(902,356)</u>	<u>(3,923,987)</u>
-	8,300	1,192,492	-	814,300	6,584,042
(166,770)	(45,156)	(66,000)	(409,008)	(43,872)	(1,350,970)
<u>43,806</u>	<u>97,569</u>	<u>500,221</u>	<u>(82,852)</u>	<u>(131,928)</u>	<u>1,309,085</u>
<u>37,869</u>	<u>(254,165)</u>	<u>2,621,610</u>	<u>(1,906,898)</u>	<u>408,290</u>	<u>48,605,688</u>
<u>\$ 81,675</u>	<u>\$ (156,596)</u>	<u>\$ 3,121,831</u>	<u>\$ (1,989,750)</u>	<u>\$ 276,362</u>	<u>\$ 49,914,773</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, 2009

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,997,529	\$ 3,476,973	\$ 899,076
Payments to suppliers	(2,861,453)	(2,634,054)	(549,786)
Payments to employees	(2,851,963)	(1,381,925)	(355,146)
Net cash provided by (used in) operating activities	<u>(1,715,887)</u>	<u>(539,006)</u>	<u>(5,856)</u>
Cash flows from noncapital financing activities:			
Transfers in	3,335,235	16,300	1,217,415
Transfers out	(410,260)	(157,248)	(52,656)
Advances from other funds of the primary government	-	-	-
Payments to other funds of the primary government	-	-	-
Interest paid	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>2,924,975</u>	<u>(140,948)</u>	<u>1,164,759</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(816,921)	(70,439)	(955,215)
Principal payments on borrowings	-	-	(185,000)
Interest paid	-	-	(72,487)
Net cash provided by (used in) capital and related financing activities	<u>(816,921)</u>	<u>(70,439)</u>	<u>(1,212,702)</u>
Cash flows from investing activities:			
Interest on investments	33,945	38,920	2,891
Net cash provided by (used in) investing activities	<u>33,945</u>	<u>38,920</u>	<u>2,891</u>
Net changes in cash and cash equivalents	426,112	(711,473)	(50,908)
Cash and cash equivalents at beginning of year	<u>2,512,008</u>	<u>2,922,014</u>	<u>253,178</u>
Cash and cash equivalents at end of year	<u>\$ 2,938,120</u>	<u>\$ 2,210,541</u>	<u>\$ 202,270</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	School Community Education	Total Nonmajor Enterprise Funds
\$ 1,122,584	\$ 952,446	\$ 1,322,505	\$ 2,241,060	\$ 150,607	\$ 14,162,780
43,190	(1,053,261)	(888,286)	(698,695)	(121,510)	(8,763,855)
(851,650)	(400,203)	(713,535)	(1,083,251)	(978,104)	(8,615,777)
<u>314,124</u>	<u>(501,018)</u>	<u>(279,316)</u>	<u>459,114</u>	<u>(949,007)</u>	<u>(3,216,852)</u>
-	8,300	1,192,492	-	814,300	6,584,042
(166,770)	(45,156)	(66,000)	(409,008)	(43,872)	(1,350,970)
-	3,008	-	-	-	3,008
(145,562)	-	-	(22,484)	-	(168,046)
(1,792)	-	-	(27,622)	-	(29,414)
<u>(314,124)</u>	<u>(33,848)</u>	<u>1,126,492</u>	<u>(459,114)</u>	<u>770,428</u>	<u>5,038,620</u>
-	-	(315,591)	-	-	(2,158,166)
-	-	-	-	-	(185,000)
-	2,417	-	-	-	(70,070)
<u>-</u>	<u>2,417</u>	<u>(315,591)</u>	<u>-</u>	<u>-</u>	<u>(2,413,236)</u>
-	-	4,269	-	7,425	87,450
-	-	4,269	-	7,425	87,450
-	(532,449)	535,854	-	(171,154)	(504,018)
-	538,463	257,590	-	552,649	7,035,902
<u>\$ -</u>	<u>\$ 6,014</u>	<u>\$ 793,444</u>	<u>\$ -</u>	<u>\$ 381,495</u>	<u>\$ 6,531,884</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,674,949)	\$ (977,115)	\$ (130,261)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,441,288	418,495	127,044
Provision for doubtful accounts	26,400	-	-
Changes in assets and liabilities:			
Accounts receivable	(117,762)	323	(21)
Due from other funds of the primary government	(1,718,921)	-	-
Other current assets	-	(23,404)	-
Accounts payable	(95,948)	(1,359)	(3,848)
Accrued payroll	31,141	11,720	2,290
Due to other funds of the primary government	260,062	(8,225)	(1,060)
Due to component units	-	-	-
Customer deposits	-	43,035	-
Unearned revenue	132,802	(4,183)	-
Other current liabilities	-	1,707	-
Total adjustments	(40,938)	438,109	124,405
Net cash provided by (used in) operating activities	\$ (1,715,887)	\$ (539,006)	\$ (5,856)

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOW  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	School Community Education	Total Nonmajor Enterprise Funds
<u>\$ 212,368</u>	<u>\$ 132,526</u>	<u>\$ (630,348)</u>	<u>\$ 353,778</u>	<u>\$ (908,988)</u>	<u>\$ (3,622,989)</u>
-	-	155,851	-	-	2,142,678
(28,977)	-	-	-	-	(2,577)
49,258	(2,861)	36,116	-	(372)	(35,319)
8,149	1,000	-	58,811	10,285	(1,640,676)
-	-	-	-	-	(23,404)
562	4,821	(67,151)	(10,478)	1,046	(172,355)
10,969	487	(13,279)	54,649	(14,582)	83,395
34,588	(633,713)	60,543	2,354	(36,307)	(321,758)
-	(3,278)	-	-	-	(3,278)
-	-	-	-	-	43,035
-	-	178,952	-	-	307,571
27,207	-	-	-	(89)	28,825
<u>101,756</u>	<u>(633,544)</u>	<u>351,032</u>	<u>105,336</u>	<u>(40,019)</u>	<u>406,137</u>
<u>\$ 314,124</u>	<u>\$ (501,018)</u>	<u>\$ (279,316)</u>	<u>\$ 459,114</u>	<u>\$ (949,007)</u>	<u>\$ (3,216,852)</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS

June 30, 2009

<u>ASSETS</u>	<u>Office of Fleet Management</u>	<u>Information Systems</u>	<u>Radio Shop</u>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 370,557	\$ 4,452,330	\$ 2,720,775
Accounts receivable	3,847	69,362	67,545
Accrued interest receivable	213	2,404	1,390
Due from other funds of the primary government	369,974	311,434	220,530
Due from component units	-	216	-
Inventories of supplies	1,404,786	-	342,692
Other current assets	-	-	-
	<u>2,149,377</u>	<u>4,835,746</u>	<u>3,352,932</u>
<b>CAPITAL ASSETS:</b>			
Buildings and improvements	5,103	-	126,643
Improvements other than buildings	-	-	-
Furniture, machinery and equipment	121,537,130	5,753,574	6,153,058
Construction work in progress	-	76,083	-
Less accumulated depreciation	(91,662,998)	(3,784,943)	(1,582,623)
Capital assets - net	<u>29,879,235</u>	<u>2,044,714</u>	<u>4,697,078</u>
	<u>32,028,612</u>	<u>6,880,460</u>	<u>8,050,010</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	1,086,425	539,067	86,565
Accrued payroll	800,827	1,486,889	182,635
Claims payable	-	-	-
Due to other funds of the primary government	27,563	11,994	2,532
Other current liabilities	-	-	-
	<u>1,914,815</u>	<u>2,037,950</u>	<u>271,732</u>
<b>NET ASSETS (DEFICIT):</b>			
Invested in capital assets, net of related debt	29,879,235	2,044,714	4,697,078
Unrestricted	234,562	2,797,796	3,081,200
	<u>30,113,797</u>	<u>4,842,510</u>	<u>7,778,278</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2009

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured on Duty	School Central Storeroom	Metro Postal Service
\$ 3,917,721	\$ 23,267,942	\$ 9,056,631	\$ 37,282,703	\$ 4,238,330	\$ -	\$ 520,593
-	-	78,238	439,126	83	-	-
1,908	11,342	5,569	19,123	2,663	-	260
-	204,666	181,400	2,607,098	-	71,943	79,790
-	-	-	-	-	-	658
-	-	-	-	-	413,937	-
-	-	1,446,987	-	-	-	13,521
<u>3,919,629</u>	<u>23,483,950</u>	<u>10,768,825</u>	<u>40,348,050</u>	<u>4,241,076</u>	<u>485,880</u>	<u>614,822</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,919,629</u>	<u>23,483,950</u>	<u>10,768,825</u>	<u>40,348,050</u>	<u>4,241,076</u>	<u>485,880</u>	<u>614,822</u>
147,843	197,109	955,665	2,663,676	-	50,782	50,655
-	-	-	-	-	91,759	36,473
955,880	7,277,009	4,780,609	15,242,000	4,232,000	-	-
194,361	38,454	2,972	4,323	422,947	258,774	1,379
-	-	-	-	-	-	-
<u>1,298,084</u>	<u>7,512,572</u>	<u>5,739,246</u>	<u>17,909,999</u>	<u>4,654,947</u>	<u>401,315</u>	<u>88,507</u>
-	-	-	-	-	-	-
2,621,545	15,971,378	5,029,579	22,438,051	(413,871)	84,565	526,315
<u>\$ 2,621,545</u>	<u>\$ 15,971,378</u>	<u>\$ 5,029,579</u>	<u>\$ 22,438,051</u>	<u>\$ (413,871)</u>	<u>\$ 84,565</u>	<u>\$ 526,315</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2009

<u>ASSETS</u>	<u>Real Property Services</u>	<u>Treasury Management</u>	<u>Technology Revolving</u>	<u>Human Resources</u>
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 57,685	\$ 88,297	\$ 32,764	\$ 1,397
Accounts receivable	-	-	4,586	-
Accrued interest receivable	-	-	28	1,274
Due from other funds of the primary government	-	113,323	38,238	-
Due from component units	-	-	-	-
Inventories of supplies	-	-	-	-
Other current assets	-	7,233	-	11
<b>Total current assets</b>	<b>57,685</b>	<b>208,853</b>	<b>75,616</b>	<b>2,682</b>
<b>CAPITAL ASSETS:</b>				
Buildings and improvements	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture, machinery and equipment	-	17,195	-	-
Construction work in progress	-	-	-	-
Less accumulated depreciation	-	(17,195)	-	-
Capital assets - net	-	-	-	-
<b>Total assets</b>	<b>57,685</b>	<b>208,853</b>	<b>75,616</b>	<b>2,682</b>
<u>LIABILITIES AND NET ASSETS</u>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	-	839	85,673	-
Accrued payroll	-	78,403	-	-
Claims payable	-	-	-	-
Due to other funds of the primary government	57,685	178,367	-	2,682
Other current liabilities	-	988	-	-
<b>Total current liabilities</b>	<b>57,685</b>	<b>258,597</b>	<b>85,673</b>	<b>2,682</b>
<b>NET ASSETS (DEFICIT):</b>				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	-	(49,744)	(10,057)	-
<b>Total net assets (deficit)</b>	<b>\$ -</b>	<b>\$ (49,744)</b>	<b>\$ (10,057)</b>	<b>\$ -</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2009

Finance Services	General Services	School Print Shop	Internal Audit	Total Internal Service Funds
\$ 590	\$ 1,036,378	\$ 636,015	\$ 404	\$ 87,681,112
-	776	96	-	663,659
538	1,448	316	368	48,844
3,690	235,696	14,106	-	4,451,888
-	-	-	-	874
-	-	-	-	2,161,415
-	-	4,152	-	1,471,904
<u>4,818</u>	<u>1,274,298</u>	<u>654,685</u>	<u>772</u>	<u>96,479,696</u>
-	222,365	-	-	354,111
-	29,031	-	-	29,031
-	142,189	367,351	-	133,970,497
-	-	-	-	76,083
-	(38,356)	(252,023)	-	(97,338,138)
-	<u>355,229</u>	<u>115,328</u>	-	<u>37,091,584</u>
<u>4,818</u>	<u>1,629,527</u>	<u>770,013</u>	<u>772</u>	<u>133,571,280</u>
4,760	1,431,290	8,809	-	7,309,158
-	508,672	62,363	-	3,248,021
-	-	-	-	32,487,498
58	20,751	8,971	772	1,234,585
-	-	-	-	988
<u>4,818</u>	<u>1,960,713</u>	<u>80,143</u>	<u>772</u>	<u>44,280,250</u>
-	355,229	115,328	-	37,091,584
-	(686,415)	574,542	-	52,199,446
<u>\$ -</u>	<u>\$ (331,186)</u>	<u>\$ 689,870</u>	<u>\$ -</u>	<u>\$ 89,291,030</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 FUND NET ASSETS  
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2009

	Office of Fleet Management	Information Systems	Radio Shop
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 17,859,514	\$ 20,519,177	\$ 3,075,429
Other	-	-	-
	<u>17,859,514</u>	<u>20,519,177</u>	<u>3,075,429</u>
Total operating revenues	<u>17,859,514</u>	<u>20,519,177</u>	<u>3,075,429</u>
<b>OPERATING EXPENSES:</b>			
Personal services	5,423,436	9,459,577	1,052,383
Contractual services	2,300,243	3,618,320	1,198,080
Supplies and materials	10,686,688	86,760	632,196
Depreciation	12,376,664	600,693	606,189
Compensation for damages to property	-	-	-
Medical and insurance benefits	-	-	-
Other	71,163	1,656,821	28,390
	<u>30,858,194</u>	<u>15,422,171</u>	<u>3,517,238</u>
Total operating expenses	<u>30,858,194</u>	<u>15,422,171</u>	<u>3,517,238</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(12,998,680)</u>	<u>5,097,006</u>	<u>(441,809)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>			
Investment income	-	59,729	50,102
Interest expense	(34,228)	-	-
Gain (loss) on sale of property	(373,239)	(28,033)	399
Other	261,040	-	-
	<u>(146,427)</u>	<u>31,696</u>	<u>50,501</u>
Total nonoperating revenue (expense)	<u>(146,427)</u>	<u>31,696</u>	<u>50,501</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(13,145,107)</u>	<u>5,128,702</u>	<u>(391,308)</u>
TRANSFERS IN	10,561,961	1,030,605	37,300
TRANSFERS OUT	-	(5,960,700)	-
	<u>(2,583,146)</u>	<u>198,607</u>	<u>(354,008)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(2,583,146)</u>	<u>198,607</u>	<u>(354,008)</u>
<b>NET ASSETS (DEFICIT), beginning of year</b>	<u>32,696,943</u>	<u>4,643,903</u>	<u>8,132,286</u>
<b>NET ASSETS (DEFICIT), end of year</b>	<u>\$ 30,113,797</u>	<u>\$ 4,842,510</u>	<u>\$ 7,778,278</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 FUND NET ASSETS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	School Central Storeroom	Metro Postal Service
\$ -	\$ 5,705,675	\$ 65,984,534	\$ 155,270,650	\$ 3,140,719	\$ 1,028,790	\$ 1,027,919
-	400,900	-	2,750,753	-	-	-
-	<u>6,106,575</u>	<u>65,984,534</u>	<u>158,021,403</u>	<u>3,140,719</u>	<u>1,028,790</u>	<u>1,027,919</u>
172,933	440,350	87,710	109,580	-	643,224	214,839
244,327	1,240,017	4,429,309	8,125,479	1,126,988	86,193	855,356
-	-	-	-	-	441,089	3,184
-	-	-	-	-	-	-
505,343	3,471,823	-	-	-	-	-
-	-	67,013,655	148,527,445	12,522,986	-	-
3,335	2,003,990	-	3,250	-	2,577	8,090
<u>925,938</u>	<u>7,156,180</u>	<u>71,530,674</u>	<u>156,765,754</u>	<u>13,649,974</u>	<u>1,173,083</u>	<u>1,081,469</u>
<u>(925,938)</u>	<u>(1,049,605)</u>	<u>(5,546,140)</u>	<u>1,255,649</u>	<u>(10,509,255)</u>	<u>(144,293)</u>	<u>(53,550)</u>
59,133	325,162	165,581	496,697	79,315	-	6,070
-	(35)	-	-	-	-	-
-	-	-	-	-	-	-
42,153	(1,643)	(599,929)	-	-	-	-
<u>101,286</u>	<u>323,484</u>	<u>(434,348)</u>	<u>496,697</u>	<u>79,315</u>	<u>-</u>	<u>6,070</u>
(824,652)	(726,121)	(5,980,488)	1,752,346	(10,429,940)	(144,293)	(47,480)
500,000	497,943	-	2,101,916	10,845,400	-	8,700
(6,668)	(2,056,900)	-	(140,100)	-	-	-
<u>(331,320)</u>	<u>(2,285,078)</u>	<u>(5,980,488)</u>	<u>3,714,162</u>	<u>415,460</u>	<u>(144,293)</u>	<u>(38,780)</u>
<u>2,952,865</u>	<u>18,256,456</u>	<u>11,010,067</u>	<u>18,723,889</u>	<u>(829,331)</u>	<u>228,858</u>	<u>565,095</u>
<u>\$ 2,621,545</u>	<u>\$ 15,971,378</u>	<u>\$ 5,029,579</u>	<u>\$ 22,438,051</u>	<u>\$ (413,871)</u>	<u>\$ 84,565</u>	<u>\$ 526,315</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 FUND NET ASSETS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

	Real Property Services	Treasury Management	Technology Revolving	Human Resources
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ 1,130,617	\$ 323,882	\$ -
Other	-	-	-	-
Total operating revenues	<u>-</u>	<u>1,130,617</u>	<u>323,882</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Personal services	4,571	655,478	-	-
Contractual services	91	156,618	-	24,775
Supplies and materials	20,308	5,516	430,839	-
Depreciation	-	-	-	-
Compensation for damages to property	-	-	-	-
Medical and insurance benefits	-	-	-	-
Other	68	13,071	-	-
Total operating expenses	<u>25,038</u>	<u>830,683</u>	<u>430,839</u>	<u>24,775</u>
OPERATING INCOME (LOSS)	<u>(25,038)</u>	<u>299,934</u>	<u>(106,957)</u>	<u>(24,775)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>				
Investment income	929	-	2,258	38,526
Interest expense	-	(596)	-	-
Gain (loss) on sale of property	-	-	-	-
Other	-	-	-	(274,874)
Total nonoperating revenue (expense)	<u>929</u>	<u>(596)</u>	<u>2,258</u>	<u>(236,348)</u>
INCOME (LOSS) BEFORE TRANSFERS	(24,109)	299,338	(104,699)	(261,123)
TRANSFERS IN	-	13,800	-	-
TRANSFERS OUT	<u>(294,452)</u>	<u>(319,400)</u>	<u>-</u>	<u>(2,417,324)</u>
CHANGE IN NET ASSETS	(318,561)	(6,262)	(104,699)	(2,678,447)
NET ASSETS (DEFICIT), beginning of year	<u>318,561</u>	<u>(43,482)</u>	<u>94,642</u>	<u>2,678,447</u>
NET ASSETS (DEFICIT), end of year	<u>\$ -</u>	<u>\$ (49,744)</u>	<u>\$ (10,057)</u>	<u>\$ -</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

Finance Services	General Services	School Print Shop	Internal Audit	Total Internal Service Funds
\$ -	\$ 21,406,161	\$ 760,263	\$ -	\$ 297,233,330
-	655	-	-	3,152,308
-	21,406,816	760,263	-	300,385,638
-	3,301,435	424,163	-	21,989,679
18,631	15,859,271	94,685	13,601	39,391,984
6,557	282,928	158,110	-	12,754,175
-	28,830	19,378	-	13,631,754
-	-	-	-	3,977,166
-	-	-	-	228,064,086
-	323,388	20,688	-	4,134,831
25,188	19,795,852	717,024	13,601	323,943,675
(25,188)	1,610,964	43,239	(13,601)	(23,558,037)
16,176	21,830	9,502	11,211	1,342,221
-	(13,909)	-	-	(48,768)
-	-	-	-	(400,873)
(111,236)	(179,552)	-	(81,072)	(945,113)
(95,060)	(171,631)	9,502	(69,861)	(52,533)
(120,248)	1,439,333	52,741	(83,462)	(23,610,570)
-	526,962	-	-	26,124,587
(1,016,938)	(2,371,813)	-	(693,054)	(15,277,349)
(1,137,186)	(405,518)	52,741	(776,516)	(12,763,332)
1,137,186	74,332	637,129	776,516	102,054,362
\$ -	\$ (331,186)	\$ 689,870	\$ -	\$ 89,291,030

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, 2009

	Office of Fleet Management	Information Systems	Radio Shop
Cash flows from operating activities:			
Receipts from customers and users	\$ 18,680,628	\$ 20,539,200	\$ 3,121,111
Payments to suppliers	(13,966,415)	(5,347,767)	(1,969,470)
Payments to employees	(5,402,158)	(9,427,813)	(1,028,548)
Other receipts (payments)	261,040	-	-
Net cash provided by (used in) operating activities	<u>(426,905)</u>	<u>5,763,620</u>	<u>123,093</u>
Cash flows from noncapital financing activities:			
Transfers in	10,561,961	1,030,605	37,300
Transfers out	-	(5,960,700)	-
Advances from other funds of the primary government	-	-	-
Payments to other funds of the primary government	(635,091)	-	-
Interest paid	(34,441)	-	-
Net cash provided by (used in) noncapital financing activities	<u>9,892,429</u>	<u>(4,930,095)</u>	<u>37,300</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(9,921,361)	(859,218)	(985,000)
Proceeds from the sale of property	826,394	-	399
Net cash provided by (used in) capital and related financing activities	<u>(9,094,967)</u>	<u>(859,218)</u>	<u>(984,601)</u>
Cash flows from investing activities:			
Interest on investments	-	64,275	54,854
Net cash provided by (used in) investing activities	<u>-</u>	<u>64,275</u>	<u>54,854</u>
Net changes in cash and cash equivalents	370,557	38,582	(769,354)
Cash and cash equivalents at beginning of year	-	4,413,748	3,490,129
Cash and cash equivalents at end of year	<u>\$ 370,557</u>	<u>\$ 4,452,330</u>	<u>\$ 2,720,775</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, 2009

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	School Central Storeroom	Metro Postal Service
\$ -	\$ 6,142,491	\$ 65,733,867	\$ 166,753,772	\$ 3,140,636	\$ 1,042,074	\$ 1,020,014
(544,612)	(5,742,676)	(71,353,897)	(155,211,070)	(14,699,923)	(529,905)	(649,356)
-	-	(87,710)	(109,580)	-	(641,304)	(217,186)
42,153	(1,643)	(599,929)	-	-	-	-
(502,459)	398,172	(6,307,669)	11,433,122	(11,559,287)	(129,135)	153,472
500,000	497,943	-	2,101,916	10,845,400	-	8,700
(6,668)	(2,056,900)	-	(140,100)	-	-	-
-	-	-	-	-	129,135	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
493,332	(1,558,957)	-	1,961,816	10,845,400	129,135	8,700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
63,776	354,703	188,405	517,686	87,113	-	6,403
63,776	354,703	188,405	517,686	87,113	-	6,403
54,649	(806,082)	(6,119,264)	13,912,624	(626,774)	-	168,575
3,863,072	24,074,024	15,175,895	23,370,079	4,865,104	-	352,018
\$ 3,917,721	\$ 23,267,942	\$ 9,056,631	\$ 37,282,703	\$ 4,238,330	\$ -	\$ 520,593

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, 2009

	Real Property Services	Treasury Management	Technology Revolving	Human Resources
Cash flows from operating activities:				
Receipts from customers and users	\$ 443,880	\$ 1,122,852	\$ 289,472	\$ 362,364
Payments to suppliers	(25,003)	(174,759)	(382,420)	(426,600)
Payments to employees	(50,708)	(647,313)	-	(158,377)
Other receipts (payments)	-	-	-	(274,874)
Net cash provided by (used in) operating activities	368,169	300,780	(92,948)	(497,487)
Cash flows from noncapital financing activities:				
Transfers in	-	13,800	-	-
Transfers out	(236,767)	(319,400)	-	(2,417,324)
Advances from other funds of the primary government	-	-	-	-
Payments to other funds of the primary government	(74,646)	-	-	-
Interest paid	-	(516)	-	-
Net cash provided by (used in) noncapital financing activities	(311,413)	(306,116)	-	(2,417,324)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	-	-
Proceeds from the sale of property	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-	-
Cash flows from investing activities:				
Interest on investments	929	-	2,341	42,364
Net cash provided by (used in) investing activities	929	-	2,341	42,364
Net changes in cash and cash equivalents	57,685	(5,336)	(90,607)	(2,872,447)
Cash and cash equivalents at beginning of year	-	93,633	123,371	2,873,844
Cash and cash equivalents at end of year	\$ 57,685	\$ 88,297	\$ 32,764	\$ 1,397

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, 2009

Finance Services	General Services	School Print Shop	Internal Audit	Total Internal Service Funds
\$ (3,690)	\$ 21,276,235	\$ 853,548	\$ -	\$ 310,518,454
(47,385)	(16,738,522)	(291,815)	(64,301)	(288,165,896)
(253,456)	(3,333,573)	(421,960)	(28,279)	(21,807,965)
(111,236)	(179,552)	-	(81,072)	(945,113)
(415,767)	1,024,588	139,773	(173,652)	(400,520)
-	526,962	-	-	26,124,587
(1,016,938)	(2,352,670)	-	(691,403)	(15,198,870)
-	-	-	-	129,135
-	-	-	-	(709,737)
-	-	-	-	(34,957)
(1,016,938)	(1,825,708)	-	(691,403)	10,310,158
-	(99,742)	(47,113)	-	(11,912,434)
-	-	-	-	826,793
-	(99,742)	(47,113)	-	(11,085,641)
18,298	11,197	10,116	12,314	1,434,774
18,298	11,197	10,116	12,314	1,434,774
(1,414,407)	(889,665)	102,776	(852,741)	258,771
1,414,997	1,926,043	533,239	853,145	87,422,341
\$ 590	\$ 1,036,378	\$ 636,015	\$ 404	\$ 87,681,112

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, 2009

	Office of Fleet Management	Information Systems	Radio Shop
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (12,998,680)	\$ 5,097,006	\$ (441,809)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	12,376,664	600,693	606,189
Other receipts (payments)	261,040	-	-
Changes in assets and liabilities:			
Accounts receivable	6,468	(30,191)	9,630
Due from other funds of the primary government	814,646	44,941	36,052
Due from component units	-	5,273	-
Inventories of supplies	69,980	-	(41,898)
Other current assets	-	52,733	-
Accounts payable	(1,002,793)	(49,023)	(65,071)
Accrued payroll	21,278	31,764	23,835
Claims payable	-	-	-
Due to other funds of the primary government	24,492	10,424	(3,835)
Other current liabilities	-	-	-
Total adjustments	12,571,775	666,614	564,902
Net cash provided by (used in) operating activities	\$ (426,905)	\$ 5,763,620	\$ 123,093
<u>Non-Cash Capital, Financing and Investing Activities:</u>			
Transfer of capital assets from (to) other funds	\$ -	\$ -	\$ -

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOW  
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2009

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty	School Central Storeroom	Metro Postal Service
\$ (925,938)	\$ (1,049,605)	\$ (5,546,140)	\$ 1,255,649	\$ (10,509,255)	\$ (144,293)	\$ (53,550)
-	-	-	-	-	-	-
42,153	(1,643)	(599,929)	-	-	-	-
-	-	(78,238)	963,795	(83)	280	-
-	35,916	(172,429)	7,768,574	-	13,004	(7,782)
-	-	-	-	-	-	(123)
-	-	-	-	-	(34,966)	-
-	-	-	-	-	-	166,025
142,738	(96,166)	295,862	(1,113,704)	(1,284,498)	32,065	49,870
-	(11,402)	-	-	-	1,920	(2,347)
44,227	1,498,686	(207,970)	2,587,000	125,000	-	-
194,361	22,386	1,175	(28,192)	109,549	2,855	1,379
-	-	-	-	-	-	-
423,479	1,447,777	(761,529)	10,177,473	(1,050,032)	15,158	207,022
\$ (502,459)	\$ 398,172	\$ (6,307,669)	\$ 11,433,122	\$ (11,559,287)	\$ (129,135)	\$ 153,472
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2009

	Real Property Services	Treasury Management	Technology Revolving	Human Resources
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (25,038)	\$ 299,934	\$ (106,957)	\$ (24,775)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	-	-
Other receipts (payments)	-	-	-	(274,874)
Changes in assets and liabilities:				
Accounts receivable	-	-	2,218	-
Due from other funds of the primary government	443,880	(7,765)	(36,628)	362,364
Due from component units	-	-	-	-
Inventories of supplies	-	-	-	-
Other current assets	-	-	-	(11)
Accounts payable	(3,870)	606	-	(400,830)
Accrued payroll	(46,137)	8,165	48,419	(158,377)
Claims payable	-	-	-	-
Due to other funds of the primary government	(666)	(1,148)	-	(984)
Other current liabilities	-	988	-	-
Total adjustments	393,207	846	14,009	(472,712)
Net cash provided by (used in) operating activities	<u>\$ 368,169</u>	<u>\$ 300,780</u>	<u>\$ (92,948)</u>	<u>\$ (497,487)</u>
<u>Non-Cash Capital, Financing and Investing Activities:</u>				
Transfer of capital assets from (to) other funds	\$ -	\$ -	\$ -	\$ -

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, 2009

Finance Services	General Services	School Print Shop	Internal Audit	Total Internal Service Funds
<u>\$ (25,188)</u>	<u>\$ 1,610,964</u>	<u>\$ 43,239</u>	<u>\$ (13,601)</u>	<u>\$ (23,558,037)</u>
-	28,830	19,378	-	13,631,754
(111,236)	(179,552)	-	(81,072)	(945,113)
-	19,732	1,224	-	894,835
(3,690)	(150,313)	92,061	-	9,232,831
-	-	-	-	5,150
-	-	-	-	(6,884)
-	-	(4,152)	-	214,595
(11,445)	(137,354)	(12,477)	(2,999)	(3,659,089)
(253,456)	(32,138)	2,203	(28,279)	(394,552)
-	-	-	-	4,046,943
(10,752)	(135,581)	(1,703)	(47,701)	136,059
-	-	-	-	988
<u>(390,579)</u>	<u>(586,376)</u>	<u>96,534</u>	<u>(160,051)</u>	<u>23,157,517</u>
<u>\$ (415,767)</u>	<u>\$ 1,024,588</u>	<u>\$ 139,773</u>	<u>\$ (173,652)</u>	<u>\$ (400,520)</u>
\$ -	\$ (19,143)	\$ -	\$ (1,651)	\$ (20,794)

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**

NASHVILLE CONVENTION CENTER

The Nashville Convention Center was created for the purpose of providing meeting and exhibit space for conventions, trade shows and business, on a user charge basis. The operations of the Nashville Convention Center are supported in part by allocations from hotel occupancy tax collections.

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.

POLICE SECONDARY EMPLOYMENT

The Police Secondary Employment Unit coordinates the scheduling of off duty police officers to provide security as requested by Metropolitan Government agencies and private entities when the presence of an officer and police vehicle during certain events and activities would help protect the safety of the public. Revenues are collected from the requesting agency or private entity to cover the cost of these services.

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.

SCHOOL COMMUNITY EDUCATION

School Community Education provides classes and other educational services to the citizens of the Nashville community, on a user fee basis. The operations of School Community Education are supported in part by transfers from the General Fund and from the General Purpose School Fund.

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

**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.

RADIO SHOP FUND

The Radio Shop Fund is under the administrative responsibility of the Department of General Services. The Radio Shop acts as the central service agency with regard to the acquisition, use, maintenance and replacement of radio equipment owned by the Government.

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF PROPRIETARY FUNDS (CONTINUED)

SCHOOL CENTRAL STOREROOM FUND

The School Central Storeroom Fund is under the administrative responsibility of the Metropolitan Nashville Public Schools. It is used to account for the operations of the central storeroom and derives its revenues from internal charges to schools for supplies.

METRO POSTAL SERVICE FUND

The Metro Postal Service Fund is under the administrative responsibility of the Department of General Services. It is used to account for the self-supporting Metro Postal Service, which derives its revenue from internal charges to various departments for postal charges.

REAL PROPERTY SERVICES FUND

The Real Property Services Fund was under the administrative responsibility of the Department of Finance. The responsibilities of Real Property Services included planning and design for the effective and consistent use of facilities and management of all Metro facility related construction projects. For the year ended June 30, 2009, the majority of these operations were transferred to the Department of General Services and the Real Property Services Fund was effectively closed.

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.

HUMAN RESOURCES FUND

The Human Resources Fund was under the administrative responsibility of the Department of Human Resources and was used to account for its various programs such as the management of compensation and benefits, recruitment and employee training. Revenues were derived from internal charges to various departments using bases such as numbers of employees and services provided. For the year ended June 30, 2009, these operations were transferred to the General Fund and the Human Resources Fund was effectively closed.

FINANCE SERVICES FUND

The Finance Services Fund was under the administrative responsibility of the Department of Finance and was used to account for various Finance programs including accounting, payroll, budgets and purchasing. Revenues were derived from internal charges to various departments using bases such as numbers of transactions and departmental expenditures. For the year ended June 30, 2009, these operations were transferred to the General Fund and the Finance Services Fund was effectively closed.

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

GENERAL SERVICES FUND

The General Services Fund is under the administrative responsibility of the Department of General Services and is used to account for facilities maintenance and security. Revenues are derived from internal charges to various departments based on square footage.

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.

INTERNAL AUDIT FUND

The Internal Audit Fund was under the administrative responsibility of the Department of Internal Audit and was used to account for the Government's internal audit program. Revenues were derived from internal charges to various departments based on departmental expenditures. For the year ended June 30, 2009, these operations were transferred to the General Fund and the Internal Audit Fund was effectively closed.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

June 30, 2009

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
<b>ASSETS:</b>				
Cash and cash equivalents	\$ -	\$ 46,074,275	\$ -	\$ 2,988,900
Investments, at fair value:				
Commercial mortgage backed securities	-	24,939,661	-	-
Government mortgage backed securities	-	67,221,599	-	-
Government bonds	-	47,929,577	-	-
Government agencies	-	54,541,804	-	29,894
Corporate bonds and notes	-	326,801,122	-	8,374,078
Warrants and options	-	5,234,007	-	-
Common stock	816,030	828,494,401	3,218,828	33,601,090
Preferred stock	-	2,742,769	-	208,445
Mortgages and real estate	-	101,912,028	-	-
Collateralized mortgage obligations	-	14,658,800	-	-
Venture capital and partnerships	-	79,609,949	-	-
Asset backed securities	-	6,554,568	-	-
Cash collateral received - securities lending program	-	154,978,956	-	9,724,158
Annuities	-	226,619	-	-
Accounts receivable	-	23,699,573	230,084	1,270,535
Accrued interest receivable	-	4,275,178	-	3,256
Due from other funds of the primary government	365,858	22,042	1,003,832	1,194,511
Other assets	-	-	-	-
<b>Total assets</b>	<b>1,181,888</b>	<b>1,789,916,928</b>	<b>4,452,744</b>	<b>57,394,867</b>
<b>LIABILITIES:</b>				
Accounts payable	17	5,362,948	72	263,725
Due to brokers	-	24,980,085	-	29,516
Payable for collateral received - securities lending program	-	154,978,956	-	9,724,158
Due to other funds of the primary government	-	172,496	-	8,640
Due to component units	-	1,550	-	-
<b>Total liabilities</b>	<b>17</b>	<b>185,496,035</b>	<b>72</b>	<b>10,026,039</b>
<b>NET ASSETS:</b>				
Held in trust for pension benefits (A Schedule of Funding Progress for each pension plan is presented as Required Supplementary Information.)	1,181,871	1,604,420,893	4,452,672	47,368,828
Held in trust for other employee benefits	-	-	-	-
<b>Total net assets</b>	<b>\$ 1,181,871</b>	<b>\$ 1,604,420,893</b>	<b>\$ 4,452,672</b>	<b>\$ 47,368,828</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (CONTINUED)

June 30, 2009

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
\$ -	\$ -	\$ 3,128,300	\$ 306,507	\$ 52,497,982
-	-	-	-	24,939,661
-	-	-	-	67,221,599
-	-	-	-	47,929,577
-	-	-	-	54,571,698
-	-	-	-	335,175,200
-	-	-	-	5,234,007
3,782,300	2,086,188	-	-	871,998,837
-	-	-	-	2,951,214
-	-	-	-	101,912,028
-	-	-	-	14,658,800
-	-	-	-	79,609,949
-	-	-	-	6,554,568
-	-	-	-	164,703,114
-	-	-	-	226,619
-	156,886	45,838	-	25,402,916
-	-	1,521	197	4,280,152
1,758,506	584,877	-	-	4,929,626
-	-	-	31,802	31,802
<u>5,540,806</u>	<u>2,827,951</u>	<u>3,175,659</u>	<u>338,506</u>	<u>1,864,829,349</u>
83	47	-	45,007	5,671,899
-	-	-	-	25,009,601
-	-	-	-	164,703,114
-	-	2,101,916	-	2,283,052
-	-	-	-	1,550
<u>83</u>	<u>47</u>	<u>2,101,916</u>	<u>45,007</u>	<u>197,669,216</u>
5,540,723	2,827,904	-	-	1,665,792,891
-	-	1,073,743	293,499	1,367,242
<u>\$ 5,540,723</u>	<u>\$ 2,827,904</u>	<u>\$ 1,073,743</u>	<u>\$ 293,499</u>	<u>\$ 1,667,160,133</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 ASSETS  
 FIDUCIARY FUNDS  
 AGENCY FUNDS

June 30, 2009

	Richard R. Rooker, Circuit Court Clerk	Cristi Scott, Clerk and Master	John Arriola, County Clerk	David Torrence, Criminal Court Clerk	Bill Garrett, County Register
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 19,105,391	\$ 4,200,418	\$ -	\$ 8,964,877	\$ 3,218,481
Investments:					
Mortgages and real estate	-	-	-	1,619,018	-
Mutual funds	-	8,895	-	-	-
Accrued interest receivable	-	-	-	-	-
Other assets	-	-	-	-	38,906
<b>Total assets</b>	<b>\$ 19,105,391</b>	<b>\$ 4,209,313</b>	<b>\$ -</b>	<b>\$ 10,583,895</b>	<b>\$ 3,257,387</b>
<b>LIABILITIES:</b>					
Funds held in trust	\$ 15,019,013	\$ 4,198,466	\$ -	\$ 8,573,963	\$ -
Other liabilities	4,086,378	10,847	-	2,009,932	3,257,387
<b>Total liabilities</b>	<b>\$ 19,105,391</b>	<b>\$ 4,209,313</b>	<b>\$ -</b>	<b>\$ 10,583,895</b>	<b>\$ 3,257,387</b>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 AGENCY FUNDS (CONTINUED)

June 30, 2009

Vic Lineweaver, Juvenile Court Clerk	Sold Property Tax Receivables	Sheriff Work Release and Inmate Trust	Planning Performance Bonds	Total Agency Funds
\$ 2,395,783	\$ 2,036,974	\$ 303,574	\$ 268,810	\$ 40,494,308
-	-	-	-	1,619,018
-	-	-	-	8,895
-	837	-	-	837
-	-	-	-	38,906
<u>\$ 2,395,783</u>	<u>\$ 2,037,811</u>	<u>\$ 303,574</u>	<u>\$ 268,810</u>	<u>\$ 42,161,964</u>
\$ 1,990,335	\$ 2,037,811	\$ 303,574	\$ 268,810	\$ 32,391,972
405,448	-	-	-	9,769,992
<u>\$ 2,395,783</u>	<u>\$ 2,037,811</u>	<u>\$ 303,574</u>	<u>\$ 268,810</u>	<u>\$ 42,161,964</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 ASSETS  
FIDUCIARY FUNDS - PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

For the Year Ended June 30, 2009

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
<b>ADDITIONS:</b>				
Investment income:				
Interest and dividend income	\$ 30,184	\$ 53,783,910	\$ 92,746	\$ 732,605
Net appreciation (depreciation) of investments	(303,390)	(485,159,181)	(807,066)	(11,644,505)
Miscellaneous	-	171,126	-	572
Net increase (decrease) in fair value of investments	(273,206)	(431,204,145)	(714,320)	(10,911,328)
Net income earned on securities lending transactions:				
Securities lending income	-	2,593,187	-	188,456
Securities lending expense	-	(1,202,037)	-	(107,413)
Net income earned on securities lending transactions	-	1,391,150	-	81,043
Less investment expenses	-	(6,039,223)	(111)	(305,889)
Net investment income (loss)	(273,206)	(435,852,218)	(714,431)	(11,136,174)
Contributions:				
Employee contributions	-	87,371	-	11,067
Employer contributions	1,999,602	72,561,790	6,133,816	12,192,584
Transfers in	-	68,468	-	-
Contributions from the State of Tennessee	-	-	2,804,078	15,372,036
Miscellaneous	-	-	-	-
Total contributions	1,999,602	72,717,629	8,937,894	27,575,687
Total additions	1,726,396	(363,134,589)	8,223,463	16,439,513
<b>DEDUCTIONS:</b>				
Pension and other employee benefits	1,999,602	97,176,607	8,707,670	36,288,604
Refunds of contributions	-	100,243	-	-
Administrative expenses	-	2,603,926	-	55,358
Transfers out	-	115,000	-	-
Total deductions	1,999,602	99,995,776	8,707,670	36,343,962
Change in net assets	(273,206)	(463,130,365)	(484,207)	(19,904,449)
NET ASSETS, beginning of year	1,455,077	2,067,551,258	4,936,879	67,273,277
NET ASSETS, end of year	\$ 1,181,871	\$ 1,604,420,893	\$ 4,452,672	\$ 47,368,828

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 ASSETS  
FIDUCIARY FUNDS - PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (CONTINUED)

For the Year Ended June 30, 2009

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
\$ 141,252	\$ 57,477	\$ 33,494	\$ 10,207	\$ 54,881,875
(1,416,635)	(490,739)	-	-	(499,821,516)
-	-	-	-	171,698
(1,275,383)	(433,262)	33,494	10,207	(444,767,943)
-	-	-	-	2,781,643
-	-	-	-	(1,309,450)
-	-	-	-	1,472,193
-	-	-	(7,303)	(6,352,526)
(1,275,383)	(433,262)	33,494	2,904	(449,648,276)
-	-	1,340,945	822,332	2,261,715
9,391,466	3,796,290	-	-	106,075,548
-	-	-	453,302	521,770
-	1,930,101	-	-	20,106,215
-	-	1,937,520	-	1,937,520
9,391,466	5,726,391	3,278,465	1,275,634	130,902,768
8,116,083	5,293,129	3,311,959	1,278,538	(318,745,508)
9,391,466	5,569,505	1,537,952	704,295	161,375,701
-	-	-	-	100,243
-	-	-	-	2,659,284
-	-	2,101,916	453,302	2,670,218
9,391,466	5,569,505	3,639,868	1,157,597	166,805,446
(1,275,383)	(276,376)	(327,909)	120,941	(485,550,954)
6,816,106	3,104,280	1,401,652	172,558	2,152,711,087
\$ 5,540,723	\$ 2,827,904	\$ 1,073,743	\$ 293,499	\$ 1,667,160,133

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 - AGENCY FUNDS

For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Richard R. Rooker, Circuit Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 21,850,183	\$ 65,451,281	\$ 68,196,073	\$ 19,105,391
Other assets	10,228	-	10,228	-
Total assets	<u>\$ 21,860,411</u>	<u>\$ 65,451,281</u>	<u>\$ 68,206,301</u>	<u>\$ 19,105,391</u>
LIABILITIES:				
Funds held in trust	\$ 17,533,863	\$ 40,180,096	\$ 42,694,946	\$ 15,019,013
Other liabilities	4,326,548	25,271,185	25,511,355	4,086,378
Total liabilities	<u>\$ 21,860,411</u>	<u>\$ 65,451,281</u>	<u>\$ 68,206,301</u>	<u>\$ 19,105,391</u>
 <u>Cristi Scott, Clerk and Master</u>				
ASSETS:				
Cash and cash equivalents	\$ 4,096,507	\$ 22,118,589	\$ 22,014,678	\$ 4,200,418
Mutual funds	12,440	-	3,545	8,895
Total assets	<u>\$ 4,108,947</u>	<u>\$ 22,118,589</u>	<u>\$ 22,018,223</u>	<u>\$ 4,209,313</u>
LIABILITIES:				
Funds held in trust	\$ 4,097,503	\$ 22,056,098	\$ 21,955,135	\$ 4,198,466
Other liabilities	11,444	62,491	63,088	10,847
Total liabilities	<u>\$ 4,108,947</u>	<u>\$ 22,118,589</u>	<u>\$ 22,018,223</u>	<u>\$ 4,209,313</u>
 <u>John Arriola, County Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ -	\$ 159,491,687	\$ 159,491,687	\$ -
LIABILITIES:				
Due to other funds of the primary government	\$ -	\$ 159,491,687	\$ 159,491,687	\$ -
 <u>David Torrence, Criminal Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 9,973,845	\$ 12,939,430	\$ 13,948,398	\$ 8,964,877
Corporate bonds and notes	10,000	-	10,000	-
Mortgages and real estate	665,618	953,400	-	1,619,018
Total assets	<u>\$ 10,649,463</u>	<u>\$ 13,892,830</u>	<u>\$ 13,958,398</u>	<u>\$ 10,583,895</u>
LIABILITIES:				
Funds held in trust	\$ 8,919,938	\$ -	\$ 345,975	\$ 8,573,963
Other liabilities	1,729,525	14,228,805	13,948,398	2,009,932
Total liabilities	<u>\$ 10,649,463</u>	<u>\$ 14,228,805</u>	<u>\$ 14,294,373</u>	<u>\$ 10,583,895</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 - AGENCY FUNDS (CONTINUED)

For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Bill Garrett, County Register</u>				
ASSETS:				
Cash and cash equivalents	\$ 3,527,715	\$ 21,531,667	\$ 21,840,901	\$ 3,218,481
Other assets	55,772	-	16,866	38,906
Total assets	<u>\$ 3,583,487</u>	<u>\$ 21,531,667</u>	<u>\$ 21,857,767</u>	<u>\$ 3,257,387</u>
LIABILITIES:				
Due to other funds of the primary government	\$ -	\$ 3,936,254	\$ 3,936,254	\$ -
Other liabilities	3,583,487	17,595,413	17,921,513	3,257,387
Total liabilities	<u>\$ 3,583,487</u>	<u>\$ 21,531,667</u>	<u>\$ 21,857,767</u>	<u>\$ 3,257,387</u>
 <u>Vic Lineweaver, Juvenile Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 2,378,775</u>	<u>\$ 6,297,954</u>	<u>\$ 6,280,946</u>	<u>\$ 2,395,783</u>
LIABILITIES:				
Funds held in trust	\$ 2,048,237	\$ 154,367	\$ 212,269	\$ 1,990,335
Other liabilities	330,538	6,143,587	6,068,677	405,448
Total liabilities	<u>\$ 2,378,775</u>	<u>\$ 6,297,954</u>	<u>\$ 6,280,946</u>	<u>\$ 2,395,783</u>
 <u>Sold Property Tax Receivables</u>				
ASSETS:				
Cash and cash equivalents	\$ 463,916	\$ 31,841,776	\$ 30,268,718	\$ 2,036,974
Accrued interest receivable	2,535	6,673	8,371	837
Due from other funds of the primary government	1,664,554	-	1,664,554	-
Total assets	<u>\$ 2,131,005</u>	<u>\$ 31,848,449</u>	<u>\$ 31,941,643</u>	<u>\$ 2,037,811</u>
LIABILITIES:				
Funds held in trust	<u>\$ 2,131,005</u>	<u>\$ 31,848,449</u>	<u>\$ 31,941,643</u>	<u>\$ 2,037,811</u>
 <u>Sheriff Work Release and Inmate Trust</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 708,540</u>	<u>\$ 3,056,460</u>	<u>\$ 3,461,426</u>	<u>\$ 303,574</u>
LIABILITIES:				
Funds held in trust	<u>\$ 708,540</u>	<u>\$ 3,056,460</u>	<u>\$ 3,461,426</u>	<u>\$ 303,574</u>
 <u>Planning Performance Bonds</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 268,810</u>	<u>\$ -</u>	<u>\$ 268,810</u>
LIABILITIES:				
Funds held in trust	<u>\$ -</u>	<u>\$ 268,810</u>	<u>\$ -</u>	<u>\$ 268,810</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 - AGENCY FUNDS (CONTINUED)

For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Totals - All Agency Funds</u>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 42,999,481	\$ 322,997,654	\$ 325,502,827	\$ 40,494,308
Investments:				
Corporate bonds and notes	10,000	-	10,000	-
Mortgages and real estate	665,618	953,400	-	1,619,018
Mutual funds	12,440	-	3,545	8,895
Accrued interest receivable	2,535	6,673	8,371	837
Due from other funds of the primary government	1,664,554	-	1,664,554	-
Other assets	66,000	-	27,094	38,906
Total assets	<u>\$ 45,420,628</u>	<u>\$ 323,957,727</u>	<u>\$ 327,216,391</u>	<u>\$ 42,161,964</u>
<b>LIABILITIES:</b>				
Due to other funds of the primary government	\$ -	\$ 3,936,254	\$ 3,936,254	\$ -
Funds held in trust	35,439,086	97,564,280	100,611,394	32,391,972
Other liabilities	9,981,542	63,301,481	63,513,031	9,769,992
Total liabilities	<u>\$ 45,420,628</u>	<u>\$ 164,802,015</u>	<u>\$ 168,060,679</u>	<u>\$ 42,161,964</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 Division A & B of the Metro Plan. Division B of the Metro Plan is the only plan open to new members. This fund receives contributions from both employees and from 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 cover certain employees of the former City of Nashville and were 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  
Cristi Scott, Clerk and Master  
John Arriola, County Clerk  
David Torrence, Criminal Court Clerk  
Bill Garrett, County Register  
Vic Lineweaver, 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 buyer 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, 2009

ASSETS:	
Cash and cash equivalents	\$ 6,227,459
Investments	507,147
Accounts receivable	711,203
Accrued interest receivable	873
Due from the primary government	<u>1,730,399</u>
Total assets	<u>\$ 9,177,081</u>
LIABILITIES:	
Accounts payable	\$ 2,018,062
Accrued payroll	6,708
Due to the primary government	288
Deferred revenue	<u>295,697</u>
Total liabilities	<u>2,320,755</u>
FUND BALANCES:	
Undesignated	<u>6,856,326</u>
Total fund balances	<u>6,856,326</u>
Total liabilities and fund balances	<u>\$ 9,177,081</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 ASSETS  
 SPORTS AUTHORITY

June 30, 2009

Fund balances	\$	6,856,326
<p>Amounts reported in the Statement of Net Assets are different because:</p>		
<p>Capital assets of governmental component units are not financial resources and therefore not reported in the Balance Sheet. However, they are reported in the Statement of Net Assets. This amount represents the net book value of capital assets at year-end.</p>		
		338,701,420
<p>Long-term liabilities, including revenue bonds payable, are not due and payable in the current period and therefore are not reported by governmental component units in the Balance Sheet. However, they are reported in the Statement of Net Assets. Additionally, related interest is accrued when incurred in the Statement of Net Assets.</p>		
Revenue bonds payable		(72,620,000)
Less deferred charge on refunding		4,178,702
Less deferred charge for issuance costs		574,172
Add bond premium		(1,100,550)
Accrued interest payable		(1,698,903)
<p>Deferred revenues reported in the governmental component unit funds are recognized as revenues in the governmental component unit activities.</p>		
		295,697
Net assets	\$	275,186,864

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, 2009

REVENUES:	
Local option sales tax	\$ 142,534
Revenues from the use of money or property	54,956
Revenues from other governmental agencies	24,304,140
Charges for current services	2,321,005
Compensation for loss, sale or damage to property	666,395
Contributions and gifts	<u>88,832</u>
Total revenues	<u>27,577,862</u>
EXPENDITURES:	
Personal services	152,108
Contractual services	18,496,223
Supplies and materials	1,561
Other costs	314,507
Capital outlay	908,695
Compensation for damages	111,323
Debt service:	
Principal retirement	3,235,000
Interest	<u>3,454,665</u>
Total expenditures	<u>26,674,082</u>
Net change in fund balances	903,780
FUND BALANCES, beginning of year	<u>5,952,546</u>
FUND BALANCES, end of year	<u><u>\$ 6,856,326</u></u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 SPORTS AUTHORITY

For the Year Ended June 30, 2009

Net change in fund balances \$ 903,780

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	908,695
Depreciation expense	(9,917,325)

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 assets differs from the change in fund balances by the net book value of the capital assets sold. (9,386)

Governmental component units report the repayment of bond principal and the payment of interest as expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances. However, principal repayments reduce liabilities and interest expense is accrued when incurred in the Statement of Net Assets. Also, governmental component units report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized for the Statement of Activities.

Principal repayments	3,235,000
Amortization of deferred charge on refunding	(245,806)
Amortization of issuance costs	(33,775)
Amortization of premium	64,738
Change in accrued interest	56,859

Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds. 54,838

Change in net assets \$ (4,982,382)

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, 2009

ASSETS:

Cash and cash equivalents

\$ 412,533

Total assets

\$ 412,533

LIABILITIES:

Accounts payable

\$ 11,209

Total liabilities

11,209

FUND BALANCES:

Undesignated

401,324

Total fund balances

401,324

Total liabilities and fund balances

\$ 412,533

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, 2009

REVENUES:	
Charges for current services	\$ 4,855
	<u>4,855</u>
Total revenues	<u>4,855</u>
EXPENDITURES:	
Contractual services	3,531
Other costs	2,767
	<u>6,298</u>
Total expenditures	<u>6,298</u>
Net change in fund balances	(1,443)
FUND BALANCES, beginning of year	<u>402,767</u>
FUND BALANCES, end of year	<u>\$ 401,324</u>

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





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF COMBINING BALANCE SHEETS  
GENERAL FUND

June 30, 2009

	General Services District	Urban Services District	Total General Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 15,240,115	\$ 28,378,306	\$ 43,618,421
Sales tax receivable	13,686,425	-	13,686,425
Accounts receivable	61,839,106	1,889,391	63,728,497
Accrued interest receivable	11,207	13,626	24,833
Property taxes receivable	350,463,401	72,906,023	423,369,424
Allowance for doubtful accounts	(31,940,828)	(1,502,099)	(33,442,927)
Due from other funds of the primary government	8,829,750	29,513	8,859,263
Due from component units	48,179,276	-	48,179,276
Inventories of supplies	273,428	-	273,428
Other assets	83,749	-	83,749
	<u>\$ 466,665,629</u>	<u>\$ 101,714,760</u>	<u>\$ 568,380,389</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 9,848,403	\$ 830,142	\$ 10,678,545
Accrued payroll	19,235,793	2,621,150	21,856,943
Due to other funds of the primary government	22,762,706	3,955,741	26,718,447
Due to component units	324,660	-	324,660
Deferred revenue	353,229,614	72,123,762	425,353,376
Other liabilities	3,721,901	-	3,721,901
	<u>409,123,077</u>	<u>79,530,795</u>	<u>488,653,872</u>
FUND BALANCES:			
Reserved for imprest cash and inventories	436,991	3,000	439,991
Reserved for long-term receivable from General Hospital	31,948,700	-	31,948,700
Unreserved:			
Undesignated	25,156,861	22,180,965	47,337,826
	<u>57,542,552</u>	<u>22,183,965</u>	<u>79,726,517</u>
Total fund balances	<u>57,542,552</u>	<u>22,183,965</u>	<u>79,726,517</u>
Total liabilities and fund balances	<u>\$ 466,665,629</u>	<u>\$ 101,714,760</u>	<u>\$ 568,380,389</u>

See accompanying accountants' 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, 2009

	General Services District	Urban Services District	Total General Fund
<b>REVENUES:</b>			
Property taxes	\$ 351,342,172	\$ 84,263,384	\$ 435,605,556
Local option sales tax	86,346,221	-	86,346,221
Other taxes, licenses and permits	81,926,553	16,568,259	98,494,812
Fines, forfeits and penalties	13,325,113	-	13,325,113
Revenues from the use of money or property	908,832	144,323	1,053,155
Revenues from other governmental agencies	82,544,447	7,402,785	89,947,232
Commissions and fees	16,599,245	-	16,599,245
Charges for current services	28,273,342	940,032	29,213,374
Compensation for loss, sale or damage to property	314,660	-	314,660
Contributions and gifts	604,355	-	604,355
Miscellaneous	1,615,211	-	1,615,211
Total revenues	<u>663,800,151</u>	<u>109,318,783</u>	<u>773,118,934</u>
<b>EXPENDITURES:</b>			
General government	26,623,136	-	26,623,136
Fiscal administration	24,112,437	-	24,112,437
Administration of justice	56,871,162	-	56,871,162
Law enforcement and care of prisoners	211,373,327	-	211,373,327
Fire prevention and control	43,596,526	63,438,311	107,034,837
Regulation and inspection	7,951,586	-	7,951,586
Conservation of natural resources	407,442	-	407,442
Public welfare	7,460,432	-	7,460,432
Public health and hospitals	83,419,885	-	83,419,885
Public library system	19,891,826	-	19,891,826
Public works, highways and streets	25,686,680	8,100,575	33,787,255
Recreational and cultural	35,539,361	-	35,539,361
Employee benefits	41,433,598	20,986,529	62,420,127
Miscellaneous	38,896,268	1,364,535	40,260,803
Total expenditures	<u>623,263,666</u>	<u>93,889,950</u>	<u>717,153,616</u>
Excess of revenues over expenditures	<u>40,536,485</u>	<u>15,428,833</u>	<u>55,965,318</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	21,698,528	161,000	21,859,528
Transfers out	(54,296,802)	(6,919,500)	(61,216,302)
Total other financing sources (uses)	<u>(32,598,274)</u>	<u>(6,758,500)</u>	<u>(39,356,774)</u>
Net change in fund balances	7,938,211	8,670,333	16,608,544
FUND BALANCES, beginning of year	<u>49,604,341</u>	<u>13,513,632</u>	<u>63,117,973</u>
FUND BALANCES, end of year	<u>\$ 57,542,552</u>	<u>\$ 22,183,965</u>	<u>\$ 79,726,517</u>

See accompanying accountants' 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, 2009

	General Services District			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Property taxes	\$ 346,440,000	\$ 346,440,000	\$ 351,342,172	\$ 4,902,172
Local option sales tax	98,050,900	98,050,900	86,346,221	(11,704,679)
Other taxes, licenses and permits	88,316,700	88,316,700	81,926,553	(6,390,147)
Fines, forfeits and penalties	12,558,900	12,558,900	13,325,113	766,213
Revenues from the use of money or property	1,400,000	1,400,000	908,832	(491,168)
Revenues from other governmental agencies	80,495,700	80,603,000	82,544,447	1,941,447
Commissions and fees	16,923,000	16,923,000	16,599,245	(323,755)
Charges for current services	27,868,700	27,868,700	28,273,342	404,642
Compensation for loss, sale or damage to property	344,400	344,400	314,660	(29,740)
Contributions and gifts	658,300	658,441	604,355	(54,086)
Miscellaneous	1,084,700	1,084,700	1,615,211	530,511
Total revenues	<u>674,141,300</u>	<u>674,248,741</u>	<u>663,800,151</u>	<u>(10,448,590)</u>
EXPENDITURES:				
General government	27,989,900	28,290,200	26,623,136	1,667,064
Fiscal administration	25,631,700	25,659,300	24,112,437	1,546,863
Administration of justice	57,959,300	58,232,700	56,871,162	1,361,538
Law enforcement and care of prisoners	211,285,100	213,559,500	211,373,327	2,186,173
Fire prevention and control	47,227,500	44,145,830	43,596,526	549,304
Regulation and inspection	8,671,800	8,791,600	7,951,586	840,014
Conservation of natural resources	476,800	473,900	407,442	66,458
Public welfare	7,681,500	7,775,000	7,460,432	314,568
Public health and hospitals	84,095,700	83,999,200	83,419,885	579,315
Public library system	19,981,100	20,080,400	19,891,826	188,574
Public works, highways and streets	23,906,600	25,949,800	25,686,680	263,120
Recreational and cultural	34,467,800	34,914,506	35,539,361	(624,855)
Employee benefits	42,182,600	42,351,500	41,433,598	917,902
Miscellaneous	47,515,400	43,364,294	38,896,268	4,468,026
Total expenditures	<u>639,072,800</u>	<u>637,587,730</u>	<u>623,263,666</u>	<u>14,324,064</u>
Excess (deficiency) of revenues over expenditures	<u>35,068,500</u>	<u>36,661,011</u>	<u>40,536,485</u>	<u>3,875,474</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	17,615,700	17,740,700	21,698,528	3,957,828
Transfers out	(52,684,200)	(54,840,700)	(54,296,802)	543,898
Total other financing sources (uses)	<u>(35,068,500)</u>	<u>(37,100,000)</u>	<u>(32,598,274)</u>	<u>4,501,726</u>
Net change in fund balances	-	(438,989)	7,938,211	8,377,200
FUND BALANCES, beginning of year	<u>49,604,341</u>	<u>49,604,341</u>	<u>49,604,341</u>	-
FUND BALANCES, end of year	<u>\$ 49,604,341</u>	<u>\$ 49,165,352</u>	<u>\$ 57,542,552</u>	<u>\$ 8,377,200</u>

See accompanying accountants' 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, 2009

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		
\$ 79,206,300	\$ 79,206,300	\$ 84,263,384	\$ 5,057,084	\$ 425,646,300	\$ 425,646,300	\$ 435,605,556	\$ 9,959,256
-	-	-	-	98,050,900	98,050,900	86,346,221	(11,704,679)
15,076,100	15,076,100	16,568,259	1,492,159	103,392,800	103,392,800	98,494,812	(4,897,988)
-	-	-	-	12,558,900	12,558,900	13,325,113	766,213
400,000	400,000	144,323	(255,677)	1,800,000	1,800,000	1,053,155	(746,845)
4,784,300	4,784,300	7,402,785	2,618,485	85,280,000	85,387,300	89,947,232	4,559,932
-	-	-	-	16,923,000	16,923,000	16,599,245	(323,755)
878,000	878,000	940,032	62,032	28,746,700	28,746,700	29,213,374	466,674
100,000	100,000	-	(100,000)	444,400	444,400	314,660	(129,740)
-	-	-	-	658,300	658,441	604,355	(54,086)
-	-	-	-	1,084,700	1,084,700	1,615,211	530,511
<u>100,444,700</u>	<u>100,444,700</u>	<u>109,318,783</u>	<u>8,874,083</u>	<u>774,586,000</u>	<u>774,693,441</u>	<u>773,118,934</u>	<u>(1,574,507)</u>
-	-	-	-	27,989,900	28,290,200	26,623,136	1,667,064
-	-	-	-	25,631,700	25,659,300	24,112,437	1,546,863
-	-	-	-	57,959,300	58,232,700	56,871,162	1,361,538
-	-	-	-	211,285,100	213,559,500	211,373,327	2,186,173
60,139,700	63,438,311	63,438,311	-	107,367,200	107,584,141	107,034,837	549,304
-	-	-	-	8,671,800	8,791,600	7,951,586	840,014
-	-	-	-	476,800	473,900	407,442	66,458
-	-	-	-	7,681,500	7,775,000	7,460,432	314,568
-	-	-	-	84,095,700	83,999,200	83,419,885	579,315
-	-	-	-	19,981,100	20,080,400	19,891,826	188,574
9,131,800	8,180,200	8,100,575	79,625	33,038,400	34,130,000	33,787,255	342,745
-	-	-	-	34,467,800	34,914,506	35,539,361	(624,855)
21,104,300	21,104,300	20,986,529	117,771	63,286,900	63,455,800	62,420,127	1,035,673
3,149,400	2,430,300	1,364,535	1,065,765	50,664,800	45,794,594	40,260,803	5,533,791
<u>93,525,200</u>	<u>95,153,111</u>	<u>93,889,950</u>	<u>1,263,161</u>	<u>732,598,000</u>	<u>732,740,841</u>	<u>717,153,616</u>	<u>15,587,225</u>
6,919,500	5,291,589	15,428,833	10,137,244	41,988,000	41,952,600	55,965,318	14,012,718
-	-	161,000	161,000	17,615,700	17,740,700	21,859,528	4,118,828
(6,919,500)	(6,919,500)	(6,919,500)	-	(59,603,700)	(61,760,200)	(61,216,302)	543,898
<u>(6,919,500)</u>	<u>(6,919,500)</u>	<u>(6,758,500)</u>	<u>161,000</u>	<u>(41,988,000)</u>	<u>(44,019,500)</u>	<u>(39,356,774)</u>	<u>4,662,726</u>
-	(1,627,911)	8,670,333	10,298,244	-	(2,066,900)	16,608,544	18,675,444
13,513,632	13,513,632	13,513,632	-	63,117,973	63,117,973	63,117,973	-
<u>\$ 13,513,632</u>	<u>\$ 11,885,721</u>	<u>\$ 22,183,965</u>	<u>\$ 10,298,244</u>	<u>\$ 63,117,973</u>	<u>\$ 61,051,073</u>	<u>\$ 79,726,517</u>	<u>\$ 18,675,444</u>

See accompanying accountants' 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b><u>GENERAL GOVERNMENT:</u></b>				
Legislative (Office of Clerk and Council)	\$ 3,182,100	\$ 3,150,700	\$ 2,952,328	\$ 198,372
Executive (Office of the Mayor)	3,757,200	3,582,200	3,378,906	203,294
Election Commission	3,930,200	4,345,900	3,989,832	356,068
Department of Law	5,339,800	5,382,200	5,186,155	196,045
Planning Commission	3,874,900	3,914,100	3,766,434	147,666
Human Resources	4,803,200	4,812,600	4,436,412	376,188
County Register of Deeds	385,900	389,300	350,946	38,354
General Services	1,380,900	1,356,000	1,295,942	60,058
Historical Commission	667,500	672,300	616,554	55,746
Telecommunications	668,200	684,900	649,627	35,273
Total General Government	27,989,900	28,290,200	26,623,136	1,667,064
<b><u>FISCAL ADMINISTRATION:</u></b>				
Department of Finance	10,091,400	10,009,000	9,432,060	576,940
Assessor of Property	7,406,200	7,430,400	7,103,438	326,962
Metropolitan Trustee	2,035,700	2,048,600	1,939,677	108,923
County Clerk	4,664,200	4,689,700	4,449,717	239,983
Internal Audit	1,434,200	1,481,600	1,187,545	294,055
Total Fiscal Administration	25,631,700	25,659,300	24,112,437	1,546,863
<b><u>ADMINISTRATION OF JUSTICE:</u></b>				
District Attorney	4,959,500	4,968,700	5,061,724	(93,024)
Public Defender	5,639,100	5,637,200	5,453,576	183,624
Juvenile Court Clerk	1,605,800	1,627,700	1,641,313	(13,613)
Circuit Court Clerk	4,381,400	4,406,300	3,983,931	422,369
Criminal Court Clerk	5,807,200	5,785,400	5,531,917	253,483
Clerk and Master	1,860,400	1,845,600	1,798,992	46,608
Juvenile Court	12,108,500	11,723,300	11,333,036	390,264
General Sessions Court	10,959,300	10,943,300	10,908,527	34,773
State Trial Courts	7,965,600	8,585,300	8,544,857	40,443
Justice Information System	2,233,800	2,264,500	2,167,949	96,551
Criminal Justice Planning	438,700	445,400	445,340	60
Total Administration of Justice	57,959,300	58,232,700	56,871,162	1,361,538
<b><u>LAW ENFORCEMENT AND CARE OF PRISONERS:</u></b>				
Sheriff	57,058,600	57,680,400	57,605,359	75,041
Police Department	142,158,300	143,660,000	142,188,390	1,471,610
Emergency Communication Center	12,068,200	12,219,100	11,579,578	639,522
Total Law Enforcement and Care of Prisoners	211,285,100	213,559,500	211,373,327	2,186,173
<b><u>FIRE PREVENTION AND CONTROL:</u></b>				
Fire Department	47,227,500	44,145,830	43,596,526	549,304
<b><u>REGULATION AND INSPECTION:</u></b>				
Department of Codes Administration	7,920,000	8,025,100	7,249,132	775,968
Taxicab and Wrecker Licensing Board	358,000	369,200	320,459	48,741
Beer Board	393,800	397,300	381,995	15,305
Total Regulation and Inspection	8,671,800	8,791,600	7,951,586	840,014

See accompanying accountants' 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>CONSERVATION OF NATURAL RESOURCES:</u>				
Agricultural Extension Service	\$ 371,400	\$ 370,100	\$ 307,233	\$ 62,867
Soil and Water Conservation	105,400	103,800	100,209	3,591
Total Conservation of Natural Resources	476,800	473,900	407,442	66,458
<u>PUBLIC WELFARE:</u>				
Social Services Commission	7,233,700	7,332,500	7,035,920	296,580
Human Relations Commission	447,800	442,500	424,512	17,988
Total Public Welfare	7,681,500	7,775,000	7,460,432	314,568
<u>PUBLIC HEALTH AND HOSPITALS:</u>				
Board of Health	36,788,500	36,692,000	36,112,685	579,315
Hospital Authority	47,307,200	47,307,200	47,307,200	-
Total Public Health and Hospitals	84,095,700	83,999,200	83,419,885	579,315
<u>PUBLIC LIBRARY SYSTEM:</u>				
Public Library	19,981,100	20,080,400	19,891,826	188,574
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	23,906,600	25,949,800	25,686,680	263,120
<u>RECREATIONAL AND CULTURAL:</u>				
Parks and Recreation	31,375,600	31,818,206	32,522,999	(704,793)
Arts Commission	2,634,800	2,636,000	2,556,062	79,938
Sports Authority	457,400	460,300	460,300	-
Total Recreational and Cultural	34,467,800	34,914,506	35,539,361	(624,855)
<u>EMPLOYEE BENEFITS:</u>				
Contribution to Closed Pension Plans	10,402,300	10,402,300	10,402,300	-
Employer's Contribution for Group Health Insurance	29,887,900	29,887,900	29,073,934	813,966
Unemployment Compensation	500,000	500,000	396,064	103,936
Employer's Contribution for Group Life Insurance	1,392,400	1,561,300	1,561,300	-
Total Employee Benefits	42,182,600	42,351,500	41,433,598	917,902

See accompanying accountants' 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>MISCELLANEOUS:</u>				
Contributions and Community Support	\$ 2,189,300	\$ 2,314,300	\$ 2,215,537	\$ 98,763
Subsidies	23,035,700	23,235,700	23,941,250	(705,550)
Administration and Internal Support	22,290,400	17,814,294	12,739,481	5,074,813
Total Miscellaneous	47,515,400	43,364,294	38,896,268	4,468,026
Total Expenditures	<u>\$ 639,072,800</u>	<u>\$ 637,587,730</u>	<u>\$ 623,263,666</u>	<u>\$ 14,324,064</u>
<u>TRANSFERS IN:</u>				
USD General Fund	\$ 481,000	\$ 481,000	\$ 481,000	\$ -
General Purpose School	192,000	192,000	192,000	-
Nonmajor Governmental Funds	8,288,900	8,413,900	8,664,794	250,894
District Energy System	88,700	88,700	93,588	4,888
Water and Sewerage Services	5,505,900	5,505,900	5,232,928	(272,972)
Nonmajor Enterprise Funds	1,174,200	1,174,200	1,038,839	(135,361)
Internal Service Funds	1,770,000	1,770,000	5,880,379	4,110,379
Fiduciary Funds	115,000	115,000	115,000	-
Total Transfers In	17,615,700	17,740,700	21,698,528	3,957,828
<u>TRANSFERS OUT:</u>				
GSD General Purpose Debt Service	(3,200,000)	(3,566,000)	(3,583,318)	(17,318)
Nonmajor Governmental Funds	(36,857,700)	(38,644,600)	(38,035,525)	609,075
District Energy System	(2,256,100)	(2,256,100)	(2,256,100)	-
Nonmajor Enterprise Funds	(593,500)	(597,100)	(597,100)	-
Internal Service Funds	(9,776,900)	(9,776,900)	(9,776,900)	-
Fiduciary Funds	-	-	(47,859)	(47,859)
Total Transfers Out	(52,684,200)	(54,840,700)	(54,296,802)	543,898
Total Other Financing Sources (Uses)	<u>\$ (35,068,500)</u>	<u>\$ (37,100,000)</u>	<u>\$ (32,598,274)</u>	<u>\$ 4,501,726</u>

See accompanying accountants' 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	\$ 60,139,700	\$ 63,438,311	\$ 63,438,311	\$ -
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	9,131,800	8,180,200	8,100,575	79,625
<u>EMPLOYEE BENEFITS:</u>				
Contribution to Closed Pension Plans	18,890,100	18,890,100	18,890,100	-
Employer's Contribution for Group Health Insurance	2,120,500	2,120,500	2,010,173	110,327
Employer's Contribution for Group Life Insurance	93,700	93,700	86,256	7,444
Total Employee Benefits	21,104,300	21,104,300	20,986,529	117,771
<u>MISCELLANEOUS:</u>				
Administration and Internal Support	3,149,400	2,430,300	1,364,535	1,065,765
Total Miscellaneous	3,149,400	2,430,300	1,364,535	1,065,765
Total Expenditures	\$ 93,525,200	\$ 95,153,111	\$ 93,889,950	\$ 1,263,161
<u>TRANSFERS IN:</u>				
Internal Service Funds	\$ -	\$ -	\$ 161,000	\$ (161,000)
Total Transfers In	-	-	161,000	(161,000)
<u>TRANSFERS OUT:</u>				
GSD General Fund	\$ (481,000)	\$ (481,000)	\$ (481,000)	\$ -
Nonmajor Governmental Funds	(5,170,000)	(5,170,000)	(5,170,000)	-
Internal Service Funds	(1,268,500)	(1,268,500)	(1,268,500)	-
Total Transfers Out	(6,919,500)	(6,919,500)	(6,919,500)	-
Total Other Financing Sources (Uses)	\$ (6,919,500)	\$ (6,919,500)	\$ (6,758,500)	\$ (161,000)

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND

June 30, 2009

	Total Delinquent Property Taxes Receivable	General Services District				
		Total	General Fund	School Fund	Debt Service Fund	School Debt Service Fund
2008 Realty	\$ 4,955,622	\$ 4,351,132	\$ 2,149,919	\$ 1,459,638	\$ 555,001	\$ 186,574
2008 Personalty	2,264,173	1,973,213	990,512	660,095	238,231	84,375
2008 Public Utility	324,815	276,382	138,343	92,715	33,474	11,850
<b>Total 2008 Property Taxes</b>	<b>7,544,610</b>	<b>6,600,727</b>	<b>3,278,774</b>	<b>2,212,448</b>	<b>826,706</b>	<b>282,799</b>
2007 Realty	813,729	720,832	361,447	240,937	87,650	30,798
2007 Personalty	1,913,579	1,663,065	834,491	556,564	200,870	71,140
2007 Public Utility	552,898	468,703	234,471	157,338	56,784	20,110
<b>Total 2007 Property Taxes</b>	<b>3,280,206</b>	<b>2,852,600</b>	<b>1,430,409</b>	<b>954,839</b>	<b>345,304</b>	<b>122,048</b>
2006 & Prior - Realty	1,739,770	1,476,223	595,833	580,190	215,971	84,229
2006 & Prior - Personalty	5,685,819	4,885,669	2,422,328	1,543,948	642,058	277,335
2006 & Prior - Public Utility	1,194,361	1,014,458	501,572	336,299	121,581	55,006
<b>Total 2006 &amp; Prior Property Taxes</b>	<b>8,619,950</b>	<b>7,376,350</b>	<b>3,519,733</b>	<b>2,460,437</b>	<b>979,610</b>	<b>416,570</b>
<b>Total Delinquent Property Taxes Receivable *</b>	<b>\$ 19,444,766</b>	<b>\$ 16,829,677</b>	<b>\$ 8,228,916</b>	<b>\$ 5,627,724</b>	<b>\$ 2,151,620</b>	<b>\$ 821,417</b>

\* Excludes 2009 Property Tax Levy

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND (CONTINUED)

June 30, 2009

Urban Services District		
Total	General Fund	Debt Service Fund
\$ 604,490	\$ 508,487	\$ 96,003
290,960	243,132	47,828
48,433	40,472	7,961
943,883	792,091	151,792
92,897	81,444	11,453
250,514	219,640	30,874
84,195	73,815	10,380
427,606	374,899	52,707
263,547	232,753	30,794
800,150	703,493	96,657
179,903	158,197	21,706
1,243,600	1,094,443	149,157
\$ 2,615,089	\$ 2,261,433	\$ 353,656

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY TYPE

June 30, 2009

	Year of Levy	Realty	Personalty	Public Utility	Total
General Services District	2008	\$ 4,351,132	\$ 1,973,213	\$ 276,382	\$ 6,600,727
	2007	720,832	1,663,065	468,703	2,852,600
	2006	332,265	870,973	55,129	1,258,367
	2005	224,836	556,028	70,261	851,125
	2004	208,609	421,786	99,648	730,043
	2003	137,149	435,411	254,500	827,060
	2002	222,978	377,520	296,861	897,359
	2001	228,536	466,868	133,439	828,843
	2000	41,096	746,472	49,515	837,083
	1999	41,300	480,669	13,083	535,052
	1998	39,454	529,942	42,022	611,418
Total General Services District		<u>6,548,187</u>	<u>8,521,947</u>	<u>1,759,543</u>	<u>16,829,677</u>
Urban Services District	2008	604,490	290,960	48,433	943,883
	2007	92,897	250,514	84,195	427,606
	2006	74,715	133,729	8,877	217,321
	2005	66,792	85,685	8,483	160,960
	2004	44,325	73,125	22,056	139,506
	2003	5,498	64,303	50,801	120,602
	2002	30,957	71,195	58,315	160,467
	2001	33,251	77,866	27,016	138,133
	2000	(422)	128,053	(6,801)	120,830
	1999	3,186	78,962	2,649	84,797
	1998	5,245	87,232	8,507	100,984
Total Urban Services District		<u>960,934</u>	<u>1,341,624</u>	<u>312,531</u>	<u>2,615,089</u>
Total Delinquent Property Taxes Receivable *		<u>\$ 7,509,121</u>	<u>\$ 9,863,571</u>	<u>\$ 2,072,074</u>	<u>\$ 19,444,766</u>

\* Excludes 2009 Property Tax Levy

See accompanying accountants' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS AND NOTES PAYABLE  
GENERAL SERVICES DISTRICT

June 30, 2009

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>
<b><u>GENERAL OBLIGATION BONDS PAYABLE</u></b>		
<u>For General Purposes:</u>		
GSD G.O. Refunding Bonds of 1996	6.00	Dec. 1, 1996
GSD G.O. Refunding Bonds, Series 1997	4.95 - 5.125	Sep. 15, 1997
GSD G.O. Public Improvement and Refunding Bonds of 1999	5.00 - 5.125	May 15, 1999
GSD G.O. Multi-purpose Improvement Bonds, Series 2001A	5.00 - 5.50	Feb. 15, 2001
GSD G.O. Multi-purpose Refunding Bonds, Series 2001B	5.00 - 5.50	Feb. 15, 2001
GSD G.O. Multi-purpose Refunding Bonds, Series 2002	3.50 - 5.00	Nov. 15, 2002
GSD G.O. Multi-purpose Bonds, Series 2003	4.00 - 5.00	Oct. 1, 2003
GSD G.O. Multi-purpose Bonds, Series 2004	5.00 - 5.25	July 15, 2004
GSD G.O. Public Improvement and Refunding Bonds, Series 2004	3.25 - 5.00	Sep. 1, 2004
GSD G.O. Multi-purpose Bonds, Series 2005A	4.25 - 5.25	May 1, 2005
GSD G.O. Multi-purpose Refunding Bonds, Series 2005B	4.125 - 5.00	May 1, 2005
GSD G.O. Multi-purpose Bonds, Series 2005C	3.625 - 5.00	Nov. 1, 2005
GSD G.O. Refunding Bonds, Series 2006A	3.60	May 15, 2006
GSD G.O. Bonds, Series 2006B	4.00 - 5.00	June 15, 2006
GSD G.O. Refunding Bonds, Series 2007A	4.00 - 5.00	April 15, 2007
GSD G.O. Bonds, Series 2008A	4.00 - 5.00	Mar. 15, 2008
Total General Obligation Bonds Payable For General Purposes		
<u>For School Purposes:</u>		
GSD G.O. Refunding Bonds, Series 1997	4.95 - 5.125	Sep. 15, 1997
GSD G.O. Public Improvement and Refunding Bonds of 1999	5.00 - 5.125	May 15, 1999
GSD G.O. Multi-purpose Improvement Bonds, Series 2001A	5.00 - 5.50	Feb. 15, 2001
GSD G.O. Multi-purpose Refunding Bonds, Series 2001B	5.00 - 5.50	Feb. 15, 2001
GSD G.O. Multi-purpose Refunding Bonds, Series 2002	3.50 - 5.00	Nov. 15, 2002
GSD G.O. Multi-purpose Bonds, Series 2003	4.00 - 5.00	Oct. 1, 2003
GSD G.O. Multi-purpose Bonds, Series 2004	5.00 - 5.25	July 15, 2004
GSD G.O. Public Improvement and Refunding Bonds, Series 2004	3.25 - 5.00	Sep. 1, 2004
GSD G.O. Multi-purpose Bonds, Series 2005A	4.25 - 5.25	May 1, 2005
GSD G.O. Multi-purpose Refunding Bonds, Series 2005B	4.125 - 5.00	May 1, 2005
GSD G.O. Multi-purpose Bonds, Series 2005C	3.625 - 5.00	Nov. 1, 2005
GSD G.O. Bonds, Series 2006B	4.00 - 5.00	June 15, 2006
GSD G.O. Refunding Bonds, Series 2007A	4.00 - 5.00	April 15, 2007
GSD G.O. Bonds, Series 2008A	4.00 - 5.00	Mar. 15, 2008
Total General Obligation Bonds Payable for School Purposes		
Total General Obligation Bonds Payable - General Services District		
<b><u>LIMITED OBLIGATION REVENUE BONDS PAYABLE</u></b>		
Correctional Facility Revenue Bonds	5.00	Feb. 1, 2002
Special Limited Obligation Revenue Refunding Bonds Payable - General Services District		
Total Bonds Payable - General Services District		

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)  
GENERAL SERVICES DISTRICT

June 30, 2009

<u>Date of Final Maturity</u>	<u>Amount of Issue</u>	<u>Principal Amount Outstanding June 30, 2009</u>	<u>Interest to Maturity as of June 30, 2009</u>
Dec. 1, 2010	\$ 28,671,142	\$ 6,485,225	\$ 395,404
May 15, 2025	64,596,180	-	-
Nov. 15, 2029	133,288,342	8,178,082	413,372
Oct. 15, 2020	62,065,000	22,370,000	2,161,438
Oct. 15, 2016	43,633,148	30,102,583	5,161,101
Nov. 15, 2024	41,749,303	33,946,236	15,329,444
April 1, 2024	59,543,042	31,995,241	13,319,790
June 1, 2024	33,825,000	30,065,000	13,539,088
Nov. 15, 2016	48,367,055	35,064,715	8,134,558
Jan. 1, 2025	49,817,419	42,549,916	19,640,170
Jan. 1, 2020	107,433,445	94,389,902	31,975,283
Feb. 1, 2026	150,292,131	135,800,178	67,646,554
May 15, 2026	60,805,000	-	-
Feb. 1, 2026	113,783,394	106,617,192	52,709,548
May 15, 2030	125,908,003	125,822,821	80,034,737
Jan. 1, 2028	174,880,074	174,880,074	124,514,187
	<u>1,298,657,678</u>	<u>878,267,165</u>	<u>434,974,674</u>
May 15, 2025	46,393,820	-	-
Nov. 15, 2019	53,474,949	4,971,917	251,628
Oct. 15, 2020	176,640,000	33,785,000	2,489,188
Oct. 15, 2016	30,111,852	19,397,417	3,739,693
Nov. 15, 2024	60,984,934	55,248,001	20,583,686
April 1, 2024	41,515,465	22,308,187	9,287,018
June 1, 2024	26,170,000	23,235,000	10,408,475
Nov. 15, 2016	2,972,945	2,155,299	500,001
Jan. 1, 2025	79,503,345	67,905,178	31,343,639
Jan. 1, 2020	77,018,422	69,002,918	22,401,785
Feb. 1, 2026	43,740,078	39,522,431	19,687,428
Feb. 1, 2026	69,160,188	64,804,404	32,038,086
May 15, 2030	58,421,307	58,388,132	34,346,003
Jan. 1, 2028	95,095,340	95,095,340	67,707,650
	<u>861,202,645</u>	<u>555,819,224</u>	<u>254,784,280</u>
	<u>2,159,860,323</u>	<u>1,434,086,389</u>	<u>689,758,954</u>
Sep. 1, 2011	<u>16,265,000</u>	<u>5,665,000</u>	<u>434,375</u>
	<u>16,265,000</u>	<u>5,665,000</u>	<u>434,375</u>
	<u>\$ 2,176,125,323</u>	<u>\$ 1,439,751,389</u>	<u>\$ 690,193,329</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)  
URBAN SERVICES DISTRICT

June 30, 2009

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>
<b><u>GENERAL OBLIGATION BONDS PAYABLE</u></b>		
USD G.O. Refunding Bonds of 1996	6.00	Dec. 1, 1996
USD G.O. Multi-purpose Improvement Bonds, Series 2001A	5.00 - 5.50	Feb. 15, 2001
USD G.O. (Tax Exempt) Thermal Refunding Bonds, 2002	4.25 - 5.25	Apr. 1, 2002
USD G.O. (Taxable) Thermal Refunding Bonds, 2002	5.90 - 6.00	Apr. 1, 2002
USD G.O. Multi-purpose Refundings Bonds, Series 2002	3.50 - 5.00	Nov. 15, 2002
USD G.O. Multi-purpose Bonds, Series 2003	4.00 - 5.00	Oct. 1, 2003
USD G.O. Multi-purpose Bonds, Series 2004	5.00 - 5.25	July 15, 2004
USD G.O. Multi-purpose Bonds, Series 2005A	4.25 - 5.25	May 1, 2005
USD G.O. Multi-purpose Refunding Bonds, Series 2005B	4.125 - 5.00	May 1, 2005
USD G.O. Multi-purpose Bonds, Series 2005C	3.625 - 5.00	Nov. 1, 2005
USD G.O. Bonds, Series 2006B	4.00 - 5.00	June 15, 2006
USD G.O. Refunding Bonds, Series 2007A	4.00 - 5.00	April 15, 2007
USD G.O. Bonds, Series 2008A	4.00 - 5.00	Mar 15, 2008
Total General Obligation Bonds Payable (governmental activities)		
USD G.O. Multi-purpose Bonds, Series 2005A (District Energy System) (1)	4.25 - 5.25	May 1, 2005
Total General Obligation Bonds Payable (business-type activities)		
Total General Obligation Bonds Payable - Urban Services District		
<b><u>REVENUE BONDS PAYABLE</u></b>		
Department of Water and Sewerage Revenue Refunding Bonds of 1986	7.30 - 7.70	Oct. 1, 1986
Department of Water and Sewerage Revenue Bonds, Series 1993	5.20 - 6.50	Aug. 1, 1993
Department of Water and Sewerage Revenue Refunding Bonds, Series 1998A	4.50 - 5.00	Feb. 1, 1998
Department of Water and Sewerage Revenue Bonds, Series of 1998B	4.55 - 5.25	Feb. 15, 1998
Department of Water and Sewerage Revenue Refunding Bonds, Series 2002	5.125	Dec. 1, 2002
Department of Water and Sewerage Revenue Refunding Bonds, Series 2007	4.25 - 5.00	Jul 15, 2007
Department of Water and Sewerage Revenue Refunding Bonds, Series 2008A	3.25 - 5.25	Feb. 15, 2008
Department of Water and Sewerage Revenue Refunding Bonds, Series 2008B	3.45 - 4.84	Feb. 15, 2008
Total Revenue Bonds Payable - Department of Water and Sewerage		
District Energy System Revenue Bonds, Series 2002A	3.25 - 5.25	Oct. 1, 2002
Total Revenue Bonds Payable - Urban Services District		
Total Bonds Payable - Urban Services District		

(1) This portion of the USD G.O. Multi-purpose Bonds, Series 2005A, is 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 accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)  
URBAN SERVICES DISTRICT

June 30, 2009

<u>Date of Final Maturity</u>	<u>Amount of Issue</u>	<u>Principal Amount Outstanding June 30, 2009</u>	<u>Interest to Maturity as of June 30, 2009</u>
Dec. 1, 2010	\$ 5,633,858	\$ 1,274,414	\$ 77,696
Oct. 15, 2016	23,450,000	7,150,000	507,688
July 1, 2014	31,065,000	15,550,000	2,259,356
July 1, 2012	27,000,000	2,710,000	297,688
Nov. 15, 2024	5,955,763	5,955,763	1,268,094
April 1, 2024	21,041,493	11,306,571	4,706,986
June 1, 2024	5,760,000	5,125,000	2,315,563
Jan. 1, 2025	13,979,236	11,939,906	5,511,216
Jan. 1, 2020	6,008,527	5,322,528	1,771,335
Feb. 1, 2026	19,967,790	18,042,391	8,987,511
Feb. 1, 2026	20,371,418	19,088,404	9,436,950
May 15, 2030	2,560,691	2,559,047	1,588,968
Jan. 1, 2028	38,024,587	38,024,587	27,073,413
	<u>220,818,363</u>	<u>144,048,611</u>	<u>65,802,464</u>
Jan. 1, 2025	<u>7,695,000</u>	<u>6,890,000</u>	<u>3,181,525</u>
	<u>7,695,000</u>	<u>6,890,000</u>	<u>3,181,525</u>
	<u>228,513,363</u>	<u>150,938,611</u>	<u>68,983,989</u>
Jan. 1, 2016	339,866,665	73,595,000	11,613,525
Jan. 1, 2013	157,475,000	32,045,000	5,030,935
Jan. 1, 2022	156,315,000	4,695,000	211,275
Jan. 1, 2014	55,000,000	18,050,000	4,206,370
Jan. 1, 2016	30,255,000	27,825,000	8,063,931
Jan. 1, 2016	36,240,000	36,030,000	8,983,850
Jan. 1, 2022	122,530,000	122,530,000	53,407,900
Jan. 1, 2016	27,950,000	27,855,000	8,134,841
	<u>925,631,665</u>	<u>342,625,000</u>	<u>99,652,627</u>
Oct. 1, 2033	<u>66,700,000</u>	<u>61,760,000</u>	<u>46,127,659</u>
	<u>992,331,665</u>	<u>404,385,000</u>	<u>145,780,286</u>
	<u>\$ 1,220,845,028</u>	<u>\$ 555,323,611</u>	<u>\$ 214,764,275</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE

General Services District

Based on Bonded Debt as of June 30, 2009

Year Ending June 30	Total Bonded Debt			General Obligation Bonds		
	Principal	Interest	Total	Total General Obligation Bonds		
				Principal	Interest	Total
2010	\$ 73,648,343	\$ 69,830,490	\$ 143,478,833	\$ 71,853,343	\$ 69,592,115	\$ 141,445,458
2011	75,346,144	66,202,435	141,548,579	73,461,144	66,056,060	139,517,204
2012	70,717,401	62,856,056	133,573,457	68,732,401	62,806,431	131,538,832
2013	69,703,016	59,425,271	129,128,287	69,703,016	59,425,271	129,128,287
2014	71,530,217	56,020,792	127,551,009	71,530,217	56,020,792	127,551,009
2015	72,440,667	52,463,617	124,904,284	72,440,667	52,463,617	124,904,284
2016	83,793,353	48,822,563	132,615,916	83,793,353	48,822,563	132,615,916
2017	79,825,649	44,735,957	124,561,606	79,825,649	44,735,957	124,561,606
2018	81,447,140	41,290,100	122,737,240	81,447,140	41,290,100	122,737,240
2019	83,626,483	37,291,567	120,918,050	83,626,483	37,291,567	120,918,050
2020	75,742,120	33,075,195	108,817,315	75,742,120	33,075,195	108,817,315
2021	82,230,364	29,200,395	111,430,759	82,230,364	29,200,395	111,430,759
2022	86,275,837	25,123,078	111,398,915	86,275,837	25,123,078	111,398,915
2023	90,606,209	20,812,734	111,418,943	90,606,209	20,812,734	111,418,943
2024	94,002,761	16,294,533	110,297,294	94,002,761	16,294,533	110,297,294
2025	86,619,001	11,625,407	98,244,408	86,619,001	11,625,407	98,244,408
2026	63,046,601	7,547,855	70,594,456	63,046,601	7,547,855	70,594,456
2027	50,607,710	4,515,691	55,123,401	50,607,710	4,515,691	55,123,401
2028	38,502,152	2,376,931	40,879,083	38,502,152	2,376,931	40,879,083
2029	4,911,766	451,823	5,363,589	4,911,766	451,823	5,363,589
2030	5,128,455	230,839	5,359,294	5,128,455	230,839	5,359,294
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
	<u>\$ 1,439,751,389</u>	<u>\$ 690,193,329</u>	<u>\$ 2,129,944,718</u>	<u>\$ 1,434,086,389</u>	<u>\$ 689,758,954</u>	<u>\$ 2,123,845,343</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)

General Services District

Based on Bonded Debt as of June 30, 2009

General Obligation Bonds					
For General Purposes			For School Purposes		
Principal	Interest	Total	Principal	Interest	Total
\$ 42,250,543	\$ 43,059,052	\$ 85,309,595	\$ 29,602,800	\$ 26,533,063	\$ 56,135,863
43,267,361	40,987,539	84,254,900	30,193,783	25,068,521	55,262,304
38,910,885	39,103,621	78,014,506	29,821,516	23,702,810	53,524,326
39,253,341	37,182,085	76,435,426	30,449,675	22,243,186	52,692,861
41,017,983	35,240,992	76,258,975	30,512,234	20,779,800	51,292,034
41,981,444	33,191,106	75,172,550	30,459,223	19,272,511	49,731,734
51,567,860	31,011,110	82,578,970	32,225,493	17,811,453	50,036,946
49,873,630	28,480,600	78,354,230	29,952,019	16,255,357	46,207,376
50,519,360	26,347,025	76,866,385	30,927,780	14,943,075	45,870,855
50,489,971	23,631,197	74,121,168	33,136,512	13,660,370	46,796,882
48,016,200	20,939,850	68,956,050	27,725,920	12,135,345	39,861,265
51,254,460	18,491,609	69,746,069	30,975,904	10,708,786	41,684,690
53,474,366	15,956,754	69,431,120	32,801,471	9,166,324	41,967,795
56,153,707	13,284,635	69,438,342	34,452,502	7,528,099	41,980,601
58,292,933	10,482,679	68,775,612	35,709,828	5,811,854	41,521,682
54,193,896	7,584,334	61,778,230	32,425,105	4,041,073	36,466,178
42,558,127	4,986,843	47,544,970	20,488,474	2,561,012	23,049,486
32,616,075	2,947,794	35,563,869	17,991,635	1,567,897	19,559,532
25,143,219	1,560,565	26,703,784	13,358,933	816,366	14,175,299
3,635,737	334,444	3,970,181	1,276,029	117,379	1,393,408
3,796,067	170,840	3,966,907	1,332,388	59,999	1,392,387
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 878,267,165	\$ 434,974,674	\$ 1,313,241,839	\$ 555,819,224	\$ 254,784,280	\$ 810,603,504

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)

General Services District

Based on Bonded Debt as of June 30, 2009

Year Ending June 30	Correctional Facility Revenue Bonds		
	Principal	Interest	Total
2010	\$ 1,795,000	\$ 238,375	\$ 2,033,375
2011	1,885,000	146,375	2,031,375
2012	1,985,000	49,625	2,034,625
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
	\$ 5,665,000	\$ 434,375	\$ 6,099,375

See accompanying accountants' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)

Urban Services District

Based on Bonded Debt as of June 30, 2009

Year Ending June 30	Total Bonded Debt			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 44,736,657	\$ 29,082,739	\$ 73,819,396	\$ 10,036,657	\$ 7,210,440	\$ 17,247,097
2011	46,948,856	26,228,891	73,177,747	10,053,856	6,732,057	16,785,913
2012	48,817,599	23,344,419	72,162,018	9,737,599	6,256,787	15,994,386
2013	51,271,984	20,219,717	71,491,701	9,526,984	5,798,863	15,325,847
2014	51,539,783	17,727,951	69,267,734	8,249,783	5,353,358	13,603,141
2015	53,509,434	15,180,829	68,690,263	8,194,434	4,938,107	13,132,541
2016	31,966,711	12,736,400	44,703,111	4,276,711	4,633,335	8,910,046
2017	19,529,400	11,206,000	30,735,400	5,279,400	4,422,462	9,701,862
2018	22,937,906	10,308,630	33,246,536	8,017,906	4,177,767	12,195,673
2019	22,863,557	9,199,122	32,062,679	7,243,557	3,790,392	11,033,949
2020	24,032,878	8,013,862	32,046,740	7,667,878	3,426,887	11,094,765
2021	25,874,637	6,774,174	32,648,811	8,574,637	3,049,249	11,623,886
2022	27,264,163	5,440,854	32,705,017	9,144,163	2,626,973	11,771,136
2023	12,038,792	4,031,730	16,070,522	9,598,792	2,171,880	11,770,672
2024	11,997,239	3,441,899	15,439,138	9,847,239	1,694,149	11,541,388
2025	11,055,999	2,839,714	13,895,713	8,390,999	1,206,964	9,597,963
2026	9,733,399	2,294,245	12,027,644	6,938,399	797,995	7,736,394
2027	9,472,289	1,802,406	11,274,695	5,682,289	463,675	6,145,964
2028	7,447,849	1,402,338	8,850,187	4,337,849	223,169	4,561,018
2029	3,323,234	1,032,152	4,355,386	68,234	6,277	74,511
2030	3,491,245	862,203	4,353,448	71,245	3,203	74,448
2031	3,590,000	683,750	4,273,750	-	-	-
2032	3,770,000	499,750	4,269,750	-	-	-
2033	3,955,000	306,625	4,261,625	-	-	-
2034	4,155,000	103,875	4,258,875	-	-	-
	<u>\$ 555,323,611</u>	<u>\$ 214,764,275</u>	<u>\$ 770,087,886</u>	<u>\$ 150,938,611</u>	<u>\$ 68,983,989</u>	<u>\$ 219,922,600</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE (CONTINUED)

Urban Services District

Based on Bonded Debt as of June 30, 2009

Revenue Bonds					
Department of Water and Sewerage Services			District Energy System Bonds, Series 2002A		
Principal	Interest	Total	Principal	Interest	Total
\$ 33,370,000	\$ 18,859,455	\$ 52,229,455	\$ 1,330,000	\$ 3,012,844	\$ 4,342,844
35,525,000	16,526,203	52,051,203	1,370,000	2,970,631	4,340,631
37,830,000	14,170,088	52,000,088	1,250,000	2,917,544	4,167,544
40,195,000	11,569,110	51,764,110	1,550,000	2,851,744	4,401,744
41,745,000	9,597,415	51,342,415	1,545,000	2,777,178	4,322,178
43,690,000	7,547,792	51,237,792	1,625,000	2,694,930	4,319,930
25,980,000	5,495,677	31,475,677	1,710,000	2,607,388	4,317,388
12,450,000	4,266,413	16,716,413	1,800,000	2,517,125	4,317,125
13,030,000	3,708,725	16,738,725	1,890,000	2,422,138	4,312,138
13,630,000	3,087,525	16,717,525	1,990,000	2,321,205	4,311,205
14,275,000	2,371,950	16,646,950	2,090,000	2,215,025	4,305,025
15,100,000	1,622,512	16,722,512	2,200,000	2,102,413	4,302,413
15,805,000	829,762	16,634,762	2,315,000	1,984,119	4,299,119
-	-	-	2,440,000	1,859,850	4,299,850
-	-	-	2,150,000	1,747,750	3,897,750
-	-	-	2,665,000	1,632,750	4,297,750
-	-	-	2,795,000	1,496,250	4,291,250
-	-	-	3,790,000	1,338,731	5,128,731
-	-	-	3,110,000	1,179,169	4,289,169
-	-	-	3,255,000	1,025,875	4,280,875
-	-	-	3,420,000	859,000	4,279,000
-	-	-	3,590,000	683,750	4,273,750
-	-	-	3,770,000	499,750	4,269,750
-	-	-	3,955,000	306,625	4,261,625
-	-	-	4,155,000	103,875	4,258,875
<u>\$ 342,625,000</u>	<u>\$ 99,652,627</u>	<u>\$ 442,277,627</u>	<u>\$ 61,760,000</u>	<u>\$ 46,127,659</u>	<u>\$ 107,887,659</u>

See accompanying accountants' 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, 2009 Through June 30, 2010  
(Unaudited)

<u>SOURCE OF REVENUE:</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>School Debt Service Fund</u>	<u>School Funds</u>	<u>Total</u>
Property Taxes - Current Year	\$ 315,053,400	\$ 75,375,300	\$ 26,695,600	\$ 208,852,900	\$ 625,977,200
Property Taxes - Non Current Year	31,726,200	2,366,500	758,300	8,255,600	43,106,600
Local Option Sales Tax	88,034,900	2,710,000	2,651,600	179,421,700	272,818,200
Other Taxes, Licenses and Permits	83,113,800	-	-	4,848,000	87,961,800
Fines, Forfeits, and Penalties	13,751,700	533,000	-	6,200	14,290,900
Revenues From Use of Money or Property	581,300	-	1,230,000	350,000	2,161,300
Other Agencies - Federal Direct	1,000,000	-	-	88,000	1,088,000
Other Agencies - Federal Through State	936,200	-	-	70,000	1,006,200
Other Agencies - Other Pass - Through	7,630,800	-	-	-	7,630,800
Other Agencies - State Direct	58,704,200	2,185,000	-	200,906,400	261,795,600
Other Agencies - Other Governments	5,106,500	-	-	1,800	5,108,300
Commissions and Fees	13,855,000	-	-	-	13,855,000
Charges for Current Services	28,273,400	892,900	-	660,000	29,826,300
Compensation from Property	333,000	-	-	353,000	686,000
Contributions and Gifts	613,900	-	-	840,000	1,453,900
Miscellaneous	1,203,600	-	-	5,100	1,208,700
Subtotal	649,917,900	84,062,700	31,335,500	604,658,700	1,369,974,800
Operating Transfers In	9,015,400	14,155,700	3,268,700	3,672,000	30,111,800
Non-Operating Transfers In	8,811,400	-	-	-	8,811,400
Subtotal	17,826,800	14,155,700	3,268,700	3,672,000	38,923,200
Appropriated Unreserved Fund Balances	-	-	23,565,000	12,431,400	35,996,400
Total Available for GSD Appropriations	<u>\$ 667,744,700</u>	<u>\$ 98,218,400</u>	<u>\$ 58,169,200</u>	<u>\$ 620,762,100</u>	<u>\$ 1,444,894,400</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2009-456 for the 2009-2010 fiscal year.

See accompanying accountants' 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, 2009 Through June 30, 2010  
(Unaudited)

	General Fund	Debt Service Fund	Total
<u>SOURCE OF REVENUE:</u>			
Property Taxes - Current Year	\$ 64,379,600	\$ 12,571,900	\$ 76,951,500
Property Taxes - Non Current Year	16,444,100	348,200	16,792,300
Other Taxes, Licenses, and Permits	16,173,400	-	16,173,400
Revenues From Use of Money or Property	107,800	80,000	187,800
Other Agencies - State Direct	4,883,400	-	4,883,400
Charges for Current Services	875,700	-	875,700
Compensation from Property	100,000	-	100,000
Operating Transfers In	-	4,828,400	4,828,400
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Available for USD Appropriations	<u>\$ 102,964,000</u>	<u>\$ 17,828,500</u>	<u>\$ 120,792,500</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2009-456 for the 2009-2010 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 BUDGETARY SCHEDULE OF APPROPRIATIONS BY FUNCTION AND/OR FUNDS \*

For the Year July 1, 2009 Through June 30, 2010  
 (Unaudited)

<u>GENERAL FUND</u>	General Services District	Urban Services District	Duplicated By Interdistrict Interfund Transfers	Appropriation By Function And/Or Fund
General Government	\$ 137,501,900	\$ 24,953,300	\$ -	\$ 162,455,200
Fiscal Administration	23,192,100	-	-	23,192,100
Administration of Justice	55,806,400	-	-	55,806,400
Law Enforcement and Care of Prisoners	196,092,500	481,000	481,000	196,092,500
Fire Prevention and Control	45,677,300	58,619,200	-	104,296,500
Regulation, Inspection, & Economic Development	19,654,300	1,299,600	-	20,953,900
Conservation of Natural Resources	557,900	-	-	557,900
Public Welfare	8,084,600	-	-	8,084,600
Public Health	76,153,400	-	-	76,153,400
Public Library System	18,917,200	-	-	18,917,200
Recreational, Cultural, & Community Support	39,181,000	411,900	-	39,592,900
Public Works, Highways and Streets	46,926,100	17,199,000	-	64,125,100
<b>Total General Funds</b>	<b>667,744,700</b>	<b>102,964,000</b>	<b>481,000</b>	<b>770,227,700</b>
<u>DEBT SERVICE FUNDS</u> (See detail on succeeding pages)	156,387,600	17,828,500	4,008,500	170,207,600
<u>SCHOOL FUNDS</u> (See detail on succeeding pages)	620,762,100	-	-	620,762,100
<b>Total Appropriations By District</b>	<b>1,444,894,400</b>	<b>120,792,500</b>	<b>4,489,500</b>	<b>1,561,197,400</b>
<u>LESS GSD INTERFUND TRANSFER:</u>				
GSD General to GSD Debt Service	(10,887,000)	-	-	(10,887,000)
Schools to General Services District Debt	(2,384,600)	-	-	(2,384,600)
Schools to General Services District General	(2,494,400)	-	-	(2,494,400)
Schools to Schools Debt	(3,268,700)	-	-	(3,268,700)
<b>Net Appropriation by District</b>	<b>\$ 1,425,859,700</b>	<b>\$ 120,792,500</b>	<b>\$ 4,489,500</b>	<b>\$ 1,542,162,700</b>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2009-456 for the 2009-2010 fiscal year.

See accompanying accountants' 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, 2009 Through June 30, 2010  
(Unaudited)

	Principal	Interest	Other	Total
<b>SCHOOL DEBT SERVICE FUND</b>				
Outstanding General Obligation Bonds	\$ 29,602,800	\$ 26,533,100	\$ -	\$ 56,135,900
Redemption and Cremation Fees	-	-	17,500	17,500
Internal Service Fees	-	-	124,500	124,500
Qualified Zone Academy Bonds	-	-	319,500	319,500
Interest Expense for Commercial Paper	-	1,155,000	-	1,155,000
Tax Increment Payment - MDHA	-	-	416,800	416,800
	<u>29,602,800</u>	<u>27,688,100</u>	<u>878,300</u>	<u>58,169,200</u>
Total GSD School Purposes Debt Service Fund				
<b>GENERAL PURPOSES DEBT SERVICE FUND</b>				
Outstanding General Obligation Bonds:				
Public Works	6,734,700	5,393,000	-	12,127,700
Auditorium	150,300	79,000	-	229,300
Hospital	271,000	234,800	-	505,800
Library	3,850,200	3,688,900	-	7,539,100
Parks	3,971,400	5,895,500	-	9,866,900
Social Services	38,700	22,900	-	61,600
Convention Center	-	31,600	-	31,600
Other Public Buildings	6,684,500	2,238,500	-	8,923,000
Sommet Center	4,835,100	5,384,800	-	10,219,900
Law Enforcement and Care of Prisoners	2,878,100	2,736,000	-	5,614,100
Traffic and Parking	226,200	21,300	-	247,500
Public Transportation	1,275,800	1,561,600	-	2,837,400
Fire Protection	192,400	361,000	-	553,400
Health	270,500	162,400	-	432,900
Nashville Coliseum	40,000	18,500	-	58,500
Information Technology	240,000	392,800	-	632,800
Finance	4,145,300	6,974,100	-	11,119,400
MAC	79,300	326,500	-	405,800
MDHA	252,200	525,100	-	777,300
General Services	491,600	592,900	-	1,084,500
E-911	25,300	252,900	-	278,200
Other	3,895,400	3,977,800	-	7,873,200
Self-Funding Projects	1,702,400	2,187,400	-	3,889,800
	<u>42,250,400</u>	<u>43,059,300</u>	<u>-</u>	<u>85,309,700</u>
Subtotal Outstanding General Obligation Bonds				
Redemption, Cremation and Management Fees	-	-	59,000	59,000
Internal Service Fees	-	-	207,000	207,000
Reserve for Future Debt Requirements	-	-	1,000,000	1,000,000
Interest Expense for Commercial Paper	-	2,100,000	-	2,100,000
Debt Service Fund Transfer to USD	-	-	4,008,500	4,008,500
Tax Increment Payment - MDHA	-	-	1,177,000	1,177,000
	<u>-</u>	<u>2,100,000</u>	<u>6,451,500</u>	<u>8,551,500</u>
Subtotal				
TMBF Loan	2,080,000	2,277,200	-	4,357,200
	<u>44,330,400</u>	<u>47,436,500</u>	<u>6,451,500</u>	<u>98,218,400</u>
Total General Purposes Debt Service Fund				
Total General Services District	<u>\$ 73,933,200</u>	<u>\$ 75,124,600</u>	<u>\$ 7,329,800</u>	<u>\$ 156,387,600</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2009-456 for the 2009-2010 fiscal year.  
See accompanying accountants' 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, 2009 Through June 30, 2010  
 (Unaudited)

<u>URBAN SERVICES DISTRICT DEBT SERVICE FUND</u>	Principal	Interest	Other	Total
Outstanding General Obligation Bonds:				
Fire Protection	\$ 1,480,200	\$ 842,300	\$ -	\$ 2,322,500
Public Works	7,942,400	5,421,200	-	13,363,600
Finance	131,200	190,600	-	321,800
General Services	15,500	19,800	-	35,300
MDHA	56,500	71,700	-	128,200
Law Enforcement and Care of Prisoners	41,600	107,200	-	148,800
DES	290,000	469,800	-	759,800
Other	79,300	85,300	-	164,600
Subtotal Outstanding General Obligation Bonds	10,036,700	7,207,900	-	17,244,600
Redemption and Cremation Fees	-	-	10,700	10,700
Internal Service Fees	-	-	34,000	34,000
Interest Expense for Commercial Paper	-	245,000	-	245,000
Tax Increment Payment - MDHA	-	-	294,200	294,200
Subtotal	-	245,000	338,900	583,900
Total Urban Services District Debt Service Fund	\$ 10,036,700	\$ 7,452,900	\$ 338,900	\$ 17,828,500

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2009-456 for the 2009-2010 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF APPROPRIATIONS\*

SCHOOL FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2009 Through June 30, 2010  
(Unaudited)

GENERAL PURPOSE SCHOOL FUND:

General Purpose School Fund: Operational	\$ 617,500,900
Property Tax Increment	<u>3,261,200</u>
Total General Purpose School Fund	<u>\$ 620,762,100</u>

\* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2009-456 for the 2009-2010 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
CONSTITUTIONAL OFFICERS

June 30, 2009

	Richard R. Rooker, Circuit Court Clerk (1)	Cristi Scott, Clerk and Master (1)	John Arriola, County Clerk (1)	David Torrence, Criminal Court Clerk (1)
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 19,105,391	\$ 4,200,418	\$ -	\$ 8,964,877
Investments:				
Mortgages and real estate	-	-	-	1,619,018
Mutual funds	-	8,895	-	-
Other assets	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 19,105,391</u>	<u>\$ 4,209,313</u>	<u>\$ -</u>	<u>\$ 10,583,895</u>
<b><u>LIABILITIES</u></b>				
Due to other funds of the primary government:				
Imprest cash	\$ -	\$ -	\$ -	\$ -
Expense reimbursement	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total due to other funds of the primary government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Funds held in trust	<u>15,019,013</u>	<u>4,198,466</u>	<u>-</u>	<u>8,573,963</u>
Other liabilities:				
Due to the State of Tennessee	-	-	-	-
Due to individuals	-	10,847	-	-
Excess fees for future operations	4,086,378	-	-	-
Escrow	-	-	-	2,009,932
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total other liabilities	<u>4,086,378</u>	<u>10,847</u>	<u>-</u>	<u>2,009,932</u>
Total liabilities	<u>\$ 19,105,391</u>	<u>\$ 4,209,313</u>	<u>\$ -</u>	<u>\$ 10,583,895</u>

(1) The information provided is required by the State of Tennessee.

(2) These operations are included in the General Fund and Fiduciary Funds.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
CONSTITUTIONAL OFFICERS (CONTINUED)

June 30, 2009

Bill Garrett, County Register (1)	Vic Lineweaver, Juvenile Court Clerk (1)	Sheriff Work Release and Inmate Trust (1), (2)	Charles Cardwell, Trustee (1), (2)	Total (Memorandum Only)
\$ 3,218,481	\$ 2,395,783	\$ 303,574	\$ 3,600	\$ 38,192,124
-	-	-	-	1,619,018
-	-	-	-	8,895
<u>38,906</u>	<u>-</u>	<u>-</u>	<u>680,139</u>	<u>719,045</u>
<u>\$ 3,257,387</u>	<u>\$ 2,395,783</u>	<u>\$ 303,574</u>	<u>\$ 683,739</u>	<u>\$ 40,539,082</u>
\$ -	\$ -	\$ -	\$ 3,600	\$ 3,600
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>3,600</u>
<u>-</u>	<u>1,990,335</u>	<u>303,574</u>	<u>-</u>	<u>30,085,351</u>
1,822,752	144,679	-	-	1,967,431
-	145,159	-	680,139	836,145
1,245,397	115,610	-	-	5,447,385
<u>189,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,199,170</u>
<u>3,257,387</u>	<u>405,448</u>	<u>-</u>	<u>680,139</u>	<u>10,450,131</u>
<u>\$ 3,257,387</u>	<u>\$ 2,395,783</u>	<u>\$ 303,574</u>	<u>\$ 683,739</u>	<u>\$ 40,539,082</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CONSTITUTIONAL OFFICERS

For the Year Ended June 30, 2009

	<u>Richard R. Rooker, Circuit Court Clerk (1)</u>	<u>Cristi Scott, Clerk and Master (1)</u>	<u>John Arriola, County Clerk (1)</u>	<u>David Torrence, Criminal Court Clerk (1)</u>
<u>Additions</u>				
Transfer and mortgage taxes	\$ -	\$ -	\$ -	\$ -
Judgments	33,237,840	-	-	-
Child support	691,197	-	-	-
Agency cash receipts	6,251,059	10,054,610	-	1,568,937
Automobile, truck and trailer tags and titles	-	-	15,529,835	-
Metropolitan automobile stickers	-	-	25,106,787	-
Business, occupation, and use tax	-	-	112,045,629	-
Property tax payments	-	9,804,529	-	-
Litigation tax payments	3,408,071	128,631	-	-
Fees and commissions	12,476,668	1,117,218	5,445,530	8,329,237
Fees collected for others	1,350,387	7,077	-	3,006,709
Fines and penalties	5,914,563	-	-	-
Interest	33,815	25,582	31,737	-
Other additions	2,087,681	980,942	1,332,169	34,547
	<u>65,451,281</u>	<u>22,118,589</u>	<u>159,491,687</u>	<u>12,939,430</u>
<u>Deductions</u>				
Judgments	35,447,564	-	-	-
Child support	690,358	-	-	-
Agency cash disbursements	6,557,024	9,950,111	-	2,580,439
Payments to State of Tennessee	2,613,033	62,340	46,331,144	1,729,903
Funds transferred to Metropolitan Government	15,989,877	10,789,262	113,131,404	8,329,237
Other fees and commissions	96,195	1,142,800	-	-
Payroll and personnel	5,050,404	-	-	-
Other deductions	1,751,618	70,165	29,139	1,308,819
	<u>68,196,073</u>	<u>22,014,678</u>	<u>159,491,687</u>	<u>13,948,398</u>
Excess of additions over (under) deductions	(2,744,792)	103,911	-	(1,008,968)
Cash and cash equivalents - July 1, 2008	<u>21,850,183</u>	<u>4,096,507</u>	-	<u>9,973,845</u>
Cash and cash equivalents - June 30, 2009	<u>\$ 19,105,391</u>	<u>\$ 4,200,418</u>	<u>\$ -</u>	<u>\$ 8,964,877</u>

- (1) The information provided is required by the State of Tennessee.
- (2) These operations are included in the General Fund and Fiduciary Funds.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CONSTITUTIONAL OFFICERS (CONTINUED)

For the Year Ended June 30, 2009

Bill Garrett, County Register (1)	Vic Lineweaver, Juvenile Court Clerk (1)	Sheriff Work Release and Inmate Trust (1), (2)	Charles Cardwell, Trustee (1), (2)	Total (Memorandum Only)
\$ 17,595,413	\$ -	\$ -	\$ -	\$ 17,595,413
-	50,812	-	-	33,288,652
-	5,312,668	-	-	6,003,865
-	539,182	3,056,460	-	21,470,248
-	-	-	-	15,529,835
-	-	-	-	25,106,787
-	19,688	-	-	112,065,317
-	-	-	740,451,346	750,255,875
-	1,844	-	-	3,538,546
3,675,617	340,956	-	-	31,385,226
234,089	-	-	-	4,598,262
-	30,755	-	-	5,945,318
26,548	2,049	-	-	119,731
-	-	-	2,100	4,437,439
<u>21,531,667</u>	<u>6,297,954</u>	<u>3,056,460</u>	<u>740,453,446</u>	<u>1,031,340,514</u>
-	30,459	-	-	35,478,023
-	5,223,915	-	-	5,914,273
-	598,015	3,461,426	-	23,147,015
17,595,412	19,817	-	-	68,351,649
1,573,979	372,955	-	740,451,346	890,638,060
234,089	35,785	-	-	1,508,869
2,337,041	-	-	-	7,387,445
100,380	-	-	-	3,260,121
<u>21,840,901</u>	<u>6,280,946</u>	<u>3,461,426</u>	<u>740,451,346</u>	<u>1,035,685,455</u>
(309,234)	17,008	(404,966)	2,100	(4,344,941)
<u>3,527,715</u>	<u>2,378,775</u>	<u>708,540</u>	<u>1,500</u>	<u>42,537,065</u>
<u>\$ 3,218,481</u>	<u>\$ 2,395,783</u>	<u>\$ 303,574</u>	<u>\$ 3,600</u>	<u>\$ 38,192,124</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS  
CONSTITUTIONAL OFFICERS

For the Year Ended June 30, 2009

	Richard R. Rooker, Circuit Court Clerk (1)	Cristi Scott, Clerk and Master (1)	John Arriola, County Clerk (1)	David Torrence, Criminal Court Clerk (1)
<u>Additions</u>				
Fees and commissions	\$ 12,476,668	\$ 1,117,218	\$ 5,445,530	\$ 8,329,237
Other	33,815	25,582	31,737	-
Total additions	<u>12,510,483</u>	<u>1,142,800</u>	<u>5,477,267</u>	<u>8,329,237</u>
<u>Deductions and other uses</u>				
Deductions:				
Payroll - staff	3,797,874	-	-	-
Payroll taxes/benefits	1,252,530	-	-	-
Office supplies/other	958,716	-	-	-
Total deductions	<u>6,009,120</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Uses:				
Fees and commissions to county (General Fund)	6,602,028	1,142,800	5,485,540	8,331,447
Total deductions and other uses	<u>12,611,148</u>	<u>1,142,800</u>	<u>5,485,540</u>	<u>8,331,447</u>
Excess (deficiency) of additions over (under) deductions and other uses	(100,665)	-	(8,273)	(2,210)
Balances, July 1, 2008	<u>4,276,602</u>	<u>2,501</u>	<u>967,232</u>	<u>149,578</u>
Balances, June 30, 2009	<u>\$ 4,175,937</u>	<u>\$ 2,501</u>	<u>\$ 958,959</u>	<u>\$ 147,368</u>

(1) The information provided is required by the State of Tennessee.

(2) These operations are included in the General Fund and Fiduciary Funds.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS  
CONSTITUTIONAL OFFICERS (CONTINUED)

For the Year Ended June 30, 2009

Bill Garrett, County Register (1)	Vic Lineweaver, Juvenile Court Clerk (1)	Sheriff Work Release and Inmate Trust (1), (2)	Charles Cardwell, Trustee (1), (2)	Total (Memorandum Only)
\$ 3,675,617	\$ 340,956	\$ -	\$ -	\$ 31,385,226
26,548	2,049	-	-	119,731
<u>3,702,165</u>	<u>343,005</u>	<u>-</u>	<u>-</u>	<u>31,504,957</u>
1,750,815	-	-	-	5,548,689
586,226	-	-	-	1,838,756
100,380	-	-	-	1,059,096
<u>2,437,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,446,541</u>
<u>1,225,000</u>	<u>386,347</u>	<u>-</u>	<u>-</u>	<u>23,173,162</u>
<u>3,662,421</u>	<u>386,347</u>	<u>-</u>	<u>-</u>	<u>31,619,703</u>
39,744	(43,342)	-	-	(114,746)
<u>546,893</u>	<u>161,682</u>	<u>-</u>	<u>-</u>	<u>6,104,488</u>
<u>\$ 586,637</u>	<u>\$ 118,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,989,742</u>

See accompanying accountants' 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 Government implemented GASB Statement No. 34 effective for the fiscal year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NET ASSETS BY COMPONENT  
 LAST EIGHT FISCAL YEARS  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	<u>2002</u>	<u>2003 (1)</u>	<u>2004</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 857,993	\$ 1,009,271	\$ 1,120,156
Restricted	79,462	131,272	114,155
Unrestricted (2)	<u>351,753</u>	<u>224,192</u>	<u>78,630</u>
Total governmental activities net assets	<u>1,289,208</u>	<u>1,364,735</u>	<u>1,312,941</u>
Business-type activities			
Invested in capital assets, net of related debt	699,546	748,195	815,902
Restricted (3)	281,313	269,111	238,071
Unrestricted	<u>69,982</u>	<u>67,552</u>	<u>37,319</u>
Total business-type activities net assets	<u>1,050,841</u>	<u>1,084,858</u>	<u>1,091,292</u>
Primary government			
Invested in capital assets, net of related debt	1,557,539	1,757,466	1,936,058
Restricted	360,775	400,383	352,226
Unrestricted	<u>421,735</u>	<u>291,744</u>	<u>115,949</u>
Total primary government net assets	<u>\$ 2,340,049</u>	<u>\$ 2,449,593</u>	<u>\$ 2,404,233</u>

(1) In 2003, governmental activities net assets were restated to reflect the inclusion of net pension assets previously excluded from the financial statements. Also, business activities net assets were restated to reflect the acquisition of a utility district. Prior years were not restated for either item.

(2) Variances in governmental activities unrestricted net assets between 2002 and 2005 were primarily due to the Government's historical budget pattern of increasing property tax rates approximately every three years. Beginning in 2008, the Government began recording its liability for other postemployment benefits.

(3) The decrease in business-type activities restricted after 2004 resulted from the expenditure of funds previously restricted for construction.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NET ASSETS BY COMPONENT  
 LAST EIGHT FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 1,018,806	\$ 1,030,056	\$ 1,042,013	\$ 1,044,125	\$ 1,083,097
97,629	67,840	63,371	47,527	22,917
<u>162,068</u>	<u>142,056</u>	<u>165,333</u>	<u>92,637</u>	<u>(91,699)</u>
<u>1,278,503</u>	<u>1,239,952</u>	<u>1,270,717</u>	<u>1,184,289</u>	<u>1,014,315</u>
993,216	1,010,626	1,061,440	1,160,088	1,196,149
69,305	70,023	73,134	29,090	22,587
<u>33,223</u>	<u>24,569</u>	<u>25,441</u>	<u>34,774</u>	<u>20,184</u>
<u>1,095,744</u>	<u>1,105,218</u>	<u>1,160,015</u>	<u>1,223,952</u>	<u>1,238,920</u>
2,012,022	2,040,682	2,103,453	2,204,213	2,279,246
166,934	137,863	136,505	76,617	45,504
<u>195,291</u>	<u>166,625</u>	<u>190,774</u>	<u>127,411</u>	<u>(71,515)</u>
<u>\$ 2,374,247</u>	<u>\$ 2,345,170</u>	<u>\$ 2,430,732</u>	<u>\$ 2,408,241</u>	<u>\$ 2,253,235</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	2002	2003 (1)	2004
<b>Expenses</b>			
<b>Governmental activities</b>			
General government	\$ 66,207	\$ 70,884	\$ 94,175
Fiscal administration	25,006	34,840	22,063
Administration of justice	55,740	57,535	65,069
Law enforcement and care of prisoners	180,267	203,351	215,912
Fire prevention and control	89,799	99,895	97,965
Regulation and inspection	7,800	7,772	8,465
Conservation of natural resources	355	335	426
Public welfare	42,568	54,875	53,435
Public health and hospitals	70,580	75,401	80,730
Public library system	24,044	23,926	25,448
Public works, highways and streets	85,901	94,482	105,618
Recreational and cultural	46,790	49,770	54,459
Education	543,635	575,834	620,518
Interest and other debt related costs	58,343	57,289	62,492
Total governmental activities	<u>1,297,035</u>	<u>1,406,189</u>	<u>1,506,775</u>
<b>Business-type activities</b>			
Department of Water and Sewerage Services	149,242	143,526	148,814
District Energy System	-	40	8,078
Nashville Convention Center	6,567	6,319	6,384
Board of Fair Commissioners	3,733	4,175	4,055
Farmers Market	1,136	1,112	1,159
Police Secondary Employment	2,526	1,679	1,017
Surplus Property Auction	-	9	3,252
Municipal Auditorium	-	-	-
Police Impound	-	-	-
School Community Education	-	-	-
Total business-type activities	<u>163,204</u>	<u>156,860</u>	<u>172,759</u>
Total primary government	<u>\$ 1,460,239</u>	<u>\$ 1,563,049</u>	<u>\$ 1,679,534</u>
<b>Program Revenues</b>			
<b>Governmental activities</b>			
Charges for services:			
General government	\$ 7,209	\$ 11,604	\$ 12,769
Fiscal administration	3,755	3,703	4,082
Administration of justice	19,788	23,255	23,559
Law enforcement and care of prisoners	23,554	25,524	25,240
Fire prevention and control	7,472	7,955	8,737
Regulation and inspection	7,054	6,712	7,944
Public welfare	2,127	1,934	2,029
Public health and hospitals	3,779	4,457	9,265
Public library system	489	570	732
Public works, highways and streets	7,515	6,397	5,518
Recreational and cultural	9,822	9,729	9,931
Education	20,720	17,474	18,420
Operating grants and contributions	251,234	267,904	272,414
Capital grants and contributions (2)	6,635	24,487	58,451
Total governmental activities	<u>371,153</u>	<u>411,705</u>	<u>459,091</u>

(1) In 2003, governmental activities net assets were restated to reflect the inclusion of net pension assets previously excluded from the financial statements. Also, business activities net assets were restated to reflect the acquisition of a utility district. Prior years were not restated for either item.

(2) Capital grants and contributions primarily represent the value of roads and other infrastructure by outside developers that are donated to the Government. The amounts vary based on the timing of completed projects within the metropolitan area.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET ASSETS  
 LAST EIGHT FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

2005	2006	2007	2008	2009
\$ 80,425	\$ 64,844	\$ 57,026	\$ 69,053	\$ 83,668
31,182	44,110	33,876	24,837	34,264
66,879	73,025	75,705	86,417	85,723
231,516	241,487	258,824	289,629	304,917
120,679	130,416	128,067	148,089	143,912
8,711	8,770	9,002	7,971	9,910
396	457	447	502	491
51,636	47,150	58,709	55,272	51,362
76,115	151,706	111,396	130,293	131,677
26,165	26,757	27,818	28,231	29,754
93,785	128,171	130,081	143,076	125,490
51,336	67,284	72,024	72,547	76,290
640,655	654,801	684,711	780,706	808,285
57,819	62,460	75,443	77,628	85,823
<u>1,537,299</u>	<u>1,701,438</u>	<u>1,723,129</u>	<u>1,914,251</u>	<u>1,971,566</u>
150,091	155,647	157,872	162,688	177,984
18,565	19,253	21,073	19,483	20,261
7,131	7,068	7,246	7,601	7,572
3,580	4,110	4,116	4,360	4,428
1,216	1,136	1,156	1,161	1,215
1,153	1,063	1,248	944	881
2,554	788	983	961	806
-	1,885	1,979	2,052	1,738
-	1,919	2,177	1,882	1,882
-	912	915	1,193	1,050
<u>184,290</u>	<u>193,781</u>	<u>198,765</u>	<u>202,325</u>	<u>217,817</u>
<u>\$ 1,721,589</u>	<u>\$ 1,895,219</u>	<u>\$ 1,921,894</u>	<u>\$ 2,116,576</u>	<u>\$ 2,189,383</u>
\$ 10,132	\$ 7,367	\$ 7,808	\$ 9,552	\$ 7,292
4,640	3,994	4,675	4,533	4,591
28,589	30,664	35,213	39,554	34,567
25,213	26,572	26,787	29,806	31,053
11,710	11,401	14,199	13,619	14,358
10,535	11,933	12,093	10,587	7,060
1,523	1,257	1,291	1,166	1,313
9,429	9,646	9,775	13,436	12,788
684	705	665	634	579
8,682	7,717	9,673	10,184	9,295
11,087	8,471	8,872	9,246	9,111
18,551	19,253	17,946	17,203	16,216
291,220	299,203	314,334	338,746	351,066
25,954	16,268	42,275	48,808	56,163
<u>457,949</u>	<u>454,451</u>	<u>505,606</u>	<u>547,074</u>	<u>555,452</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET ASSETS  
 LAST EIGHT FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

	<u>2002</u>	<u>2003 (1)</u>	<u>2004</u>
<b>Program Revenues (Continued)</b>			
Business-type activities			
Charges for services:			
Department of Water and Sewerage Services	\$ 152,943	\$ 146,847	\$ 152,786
District Energy System	-	-	8,302
Nashville Convention Center	3,819	4,187	3,561
Board of Fair Commissioners	3,329	3,113	3,653
Farmers Market	935	940	961
Police Secondary Employment	2,922	2,016	1,380
Surplus Property Auction	-	-	2,386
Municipal Auditorium	-	-	-
Police Impound	-	-	-
School Community Education	-	-	-
Capital grants and contributions	25,576	17,687	16,473
Total business-type activities	<u>189,524</u>	<u>174,790</u>	<u>189,502</u>
Total primary government	<u>\$ 560,677</u>	<u>\$ 586,495</u>	<u>\$ 648,593</u>
<b>Net (Expense) Revenue</b>			
Governmental activities	\$ (925,882)	\$ (994,484)	\$ (1,047,684)
Business-type activities	26,320	17,930	16,743
Total primary government	<u>\$ (899,562)</u>	<u>\$ (976,554)</u>	<u>\$ (1,030,941)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities			
Property taxes	\$ 587,143	\$ 606,681	\$ 592,385
Local option sales taxes	231,627	230,686	239,779
Other taxes	83,152	86,078	90,583
Revenue from the use of money or property	18,002	9,152	4,326
Revenue from other governmental agencies	55,364	53,749	50,870
Compensation for loss, sale or damage to property	1,500	7,581	5,589
Transfers	865	10,711	12,358
Special items (3)	(56,785)	737	-
Total governmental activities	<u>920,868</u>	<u>1,005,375</u>	<u>995,890</u>
Business-type activities			
Revenue from the use of money or property	13,786	8,911	2,049
Compensation for loss, sale or damage to property	-	-	-
Transfers	(865)	(10,711)	(12,358)
Total business-type activities	<u>12,921</u>	<u>(1,800)</u>	<u>(10,309)</u>
Total primary government	<u>\$ 933,789</u>	<u>\$ 1,003,575</u>	<u>\$ 985,581</u>
<b>Change in Net Assets</b>			
Governmental activities	\$ (5,014)	\$ 10,891	\$ (51,794)
Business-type activities	39,241	16,130	6,434
Total primary government	<u>\$ 34,227</u>	<u>\$ 27,021</u>	<u>\$ (45,360)</u>

(3) Special items consist of: In 2002, the Government assumed responsibility for debt related to Nashville Thermal Transfer Corporation, a component unit, which has subsequently ceased operations. In 2003, certain capital assets of the Hospital Authority, a component unit, were contributed to the Metropolitan Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN NET ASSETS  
 LAST EIGHT FISCAL YEARS (CONTINUED)  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 151,971	\$ 155,827	\$ 164,900	\$ 173,121	\$ 169,672
15,347	17,298	18,795	17,892	17,812
4,680	4,551	5,248	5,996	5,675
3,619	3,728	3,880	3,601	3,438
994	997	866	863	899
1,643	1,424	1,654	1,162	1,094
2,518	703	994	1,121	958
-	1,062	1,176	1,278	1,107
-	1,729	2,873	2,611	2,182
-	176	156	243	141
<u>22,155</u>	<u>25,610</u>	<u>53,318</u>	<u>58,761</u>	<u>27,463</u>
<u>202,927</u>	<u>213,105</u>	<u>253,860</u>	<u>266,649</u>	<u>230,441</u>
<u>\$ 660,876</u>	<u>\$ 667,556</u>	<u>\$ 759,466</u>	<u>\$ 813,723</u>	<u>\$ 785,893</u>
\$ (1,079,350)	\$ (1,246,987)	\$ (1,217,523)	\$ (1,367,177)	\$ (1,416,114)
18,637	19,324	55,095	64,324	12,624
<u>\$ (1,060,713)</u>	<u>\$ (1,227,663)</u>	<u>\$ (1,162,428)</u>	<u>\$ (1,302,853)</u>	<u>\$ (1,403,490)</u>
\$ 612,734	\$ 725,199	\$ 741,901	\$ 759,131	\$ 773,659
249,610	271,119	285,078	285,484	264,573
97,807	116,664	121,459	141,112	135,213
10,060	15,097	19,801	14,792	6,109
54,542	60,220	68,620	70,072	65,026
1,297	3,476	1,786	1,541	1,022
18,862	16,661	9,643	8,617	538
-	-	-	-	-
<u>1,044,912</u>	<u>1,208,436</u>	<u>1,248,288</u>	<u>1,280,749</u>	<u>1,246,140</u>
4,544	6,530	9,213	8,086	2,790
133	281	132	144	92
<u>(18,862)</u>	<u>(16,661)</u>	<u>(9,643)</u>	<u>(8,617)</u>	<u>(538)</u>
<u>(14,185)</u>	<u>(9,850)</u>	<u>(298)</u>	<u>(387)</u>	<u>2,344</u>
<u>\$ 1,030,727</u>	<u>\$ 1,198,586</u>	<u>\$ 1,247,990</u>	<u>\$ 1,280,362</u>	<u>\$ 1,248,484</u>
\$ (34,438)	\$ (38,551)	\$ 30,765	\$ (86,428)	\$ (169,974)
4,452	9,474	54,797	63,937	14,968
<u>\$ (29,986)</u>	<u>\$ (29,077)</u>	<u>\$ 85,562</u>	<u>\$ (22,491)</u>	<u>\$ (155,006)</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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General fund					
Reserved	\$ 9,056,517	\$ 11,109,879	\$ 45,630,102	\$ 47,945,698	\$ 2,367,797
Unreserved	<u>58,016,207</u>	<u>88,940,775</u>	<u>63,858,137</u>	<u>31,159,554</u>	<u>33,817,982</u>
Total general fund	<u>67,072,724</u>	<u>100,050,654</u>	<u>109,488,239</u>	<u>79,105,252</u>	<u>36,185,779</u>
All other governmental funds					
Reserved	175,707,218	208,924,140	227,227,510	273,822,202	213,106,244
Unreserved, reported in:					
Special revenue funds	93,202,914	93,301,520	106,757,090	99,212,279	87,222,751
Capital projects funds	74,735,551	185,969,415	81,218,512	(92,058,780)	(63,694,669)
Permanent funds	<u>458,929</u>	<u>458,020</u>	<u>212,945</u>	<u>203,379</u>	<u>194,725</u>
Total all other governmental funds	<u>344,104,612</u>	<u>488,653,095</u>	<u>415,416,057</u>	<u>281,179,080</u>	<u>236,829,051</u>
Total governmental funds	<u>\$ 411,177,336</u>	<u>\$ 588,703,749</u>	<u>\$ 524,904,296</u>	<u>\$ 360,284,332</u>	<u>\$ 273,014,830</u>

Note: For the years prior to the implementation of GASB Statement No. 34, certain funds previously reported as expendable and nonexpendable trust funds were reclassified to special revenue and permanent funds.

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 2,007,829	\$ 3,474,380	\$ 21,241,971	\$ 29,635,593	\$ 32,388,691
<u>35,268,998</u>	<u>43,459,698</u>	<u>39,344,023</u>	<u>33,482,380</u>	<u>47,337,826</u>
<u>37,276,827</u>	<u>46,934,078</u>	<u>60,585,994</u>	<u>63,117,973</u>	<u>79,726,517</u>
188,479,608	139,629,359	128,633,184	113,820,609	113,606,327
77,328,365	97,564,077	123,759,523	149,605,168	94,799,819
(107,305,574)	55,722,834	(139,673,867)	(61,532,681)	(181,976,760)
<u>178,616</u>	<u>191,671</u>	<u>207,255</u>	<u>219,049</u>	<u>220,829</u>
<u>158,681,015</u>	<u>293,107,941</u>	<u>112,926,095</u>	<u>202,112,145</u>	<u>26,650,215</u>
<u>\$ 195,957,842</u>	<u>\$ 340,042,019</u>	<u>\$ 173,512,089</u>	<u>\$ 265,230,118</u>	<u>\$ 106,376,732</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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General fund					
GSD					
Reserved	\$ 7,853,792	\$ 8,638,209	\$ 41,691,022	\$ 41,174,648	\$ 2,364,697
Unreserved	46,859,289	72,258,476	49,948,247	22,725,560	28,814,962
Total GSD	<u>54,713,081</u>	<u>80,896,685</u>	<u>91,639,269</u>	<u>63,900,208</u>	<u>31,179,659</u>
USD					
Reserved	1,202,725	2,471,670	3,939,080	6,771,050	3,100
Unreserved	11,156,918	16,682,299	13,909,890	8,433,994	5,003,020
Total USD	<u>12,359,643</u>	<u>19,153,969</u>	<u>17,848,970</u>	<u>15,205,044</u>	<u>5,006,120</u>
Total general fund	<u>67,072,724</u>	<u>100,050,654</u>	<u>109,488,239</u>	<u>79,105,252</u>	<u>36,185,779</u>
General purpose school fund					
Reserved	3,830,532	5,827,218	7,292,939	25,892,422	12,192,087
Unreserved	22,665,482	37,127,728	53,181,388	38,771,091	25,250,424
Total general purpose school fund	<u>26,496,014</u>	<u>42,954,946</u>	<u>60,474,327</u>	<u>64,663,513</u>	<u>37,442,511</u>
GSD general purposes debt service fund					
Reserved	<u>55,432,440</u>	<u>70,508,258</u>	<u>72,002,906</u>	<u>70,087,356</u>	<u>59,430,520</u>
GSD school purposes debt services fund					
Reserved	<u>58,482,912</u>	<u>78,036,243</u>	<u>80,823,039</u>	<u>81,300,372</u>	<u>78,148,782</u>
USD general purposes debt services fund					
Reserved	<u>9,209,833</u>	<u>10,937,838</u>	<u>12,062,613</u>	<u>13,304,996</u>	<u>14,064,796</u>
Total budgeted governmental funds	<u>\$ 216,693,923</u>	<u>\$ 302,487,939</u>	<u>\$ 334,851,124</u>	<u>\$ 308,461,489</u>	<u>\$ 225,272,388</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 2,005,329	\$ 3,471,380	\$ 21,020,871	\$ 29,632,593	\$ 32,385,691
<u>26,498,198</u>	<u>31,216,038</u>	<u>23,398,451</u>	<u>19,971,748</u>	<u>25,156,861</u>
<u>28,503,527</u>	<u>34,687,418</u>	<u>44,419,322</u>	<u>49,604,341</u>	<u>57,542,552</u>
2,500	3,000	221,100	3,000	3,000
<u>8,770,800</u>	<u>12,243,660</u>	<u>15,945,572</u>	<u>13,510,632</u>	<u>22,180,965</u>
<u>8,773,300</u>	<u>12,246,660</u>	<u>16,166,672</u>	<u>13,513,632</u>	<u>22,183,965</u>
<u>37,276,827</u>	<u>46,934,078</u>	<u>60,585,994</u>	<u>63,117,973</u>	<u>79,726,517</u>
875,953	678,513	6,853,766	20,169,615	13,173,143
<u>17,566,775</u>	<u>37,753,270</u>	<u>61,508,398</u>	<u>52,554,640</u>	<u>27,354,208</u>
<u>18,442,728</u>	<u>38,431,783</u>	<u>68,362,164</u>	<u>72,724,255</u>	<u>40,527,351</u>
<u>47,766,674</u>	<u>4,506,155</u>	<u>8,004,172</u>	<u>3,170,054</u>	<u>1,107,591</u>
<u>75,330,810</u>	<u>66,092,796</u>	<u>60,537,817</u>	<u>51,412,069</u>	<u>38,556,134</u>
<u>14,092,731</u>	<u>12,996,611</u>	<u>2,427,452</u>	<u>2,221,176</u>	<u>4,298,707</u>
<u>\$ 192,909,770</u>	<u>\$ 168,961,423</u>	<u>\$ 199,917,599</u>	<u>\$ 192,645,527</u>	<u>\$ 164,216,300</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

	2000	2001	2002	2003
<b>Revenues</b>				
Property taxes (1)	\$ 456,036,292	\$ 470,862,466	\$ 598,399,975	\$ 601,123,598
Local option sales tax	237,192,630	237,202,797	231,707,353	230,579,654
Other taxes, licenses and permits	111,986,041	97,697,363	93,770,480	93,740,577
Fines, forfeits and penalties	15,912,954	12,746,125	11,623,733	14,191,298
Revenues from the use of money or property	24,677,391	21,167,002	16,970,802	8,350,984
Revenues from other governmental agencies	312,900,425	318,499,173	345,844,660	350,106,028
Commissions and fees	13,806,439	14,414,164	16,676,399	18,953,278
Charges for current services	49,821,310	47,195,450	48,068,592	43,764,068
Compensation for loss, sale or damage to property	2,784,053	4,415,442	2,489,468	7,501,643
Contributions and gifts	9,645,750	9,451,915	9,328,613	8,156,874
Miscellaneous	3,951,728	1,012,932	615,098	723,794
<b>Total revenues</b>	<b>1,238,715,013</b>	<b>1,234,664,829</b>	<b>1,375,495,173</b>	<b>1,377,191,796</b>
<b>Expenditures</b>				
Current:				
General government	38,694,714	41,798,984	49,694,322	50,602,005
Fiscal administration	15,835,754	17,128,581	19,765,287	20,323,270
Administration of justice	41,700,787	40,094,066	43,163,240	45,794,670
Law enforcement and care of prisoners	146,283,847	144,930,805	159,551,996	175,023,851
Fire prevention and control	68,744,162	67,145,761	79,073,811	86,043,913
Regulation and inspection	6,211,955	5,890,959	7,177,920	7,006,740
Conservation of natural resources	300,301	354,787	319,543	311,037
Public welfare	36,186,327	35,251,627	38,939,531	41,846,976
Public health and hospitals (2)	64,412,977	64,269,297	68,431,324	72,221,269
Public library system	10,958,566	12,732,102	16,909,903	18,875,806
Public works, highways and streets	49,487,488	50,229,255	69,196,396	57,343,896
Recreational and cultural (3)	33,404,169	28,702,228	31,488,610	32,846,731
Education	449,708,532	458,692,007	500,241,847	553,980,028
Employee benefits	43,186,268	44,796,706	46,876,942	51,520,203
Miscellaneous	34,756,303	44,813,661	37,008,384	47,836,086

Note: For the years prior to the implementation of GASB Statement No. 34, certain funds previously reported as expendable and nonexpendable trust funds were reclassified to special revenue and permanent funds. Also, 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) In fiscal year 2007, the Government began selling its property tax receivables, resulting in an increase in property tax revenue for 2007 and continued increases in subsequent years.
- (2) In 2000, the operations of the Hospital Authority were removed from the enterprise funds and reported as a component unit. Public health and hospitals include operating subsidies to the Hospital Authority for the years 2000 and subsequent. In fiscal year 2006, there was a \$16.5 million increase in the base annual operating subsidy to the Hospital Authority and a one-time appropriation of \$50 million to the Hospital Authority to fund a liability to the Government that had accumulated since the inception of the Hospital Authority.
- (3) In 2001, the operations of the Sports Authority were removed from the governmental funds and reported as a component unit. Recreation and cultural includes expenditures related to stadium development and construction prior to 2001.

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

	2004	2005	2006	2007	2008	2009
\$	601,825,390	\$ 609,091,452	\$ 719,820,461	\$ 762,416,897	\$ 757,993,487	\$ 775,403,870
	239,779,471	249,701,966	271,311,435	285,258,498	285,483,688	264,572,950
	99,324,601	107,541,797	126,826,832	130,176,283	152,575,721	143,696,309
	14,036,202	16,280,190	19,733,750	19,254,517	19,869,757	17,962,587
	2,015,987	6,512,905	9,470,818	14,047,969	10,496,414	3,785,674
	358,602,784	383,725,517	391,034,345	417,169,806	447,314,552	453,448,063
	19,637,940	21,072,982	21,261,179	26,156,439	29,070,315	25,049,552
	46,134,585	48,990,928	47,396,269	51,607,253	53,939,317	51,137,029
	2,227,502	1,315,393	3,490,427	1,708,877	1,597,492	2,144,252
	7,711,533	7,544,472	10,900,634	9,917,112	11,995,898	10,645,368
	1,261,667	1,248,953	1,744,055	2,141,108	3,263,508	4,603,664
	<u>1,392,557,662</u>	<u>1,453,026,555</u>	<u>1,622,990,205</u>	<u>1,719,854,759</u>	<u>1,773,600,149</u>	<u>1,752,449,318</u>
	54,045,561	35,758,167	37,827,855	40,641,319	46,904,452	60,035,388
	21,008,051	14,180,153	14,578,459	15,777,516	16,472,712	24,112,437
	50,333,461	53,751,204	58,621,082	63,883,484	65,699,378	56,871,162
	188,644,930	206,160,524	218,067,847	237,925,605	250,849,440	239,436,458
	93,266,180	95,045,746	100,684,959	112,717,674	119,648,604	107,034,837
	7,416,328	7,412,089	7,971,413	8,449,218	8,697,029	8,095,128
	398,925	352,566	421,822	444,857	456,284	407,442
	41,786,523	37,500,087	34,663,341	38,037,156	36,967,197	37,924,764
	74,854,036	71,221,790	142,543,147	100,408,354	104,398,769	101,575,884
	20,240,202	19,400,262	21,644,954	21,712,959	22,644,664	20,564,850
	62,547,910	63,519,894	60,613,315	65,518,756	70,954,215	63,204,089
	34,832,275	32,993,788	34,736,137	38,633,072	40,513,021	37,312,292
	604,067,494	611,766,944	622,926,552	636,140,631	683,222,289	720,909,041
	54,892,819	55,012,329	56,369,642	59,012,395	61,100,542	62,420,127
	38,462,724	43,964,605	62,900,107	51,967,639	44,480,259	40,260,803

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Expenditures (Continued)</b>				
Debt service:				
Principal retirement	\$ 51,925,000	\$ 56,825,000	\$ 68,255,000	\$ 77,865,000
Interest	59,563,984	49,834,336	63,676,350	58,207,564
Fiscal charges	427,424	457,179	1,820,928	303,552
Bond issue costs	-	1,004,837	223,339	829,906
Arbitrage rebate	-	-	-	825,742
Capital outlay - capitalized (1)	197,136,695	165,724,865	126,606,755	115,006,272
Capital outlay - noncapitalized	-	-	-	31,589,279
	<u>1,348,925,253</u>	<u>1,330,677,043</u>	<u>1,428,421,428</u>	<u>1,546,203,796</u>
Total expenditures				
Excess of revenue over (under) expenditures	<u>(110,210,240)</u>	<u>(96,012,214)</u>	<u>(52,926,255)</u>	<u>(169,012,000)</u>
<b>Other Financing Sources (Uses)</b>				
Payments to refunded bond escrow agent	-	(77,885,410)	(87,228,769)	(112,805,846)
Issuance of refunding debt	-	73,745,000	74,330,000	108,690,000
Issuance of new bonds	-	262,155,000	-	-
Issuance of QZAB notes	-	-	-	-
Bond issue premium (discount)	-	19,779,006	1,323,046	5,608,303
Commercial paper proceeds	-	-	-	-
Commercial paper redeemed	-	-	-	-
Swaption proceeds	-	-	-	-
Distribution of net assets	-	-	-	(1,027,530)
Transfers in	90,960,196	72,939,523	93,231,089	114,037,906
Transfers out	(88,002,517)	(72,899,830)	(92,390,564)	(110,110,797)
	<u>2,957,679</u>	<u>277,833,289</u>	<u>(10,735,198)</u>	<u>4,392,036</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (107,252,561)</u>	<u>\$ 181,821,075</u>	<u>\$ (63,661,453)</u>	<u>\$ (164,619,964)</u>

Debt service as a percentage of noncapitalized expenditures (2)	9.72 %	9.19 %	10.27 %	9.53 %
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(1) 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. In recent years, the Government has undertaken aggressive capital plans to address deferred maintenance and other capital needs, culminating in fiscal year 2006 with the completion of a new justice center and the completion of a total renovation of the historic courthouse.

(2) For purposes of calculating debt service as a percentage of noncapital expenditures, debt service includes principal retirement, interest, and fiscal charges. 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

2004	2005	2006	2007	2008	2009
\$ 79,775,000	\$ 86,315,000	\$ 99,000,000	\$ 95,569,567	\$ 94,819,566	\$ 85,914,567
59,120,667	57,783,125	65,621,896	72,522,916	79,323,719	83,169,612
330,766	1,520,826	973,475	2,818,981	3,730,505	3,604,978
689,127	1,024,215	1,859,351	587,900	323,288	240,000
400,849	-	272,023	-	-	-
145,878,753	183,396,697	204,299,918	124,229,635	155,498,310	83,576,267
55,790,669	3,676,054	80,000,497	98,191,337	93,929,184	66,712,095
<u>1,688,783,250</u>	<u>1,681,756,065</u>	<u>1,926,597,792</u>	<u>1,885,190,971</u>	<u>2,000,633,427</u>	<u>1,903,382,221</u>
<u>(296,225,588)</u>	<u>(228,729,510)</u>	<u>(303,607,587)</u>	<u>(165,336,212)</u>	<u>(227,033,278)</u>	<u>(150,932,903)</u>
-	(262,859,309)	(60,463,650)	(198,934,669)	-	(58,900,000)
-	241,800,000	60,805,000	186,890,000	-	-
122,100,000	209,055,000	417,315,000	-	308,000,000	59,140,000
-	-	6,218,000	-	-	-
6,157,067	34,513,827	20,310,047	12,632,569	7,867,112	-
195,000,000	150,000,000	-	-	-	-
(127,000,000)	(218,000,000)	-	-	-	-
3,800,000	-	-	-	-	-
-	-	-	-	-	-
106,933,088	100,801,076	195,467,499	137,154,461	160,349,393	98,879,725
(98,034,069)	(103,638,072)	(191,960,632)	(138,936,079)	(157,465,198)	(107,040,208)
<u>208,956,086</u>	<u>151,672,522</u>	<u>447,691,264</u>	<u>(1,193,718)</u>	<u>318,751,307</u>	<u>(7,920,483)</u>
<u>\$ (87,269,502)</u>	<u>\$ (77,056,988)</u>	<u>\$ 144,083,677</u>	<u>\$ (166,529,930)</u>	<u>\$ 91,718,029</u>	<u>\$ (158,853,386)</u>

9.02 %

9.72 %

9.61 %

9.71 %

9.64 %

9.49 %

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 Taxable Assessed Value
1999-00	\$ 9,625,554,203	\$ 954,014,066	\$ 507,768,277	\$ 11,087,336,546
2000-01	9,878,827,579	953,834,854	557,537,258	11,390,199,691
2001-02	11,649,748,674	1,059,163,097	664,461,669	13,373,373,440
2002-03	11,792,547,023	1,025,692,548	645,179,869	13,463,419,440
2003-04	11,809,121,866	917,401,480	553,940,253	13,280,463,599
2004-05	11,933,712,504	907,818,023	590,493,038	13,432,023,565
2005-06	13,962,265,146	963,153,348	608,300,242	15,533,718,736
2006-07	14,319,406,060	1,026,510,506	622,162,501	15,968,079,067
2007-08	14,647,388,808	1,004,636,613	585,267,521	16,237,292,942
2008-09	14,808,578,922	1,003,474,654	601,229,146	16,413,282,722

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>
\$ 3.39	\$ 38,576,009,345	28.74 %
3.39	39,576,025,308	28.78
3.84	42,634,022,131	31.37
3.84	42,988,853,105	31.32
3.84	45,150,830,802	29.41
3.84	45,746,447,359	29.36
4.04	50,477,218,642	30.77
4.04	51,736,469,429	30.86
4.04	60,386,015,276	26.89
4.04	61,881,138,204	26.52

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>
1999-00	\$ 6,420,180,086	\$ 747,640,155	\$ 411,270,056	\$ 7,579,090,297	\$ 0.85
2000-01	6,544,802,327	745,794,683	462,282,505	7,752,879,515	0.85
2001-02	7,681,717,993	794,416,879	553,090,149	9,029,225,021	0.74
2002-03	7,722,115,933	765,147,395	535,610,099	9,022,873,427	0.74
2003-04	7,667,951,606	680,464,904	443,772,979	8,792,189,489	0.74
2004-05	7,996,403,388	699,060,182	472,283,935	9,167,747,505	0.74
2005-06	9,293,334,373	736,566,609	484,073,719	10,513,974,701	0.65
2006-07	9,653,540,683	812,794,594	497,183,632	10,963,518,909	0.65
2007-08	9,828,095,806	800,146,680	476,649,480	11,104,891,966	0.65
2008-09	9,936,748,153	804,965,057	469,223,447	11,210,936,657	0.65

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	
1999-00	\$ 1.68	\$ 0.96	\$ 0.50	\$ 0.25	\$ 3.39	\$ 0.74	\$ 0.11	\$ 0.85	\$ 4.24
2000-01	1.68	0.96	0.50	0.25	3.39	0.74	0.11	0.85	4.24
2001-02 (2)	1.97	1.24	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2002-03 (3)	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2003-04	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2004-05	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2005-06 (2)	2.00	1.33	0.54	0.17	4.04	0.56	0.09	0.65	4.69
2006-07 (3)	2.07	1.33	0.47	0.17	4.04	0.56	0.09	0.65	4.69
2007-08 (3)	2.06	1.33	0.48	0.17	4.04	0.56	0.09	0.65	4.69
2008-09 (3)	2.06	1.33	0.48	0.17	4.04	0.53	0.12	0.65	4.69

Tax rates are per \$100 of assessed valuation. Payments may be made through February 28 of the year following the year of assessment and levy without penalty.

On November 7, 2006, voters approved a ballot initiative prohibiting the Metropolitan Council from raising real property tax rates from their current and future levels without the approval of the voters in a referendum. Prior to the adoption of the November 7 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 \$.12 to \$.08 over the last ten years.
- (2) 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 increased by the Metropolitan Council and reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the reappraisal valuation and the increase and reallocation by the Metropolitan Council.
- (3) In these fiscal years, the property tax rate was reallocated among the funds receiving property tax revenue.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

Taxpayer	December 31, 2008				December 31, 1999			
	2008 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy	1999 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy
Electric Power Board (1)	\$ N/A	\$ 23,472,736	1	3.16 %	\$ N/A	\$ 13,019,653	1	2.96 %
Gaylord	238,598,060	11,226,636	2	1.51	329,163,330	9,476,774	2	2.15
Columbia/HCA	233,062,240	10,187,240	3	1.37	109,044,200	4,342,507	4	0.99
AT&T	173,301,349	7,001,372	4	0.94	167,344,880	6,796,326	3	1.54
Opry Mills Co.	70,154,676	3,795,703	5	0.51	-	-	-	(2)
CBL & Associates	82,983,092	3,591,978	6	0.48	83,843,020	3,162,261	5	0.72
Piedmont Natural Gas Company	78,681,665	3,561,715	7	0.48	81,058,944	2,335,714	7	0.53
Vanderbilt	61,365,054	2,878,021	8	0.39	-	-	-	(2)
Davis Street Land	42,921,720	2,022,178	9	0.27	-	-	-	(2)
PREFCO XIV LTD	38,950,000	1,947,497	10	0.26	57,755,005	2,448,812	6	0.56
E. I. Dupont	-	-	-	(2)	51,471,332	1,649,058	8	0.37
SunTrust Bank	-	-	-	(2)	36,736,675	1,604,711	9	0.36
Ford Motor Co.	-	-	-	(2)	39,126,736	1,552,399	10	0.35
	<u>\$ 1,020,017,856</u>	<u>\$ 69,685,076</u>		<u>9.37 %</u>	<u>\$ 955,544,122</u>	<u>\$ 46,388,215</u>		<u>10.53 %</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.



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	Percent of Levy
1999-00	\$ 368,281,927	\$ 72,001,424	\$ 440,283,351	\$ 419,550,370	95.29 %
2000-01	378,375,194	73,652,420	452,027,614	432,592,562	95.70
2001-02	504,508,539	75,845,541	580,354,080	554,792,713	95.60
2002-03	508,874,943	74,889,899	583,764,842	557,508,632	95.50
2003-04	502,057,059	72,975,223	575,032,282	555,507,839	96.60
2004-05	507,538,957	76,092,355	583,631,312	565,446,465	96.88
2005-06 (1)	619,151,100	76,752,024	695,903,124	671,768,730	96.53
2006-07 (1)	633,541,786	79,714,977	713,256,763	705,244,782	98.88
2007-08 (2)	643,729,137	80,683,950	724,413,087	717,920,126	99.10
2008-09 (3)	659,755,545	82,555,463	742,311,008	732,021,054	98.61

Source: Metropolitan Trustee's Office

- (1) In June 2007, the Government sold the majority of the 2006-07 and 2005-06 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balances of \$23,025,457 for 2006-07, which is reflected in current tax amount collections, and \$2,418,959 for 2005-06, which is reflected in collections in subsequent years.
- (2) In June 2008, the Government sold the majority of the 2007-08 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$24,448,736 for 2007-08, which is reflected in current tax amount collections.
- (3) In June 2008, the Government sold the majority of the 2008-09 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$21,544,115 for 2008-09, which is reflected in current tax amount collections.

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		
\$ (6,621,787)	\$ 433,661,564	\$ 13,491,345	\$ 433,041,715	\$ 99.86	\$ 619,849	0.14 %
(4,456,634)	447,570,980	14,020,505	446,613,067	99.79	957,913	0.21
(6,726,316)	573,627,764	17,868,075	572,660,788	99.83	966,976	0.17
(6,594,403)	577,170,439	18,603,981	576,112,613	99.82	1,057,826	0.18
(2,635,046)	572,397,236	15,941,735	571,449,574	99.83	947,662	0.17
(2,619,406)	581,011,906	14,695,892	580,142,357	99.85	869,549	0.15
(8,715,964)	687,187,160	14,406,345	686,175,075	99.85	1,012,085	0.15
(4,624,992)	708,631,771	1,911,301	707,156,083	99.79	1,475,688	0.21
(2,333,789)	722,079,298	878,966	718,799,092	99.55	3,280,206	0.45
(2,745,344)	739,565,664	-	732,021,054	98.98	7,544,610	1.02

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	Total Governmental Activities	Revenue Bonds	General Obligation Bonds
1999-00	\$ 989,705	\$ 18,725	\$ -	\$ -	\$ 1,008,430	\$ 542,440	\$ -
2000-01	1,196,320	17,680	-	-	1,214,000	529,852	-
2001-02	1,187,245	16,265	-	-	1,203,510	525,855	-
2002-03	1,114,990	14,925	-	-	1,129,915	571,070	-
2003-04	1,158,710	13,530	-	-	1,172,240	550,880	-
2004-05	1,279,935	12,080	-	-	1,292,015	529,200	7,695
2005-06	1,600,695	10,575	6,219	-	1,617,489	502,060	7,695
2006-07	1,503,390	9,005	5,804	-	1,518,199	473,565	7,435
2007-08	1,718,615	7,375	5,389	-	1,731,379	436,860	7,170
2008-09	1,578,135	5,665	4,975	56,930	1,645,705	404,385	6,890

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 calendar year 2008 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

<u>Business-type Activities (Continued)</u>						
<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>	
\$ 65,959	\$ 2,754	\$ 611,153	\$ 1,619,583	9.02 %	\$ 2,841.92	
64,233	2,465	596,550	1,810,550	9.51	3,169.11	
57,659	2,340	585,854	1,789,364	8.94	3,143.79	
51,623	2,210	624,903	1,754,818	8.37	3,077.89	
46,803	2,075	599,758	1,771,998	8.08	3,095.33	
47,404	1,930	586,229	1,878,244	8.01	3,235.81	
62,638	1,780	574,173	2,191,662	9.01	3,802.45	
126,836	1,620	609,456	2,127,655	8.23	3,676.62	
155,648	1,455	601,133	2,332,512	8.67	3,764.39	
159,000	1,270	571,545	2,217,250	N/A (2)	3,541.12	

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	Less: Amounts Payable from Sources Other Than Property Taxes	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
1999-00	\$ 989,705	\$ 120,991	\$ 31,507	\$ 837,207	2.17 %	\$ 1,469.07
2000-01	1,196,320	156,402	26,939	1,012,979	2.56	1,773.07
2001-02	1,187,245	162,066	22,360	1,002,819	2.35	1,761.88
2002-03	1,114,990	163,737	17,563	933,690	2.17	1,637.66
2003-04	1,158,710	151,390	12,519	994,801	2.20	1,737.72
2004-05	1,279,935	136,955	7,220	1,135,760	2.48	1,956.67
2005-06	1,600,695	83,596	1,655	1,515,444	3.00	2,629.24
2006-07	1,503,390	70,969	130	1,432,291	2.77	2,475.02
2007-08	1,718,615	56,803	-	1,661,812	2.75	2,681.96
2008-09	1,578,135	43,962	-	1,534,173	2.48	2,450.19

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	Less: Amounts Payable from Sources Other Than Property Taxes	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
1999-00	\$ 38,925	\$ 9,210	\$ 200	\$ 29,515	N/A %	\$ N/A
2000-01	57,124	10,915	-	46,209	N/A	N/A
2001-02	109,695	11,770	-	97,925	N/A	N/A
2002-03	97,897	13,230	-	84,667	N/A	N/A
2003-04	107,357	13,900	-	93,457	N/A	N/A
2004-05	114,326	13,857	-	100,469	N/A	N/A
2005-06	134,733	12,997	-	121,736	N/A	N/A
2006-07	128,353	2,427	-	125,926	N/A	N/A
2007-08	153,286	2,221	-	151,065	N/A	N/A
2008-09	144,049	4,299	-	139,750	N/A	N/A

Note: The above computation is an excerpt from the Ratios of General Bonded Debt Outstanding on page H-26 and reflects ratios of general bonded debt for the Urban Services District only. Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) The actual value of taxable property is not available for the Urban Services District.

(2) Population estimates are not available for the Urban Services District.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

LEGAL DEBT MARGIN INFORMATION  
 URBAN SERVICES DISTRICT  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Amount of Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Amount of Debt Applicable to Debt Limit as a Percentage of Debt Limit</u>
1999-00	\$ 1,136,864	\$ 29,515	\$ 1,107,349	2.60 %
2000-01	1,162,932	46,209	1,116,723	3.97
2001-02	1,354,384	97,925	1,256,459	7.23
2002-03	1,353,431	84,666	1,268,765	6.26
2003-04	1,318,828	93,457	1,225,371	7.09
2004-05	1,375,162	100,468	1,274,694	7.31
2005-06	1,577,096	121,737	1,455,359	7.72
2006-07	1,644,528	125,926	1,518,602	7.66
2007-08	1,665,734	151,065	1,514,669	9.07
2008-09	1,681,640	139,750	1,541,890	8.31

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, 2009

Unaudited - See Accompanying Accountants' Report

Assessed valuation of taxable property - Urban Services District		<u>\$ 11,210,936,657</u>
Debt limit - 15 percent of assessed valuation		\$ 1,681,640,499
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 144,048,611	
Less:		
Amounts available in debt service funds	<u>4,298,707</u>	
Total amount of debt applicable to debt limit		<u>139,749,904</u>
Legal debt margin		<u>\$ 1,541,890,595</u>

Note: The legal debt limit for the Urban Services District is established in the Charter for the Metropolitan Government as presented above. There is no legal debt limit for the General Services District.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges (2)</u>	<u>Total Debt Service</u>	<u>Total General Expenditures (1)</u>	<u>Percentage of Debt Service to Total General Expenditures</u>
1999-00	\$ 49,255	\$ 53,069	\$ 102,324	\$ 1,103,726	9.2 %
2000-01	55,780	49,030	104,810	1,110,942	9.4
2001-02	67,140	65,859	132,999	1,307,461	10.0
2002-03	76,525	59,109	135,634	1,379,369	9.8
2003-04	78,380	60,128	138,508	1,473,754	9.4
2004-05	84,865	60,019	144,884	1,482,009	9.8
2005-06	97,495	66,069	163,564	1,637,637	10.0
2006-07	93,585	74,874	168,459	1,682,760	10.0
2007-08	92,775	82,647	175,422	1,762,582	10.0
2008-09	81,580	86,447	168,027	1,777,590	9.5

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, excluding the Correctional Facility Revenue Bonds.

(2) For comparability, amounts include contractual services and exclude debt issue costs.

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	
1999-00	\$ 167,301	\$ 65,321	\$ 101,980	\$ 13,480	\$ 30,916	\$ 44,396	2.30
2000-01	172,445	65,853	106,592	14,050	30,285	44,335	2.40
2001-02	166,435	68,006	98,429	19,680	29,615	49,295	2.00
2002-03	155,560	65,398	90,162	20,190	28,621	48,811	1.85
2003-04	154,638	71,273	83,365	21,680	27,531	49,211	1.69
2004-05	156,158	71,410	84,748	25,960	26,407	52,367	1.62
2005-06	161,727	78,293	83,434	27,280	25,034	52,314	1.59
2006-07	173,220	82,817	90,403	28,770	23,581	52,351	1.73
2007-08	180,862	88,416	92,446	31,185	19,646	50,831	1.82
2008-09	172,379	90,685	81,694	33,370	18,859	52,229	1.56

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>
1999	569,891	\$ 31,494	\$ 17,948,147	2.9 %
2000	571,312	33,338	19,046,399	3.2
2001	569,174	35,183	20,025,249	3.5
2002	570,136	36,768	20,962,760	4.4
2003	572,475	38,297	21,924,075	4.6
2004	580,455	40,393	23,446,319	4.4
2005	576,382	42,192	24,318,709	4.6
2006	578,698	42,092	25,838,472	4.2
2007 (4)	619,626	43,394	26,916,014	3.9
2008 (5)	626,144	N/A	N/A	5.5

(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) Population increase due to Census Bureau adjustments for Hurrincanes Katrina and Rita.

(5) Per Capita personal income statistics for calendar year 2008 were not available at the reporting date.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

Employer	June 30, 2009			June 30, 2000		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
State of Tennessee	20,800	1	2.76 %	18,409	1	2.64 %
Vanderbilt University and Medical Center	19,968	2	2.65	10,417	4	1.49
Metro Nashville-Davidson Co. Government and Public Schools	19,692	3	2.62	19,800	2	2.84
U.S. Government	11,271	4	1.50	11,437	3	1.64
HCA (including Tri-Star Health System) (1)	8,700	5	1.16	-	-	(2)
St. Thomas Health Services	7,200	6	0.96	4,943	9	0.71
Nissan North America Inc.	6,750	7	0.90	6,115	7	0.88
Wal-Mart Stores Inc.	4,500	8	0.60	-	-	(2)
CBRL Group Inc.	4,017	9	0.53	-	-	(2)
Shoney's Inc.	4,000	10	0.53	-	-	(2)
Saturn Corporation	-	-	(2)	8,400	5	1.21
Gaylord Entertainment Co. (1)	-	-	(2)	6,602	6	0.95
Kroger Company	-	-	(2)	5,199	8	0.75
BellSouth Telecommunications	-	-	(2)	3,203	10	0.46
	<u>106,898</u>		<u>14.20 %</u>	<u>94,525</u>		<u>13.56 %</u>

Sources:

Principal Employers and Number of Employees - Nashville Area Chamber of Commerce, Nashville Business Journal  
Total Employment - TN Department of Labor & Workforce Development

(1) National, State or Corporate Headquarters.

(2) Values for employers that are outside the top ten ranking are excluded.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2000	2001	2002	2003
Governmental activities:				
General government	307	304	326	343
Fiscal administration	270	287	318	343
Administration of justice	703	715	735	785
Law enforcement and care of prisoners	2,574	2,649	2,496	2,504
Fire prevention and control	1,211	1,210	1,258	1,258
Regulation and inspection	118	108	109	109
Conservation of natural resources	9	9	11	11
Public welfare	625	602	706	729
Public health and hospitals	466	453	535	530
Public library system	267	364	365	365
Public works, highways and streets	538	537	536	568
Recreational and cultural	488	456	461	682
Education	7,607	7,558	7,891	7,780
Total governmental activities	<u>15,183</u>	<u>15,252</u>	<u>15,747</u>	<u>16,007</u>
Internal service activities:				
Central Printing	9	9	9	9
Motor Pool	47	48	41	41
Office of Fleet Management	-	-	-	-
Information Systems	90	91	95	103
Radio Shop	20	26	24	24
Metro Postal Service	6	6	6	6
Office Supply Storeroom	3	2	-	-
Facilities Planning and Construction	2	2	13	14
Treasury Management	7	7	10	11
General Services (1)	41	45	52	55
Total internal service activities	<u>225</u>	<u>236</u>	<u>250</u>	<u>263</u>
Business-type activities:				
Department of Water and Sewerage Services	760	738	781	718
Nashville Convention Center	46	52	54	53
Board of Fair Commissioners	18	19	19	19
Farmers Market	8	7	7	8
Police Secondary Employment	-	-	-	5
Surplus Property Auction	-	-	-	-
Police Impound	-	-	-	-
Municipal Auditorium	-	-	-	-
School Community Education	-	-	-	-
Total business-type activities	<u>832</u>	<u>816</u>	<u>861</u>	<u>803</u>
Total primary government	<u>16,240</u>	<u>16,304</u>	<u>16,858</u>	<u>17,073</u>

Source: Department of Finance, Office of Management and Budgets, "Budget Book" for each fiscal year.

Note: Although the financial balances and operations of the internal service activities are allocated to the various governmental and business-type activities in the government-wide financial statements, the full-time equivalents are reported separately in the above schedule. Also, certain functions previously included in internal service activities were reclassified to governmental activities for consistency in presentation.

(1) During 2006 through 2008, the programs in General Services included shared business office, payment services, and a customer call center. These programs ceased operations effective with the 2009 fiscal year.

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

2004	2005	2006	2007	2008	2009
339	325	340	331	337	330
331	310	316	317	318	317
800	798	812	811	808	813
2,544	2,695	2,716	2,714	2,715	2,733
1,217	1,178	1,181	1,180	1,182	1,150
109	108	111	108	108	105
11	10	10	10	11	10
689	678	487	492	487	483
525	514	528	500	508	486
363	336	330	329	336	317
544	543	546	532	527	470
679	592	639	650	682	605
8,201	8,285	8,382	8,361	8,540	9,085
16,352	16,372	16,398	16,335	16,559	16,904
9	4	-	-	-	-
-	-	-	-	-	-
105	97	88	91	94	94
108	136	130	124	129	130
24	23	18	16	16	18
6	5	5	5	5	4
-	-	-	-	-	-
19	19	18	18	18	-
14	14	12	9	8	8
55	52	94	96	107	58
340	350	365	359	377	312
658	668	668	668	668	650
53	47	47	53	53	59
19	17	17	29	24	25
8	8	8	8	8	7
5	5	5	5	5	5
7	7	7	7	7	7
7	29	29	29	29	29
-	-	12	12	12	11
-	9	11	11	15	14
757	790	804	822	821	807
17,449	17,512	17,567	17,516	17,757	18,023

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2000	2001	2002	2003
Governmental activities:				
General government:				
Election Commission - registered voters	337,313	316,414	335,357	337,392
Assessor of Property - real property inspections (1)	56,458	208,010	52,313	88,197
Administration of justice:				
Public Defender - caseload	35,229	31,157	32,485	36,068
Circuit Court Clerk - circuit filings	9,384	9,067	8,975	8,967
Circuit Court Clerk - general sessions civil filings	39,981	44,216	47,783	46,739
Circuit Court Clerk - probate filings	1,935	1,978	2,081	2,067
Law enforcement and care of prisoners:				
Sheriff - inmate days jails	612,343	530,094	583,807	610,640
Sheriff - inmate days detention facility	424,023	413,174	436,679	451,182
Police - total calls received	1,194,180	1,324,019	1,170,705	1,156,932
Police - incident numbers issued	628,951	556,427	564,448	577,377
ECC - total 911 calls received	N/A	N/A	N/A	N/A
ECC - total non 911 calls received	N/A	N/A	N/A	N/A
ECC - total calls automatic call distribution	N/A	N/A	N/A	N/A
Fire prevention and control:				
Fire - life threatening responses	N/A	N/A	33,495	33,812
Fire - non life threatening responses	N/A	N/A	16,771	15,539
Regulation and inspection:				
Codes - construction/land use permits	9,856	9,102	9,346	9,123
Public welfare:				
Social Services - clients served (2)	563	2,844	2,543	3,971
Public health and hospitals:				
Health - clinic visits	180,081	166,000	185,221	168,616
Health - restaurant inspections	N/A	N/A	N/A	N/A
Public library system:				
Library - circulating materials check-outs	2,566,170	2,957,664	3,825,465	3,988,212
Library - number of visits	2,342,586	2,508,796	3,148,035	3,496,615

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

Note: Certain amounts are excluded because (1) the data is not available for some older years, (2) the data available for some years was not accumulated in a manner consistent with the current years, or (3) the data has yet to be accumulated for the current year. Some amounts are estimated.

(1) Years 2001, 2005 and 2009 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.

(2) Social Services restructured its business model in 2005 by combining five programs which caused an increase in the number of clients served for 2006 and forward.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
366,326	358,119	359,806	334,067	340,373	345,243
69,768	220,903	48,942	96,845	69,153	236,459
38,920	41,017	39,242	43,649	43,402	46,006
8,965	10,707	9,970	8,905	9,084	11,324
47,965	45,835	47,232	49,729	51,905	53,441
2,061	1,909	2,002	2,060	2,039	1,930
637,243	674,254	806,361	870,502	894,746	920,662
467,371	431,421	354,799	374,643	395,777	401,562
1,142,514	1,090,591	974,864	1,052,261	1,060,868	1,152,012
658,387	709,915	721,903	784,391	844,469	918,749
342,942	332,182	329,325	343,631	361,016	359,926
813,991	810,332	782,120	742,344	718,732	696,757
1,156,933	1,142,514	1,111,445	1,085,975	1,079,748	1,056,203
36,328	38,766	38,158	41,633	40,171	41,989
13,715	17,240	17,607	19,316	20,768	21,045
10,151	10,245	10,534	11,663	10,598	8,235
2,922	2,734	19,116	20,164	19,694	18,870
174,745	187,465	191,016	192,622	180,543	187,717
N/A	12,483	12,883	13,355	13,972	13,796
4,203,335	4,087,080	4,212,037	4,239,335	4,213,276	4,144,374
3,671,610	3,374,359	3,355,545	3,643,610	3,828,825	3,923,154

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	2000	2001	2002	2003
Governmental activities (continued):				
Public works, highways and streets:				
Public Works - scheduled garbage collections	6,632,964	6,625,476	6,625,476	6,604,000
Public Works - tons of disposed waste (7)	552,739	547,439	547,439	425,234
Public Works - rehabilitated street lane miles (3)	90	90	75	90
Recreational and cultural:				
Parks - Sportsplex attendance	423,000	450,000	424,080	368,700
Parks - cultural enrichment class attendance (4)	4,980	4,674	4,615	4,372
Parks - senior citizen program attendance	20,471	20,277	21,578	23,557
Education:				
Public Schools - students (second month enrollment)	69,850	69,764	69,700	70,028
Business-type activities:				
Department of Water and Sewerage Services:				
Customers - water	136,468	151,097	143,540	155,712
Average daily raw water treatment (millions of gallons per day)	90	90	84	88
Customers - wastewater	158,652	159,810	163,048	166,417
Average daily wastewater flow (millions of gallons per day)	122	119	143	150
District Energy System: (5)				
Steam sales (millions of pounds per hour)	N/A	N/A	N/A	N/A
Chilled water sales (millions of tons)	N/A	N/A	N/A	N/A
Nashville Convention Center - events	300	276	221	186
Board of Fair Commissioners:				
Flea market booth rentals	N/A	N/A	19,457	18,955
State fair attendance (6)	168,100	181,000	171,000	182,500
Municipal Auditorium - events held	97	94	80	91

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

Note: Certain amounts are excluded because (1) the data is not available for some older years, (2) the data available for some years was not accumulated in a manner consistent with the current years, or (3) the data has yet to be accumulated for the current year. Some amounts are estimated.

(3) Rehabilitated street line miles were higher in 2008 due to an increase in pavement renewal (rejuvenation, sealing and repair) compared to prior years.

(4) Cultural enrichment class attendance increased in 2007 due to added programs and programs that were excluded from prior years. Comparable amounts are not available for prior years.

(5) District Energy System began operations in December, 2003.

(6) The decrease in state fair attendance in 2008 was due to rain on the first weekend of the annual event.

(7) Tons of disposed waste is now calculated for a calendar year. The amount for 2009 will be available in the spring of 2010.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
6,402,310	6,406,309	6,552,000	6,552,000	6,417,000	6,423,000
862,895	839,779	800,830	865,671	957,837	N/A
312	419	145	186	392	171
385,700	400,000	385,000	400,000	325,822	339,718
4,479	4,940	4,724	11,339	11,802	12,374
29,850	25,000	30,000	37,484	38,608	37,932
70,759	72,458	73,109	74,155	74,733	75,049
158,613	159,506	162,834	171,627	174,286	175,121
95	94	97	97	103	98
169,533	171,341	173,149	183,695	191,981	187,655
146	143	125	128	145	151
188,408	302,899	303,821	322,648	284,761	283,071
22,998	46,817	52,304	60,720	58,854	52,976
190	193	193	188	191	234
19,619	18,611	18,513	18,900	16,253	15,743
226,400	204,485	227,478	230,216	192,130	209,385
92	92	91	91	97	110

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2000	2001	2002	2003
Governmental activities:				
General government:				
General government vehicles (1)	3,814	3,868	3,883	3,625
Law enforcement and care of prisoners:				
Sheriff inmate capacity - jails	1,762	1,762	1,762	1,762
Sheriff inmate capacity - detention facility	892	892	892	892
Police stations	4	5	5	5
Fire prevention and control:				
Fire stations	38	39	39	39
Public library system:				
Libraries	22	22	22	22
Public works, highways and streets:				
Streets and roads (lane miles)	5,500	5,500	5,500	5,600
Recreational and cultural:				
Parks (number)	92	93	100	99
Parks (acreage)	9,345	9,387	10,238	10,200
Miles of completed greenways	8.5	13.5	16.5	19.5
Education:				
Schools	131	129	129	128
School buses	575	512	515	558
Business-type activities:				
Department of Water and Sewerage Services:				
Water mains (miles) (3)	2,571	2,619	2,634	2,718
Maximum daily water capacity (thousands of gallons)	162,000	180,000	180,000	180,000
Sewers (miles) (3)	2,426	2,674	2,699	2,726
Maximum daily treatment capacity (thousands of gallons)	459,000	459,000	459,000	459,000
District Energy System: (2)				
Steam:				
Maximum contract capacity (pounds per hour)	N/A	N/A	N/A	N/A
Percentage maximum contract capacity represented by customers	N/A	N/A	N/A	N/A
Chilled water:				
Maximum contract capacity (tons per hour)	N/A	N/A	N/A	N/A
Percentage maximum contract capacity represented by customers	N/A	N/A	N/A	N/A
Nashville Convention Center:				
Exhibition space (square footage)	118,675	118,675	118,675	118,675
Board of Fair Commissioners:				
Exhibition space (square footage)	156,000	126,600	126,600	126,600
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

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

Note: Certain amounts are excluded because the data is not available for some prior years. Certain prior year amounts have been restated for consistency with the current year presentation.

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

(2) District Energy System began operations in December, 2003.

(3) Decreases in water main and sewer miles in 2009 are due to a conversion to a new system for maintaining records resulting in more accurate measurements and the elimination of abandoned lines.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2004	2005	2006	2007	2008	2009
3,676	3,620	3,425	3,559	3,614	3,277
1,762	2,587	2,587	2,587	2,918	2,918
892	892	1,092	1,092	1,092	1,092
6	6	6	6	6	6
39	39	40	41	41	41
22	22	24	24	24	24
5,600	5,600	5,600	5,643	5,687	5,740
102	102	107	110	110	115
10,303	10,241	10,355	10,424	10,490	10,713
23.5	28.0	29.5	36.5	37.2	37.2
130	133	136	135	137	132
594	633	657	667	660	646
2,746	2,749	2,771	2,888	2,944	2,873
186,300	180,000	180,000	180,000	180,000	180,000
2,753	2,867	2,901	3,027	3,069	2,890
459,000	465,000	465,000	465,000	465,000	465,000
368,079	368,079	368,079	368,079	368,079	368,079
68.88%	65.15%	67.05%	67.05%	67.05%	67.13%
28,599	28,599	28,599	28,599	28,599	28,599
87.57%	85.30%	87.57%	87.57%	87.57%	86.30%
118,675	118,675	118,675	118,675	118,675	118,675
126,600	126,600	126,600	126,600	126,600	126,600
50,400	50,400	50,400	50,400	50,400	50,400
7,800	7,800	7,800	7,800	7,800	7,800



Request for ADA accommodations, Please contact Kimberly Northern at  
615-880-1710 or by email at [✉ kimberly.northern@nashville.gov](mailto:kimberly.northern@nashville.gov)