Comprehensive Annual Financial Report For the Year Ended June 30, 2014

The Metropolitan Government of Nashville and Davidson County
Nashville, Tennessee

Karl F. Dean, Mayor

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT
OF
NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

Prepared by
DEPARTMENT OF FINANCE

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

KARL F. DEAN
MAYOR

OFFICE OF THE MAYOR
METROPOLITAN COURTHOUSE
NASHVILLE, TENNESSEE 37201
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October 31, 2014

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, 2014. 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, this report includes all funds of the primary government and all component units. For purposes of this report, the primary government includes all departments and agencies of the Government which are not separate legal entities, including the Department of Water and Sewerage Services and Metropolitan Nashville Public Schools. The component units include those separate legal entities whose relationships with the primary government meet the criteria for inclusion.

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

PROFILE OF THE GOVERNMENT

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

FACTORS AFFECTING ECONOMIC AND FINANCIAL CONDITION

The local economy is a well-balanced blend of financial, wholesale, retail, manufacturing and service industries. The local mix of these industries roughly reflects the national economy, with no single industry being predominant in the region. Computer technology, automotive, medical, private prison management, insurance, banking, publishing, telecommunications and entertainment companies and private educational institutions all find a home in Nashville. With a rich economic, social and cultural environment, the city consistently scores high in national rankings of preferred business locations, best places to live and favorable environments for the creation and development of businesses.

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

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

MAJOR INITIATIVES

The Government continues to emphasize delivery of focused public services in a way that provides efficiency, effectiveness and value to the citizens of Nashville. The Government's major initiatives for fiscal year 2014, for fiscal year 2015 and for the future are discussed below.

FOR FISCAL YEAR 2014: Substitute budget ordinance BL-2013-431 appropriated a balanced budget of $1,812,431,500 in the budgetary funds, an overall increase of 6.0% from the budget for fiscal year 2013.

The FY2014 budget continued to make improvements in the Nashville community's priority areas:

- Public Education – Metro Nashville Public Schools (MNPS) received $746,420,300 in FY14, which was a $26 million dollar increase over the amount budgeted in FY13. This increase included funding for additional teachers, employee benefits, contractual obligations, and five new charter schools. MNPS' FY14 estimated fund balance was 6.4% of budgeted expenditures, which is above the 3.0% required by the State.

- Public Safety – Resources dedicated to public safety services increased by $19.1 million. The Police Department's annual budget for FY14 provided additional funding to increase patrol and investigative resources, to fund the DNA crime lab for full staffing, and to increase forensic investigative capacity. The Fire Department's operational budget for FY14 continued to support full staffing of front line positions for fire response and emergency management services and added funding for special events to support increasing tourist activity in the urban core. The Emergency Communications Center's budget funded an increase of 5 positions to support increased call volume and minimize response times to emergency calls. The Davidson County Sheriff's Office received a budget increase for additional staff to improve inmate staffing ratios and to fund contractual increases and courthouse security requirements.

- Livability – Metro Parks received additional funding to add 45 full and part-time positions to enhance facility staffing and provide additional landscape maintenance. MTA received a $4 million improvement to continue momentum on improving transit services to residents and visitors. Additional funding was provided to the Public Library to open the Main Library on Mondays.

- Economic Development – Several significant investments in business incentives and job growth were funded for FY14. These included job development incentives for Dell and Asurion, a subsidy for the Nashville Career Advancement Center, funding for a Small Business Incentive Program, and funding for a new Office of Innovation. Additionally, HCA is relocating certain operations to Davidson County and the Government has entered into a grant agreement with HCA that is related to incremental jobs that will be created after the relocation is completed. These investments are critical to local economic growth as recovery from the recession on the national, state and local levels continues.

FOR FISCAL YEAR 2015: Substitute budget ordinance BL-2014-774 appropriated a balanced budget of $1,891,647,000 in the budgetary funds, an overall increase of 4.37% from the budget for fiscal year 2014.

The FY2015 budget continues to make improvements in the Nashville community's priority areas:

- Public Education – Metro Nashville Public Schools (MNPS) received $773,920,300 in FY15, which is a $27.5 million dollar increase over the amount budgeted in FY14. The recommended increase will fund additional teachers, pay increases for teachers, employee benefits, contractual obligations, three new charter schools, and additional pre-K classrooms. MNPS' FY15 estimated fund balance is 5.8% of budgeted expenditures, which is above the 3.0% required by the State.

- Public Safety – Resources dedicated to public safety services increased by $5.1 million. The Police Department's annual budget for FY15 provides for additional funding to ensure the safety and well-being of Nashville's citizens and visitors. The FY15 budget provides over $4 million in additional funding for the Midtown Hills Precinct, special events policing, and the Crime Lab accreditation efforts. The Fire Department's operational budget for FY15 continues to support full staffing for front-line positions in fire response and emergency management services, maintaining this administration's commitment to public safety. The Davidson County Sheriff's Office will receive an increase of $1.5 million to provide security for the new Lentz Health Department, the Southeast Davidson Library and Community Center, the Domestic Violence Program and security functions transferred from General Services. Funding also includes an additional $1 million investment across multiple departments to end domestic violence in our city. This multi-department effort includes the Criminal Court Clerk, District Attorney's Office, General Sessions Court, Public Defender's Office, Sheriff's Office and the creation of a new Victim Resource Center.

- Livability – One of the Mayor's goals is to maintain the livability of Nashville by providing opportunities for citizens to pursue a healthy lifestyle. Accordingly, the budget allocates funding for opening two Park community centers in FY15 - Southeast and Sevier. The Metro Transit Authority is recommended for an improvement of $3 million to maintain transit services and to plan for bus rapid transit (BRT) services on Charlotte Pike. Additionally, this budget recommends an increase to the Public Library's budget to open two new branches - Southeast Branch Library and Bellevue Branch Library. Finally, Nashville Public Library now houses the Nashville After-Zones Alliance (NAZA). This program was created in partnership with Metro Nashville Public Schools to develop a coordinated system of free after school programs to the 21,500 middle school students in Davidson County. NAZA after school programs are organized by several geographic zones to provide Metro Nashville middle school students access to after school programs that offer meaningful enrichment activities in a safe and structured environment.

- Economic Development – Several significant investments in business incentives and job growth have been funded for FY15. These include job development incentives for Dell, a subsidy for the Nashville Career Advancement Center, and continued funding for the Office of Innovation. Metro Nashville opened a Fast Track Permitting and One-Stop Business Assistance Program in FY15, streamlining business development processes. Mayor Dean's administration has also provided financial support for the development and ongoing operation of the Nashville Entrepreneur Center, a business incubator which is helping creative people in Nashville turn ideas into jobs and revenue. Along with maintaining a low cost for government services, these investments are enabling continued growth in Nashville's economy.

These initiatives have all been addressed while ensuring the Government meets its fundamental objectives of maintaining a balanced budget, maintaining services, and investing in Nashville's future. This was

achieved for the Fiscal Year 2015 budget without a property tax increase. Revenue increases are anticipated from modest growth in the property tax base, an increase in local option sales tax, and limited growth in grant funding and other revenue sources. A measured amount of fund balances have been appropriated to balance the budget, while maintaining fund balance levels in excess of legal requirements. Departmental savings opportunities were also considered and budget reductions were made where prudent. Details of the fiscal year 2014 and 2015 budgets are described in the annual *Operating Budget* books published by the Department of Finance, Office of Management and Budget. They are also available on the GFOA-award-winning Citizen's Guide to the Budget at www.nashville.gov/Finance/Management-and-Budget/Citizens-Guide-to-the-Budget.aspx.

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

EDUCATION:

The administration will work with the Board of Education toward improved accountability through higher graduation rates and test scores. The administration will also continue to work toward improving our schools by encouraging our community to devote its attention, time, and financial resources to education.

PUBLIC SAFETY:

The 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 will maintain an appropriate number of sworn officers.

In addition to traditional firefighting responsibilities, a primary function of the Nashville Fire Department is to provide emergency medical services, or EMS. The administration will continue to monitor trends in the demand for these services and trends in response times in making decisions around appropriate staffing levels.

LIVABILITY:

The 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, healthy lifestyles and affordable housing. The administration will strive for Nashville to be a livable city with clean air, clean water, open spaces, public transportation infrastructure and a sustainable energy use profile.

ECONOMIC DEVELOPMENT:

The administration is committed to growing the local economy and to generating economic opportunities that will benefit all citizens. The Mayor has worked aggressively to recruit new businesses to Nashville and help existing businesses in the city expand. Leveraging Nashville's high quality of life, low tax rates and central location, the Mayor's Office of Economic and Community Development works with the Nashville Area Chamber of Commerce and the Tennessee Department of Economic and Community Development to help businesses create new, high-quality jobs and expand the city's tax base.

FINANCIAL INFORMATION

CASH MANAGEMENT: Cash temporarily idle during the year was primarily invested in the State of Tennessee Local Government Investment Pool, the State of Tennessee Intermediate Term Investment Pool, and the First Tennessee Bank Advisors Short 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. The banking service agreement provides for the daily investment of demand deposit balances.

RISK MANAGEMENT: The Government continued to operate a risk management program, which was initiated in 1978. As part of its comprehensive plan, resources are being accumulated in various internal service funds to meet potential losses. Additionally, the Government has a property insurance policy for single losses over $1 million and for all aggregate losses over $3 million annually. Accepted risk control techniques, including employee accident prevention training, have been implemented to minimize potential liability losses. The Government has elected to come under the Tennessee Tort Liability laws in order to limit its potential liability.

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

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

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

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

The total net assets of all pension (and other employee benefit) trust funds were $2.8 billion at June 30, 2014.

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, 2014 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2015 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 2014 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, 2013. This was the 31st 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, 2013. 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 23rd year to receive this award.

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

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

Sincerely,

Karl F. Dean
Mayor

Richard M. Riebeling
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Metropolitan Government of Nashville & Davidson County Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

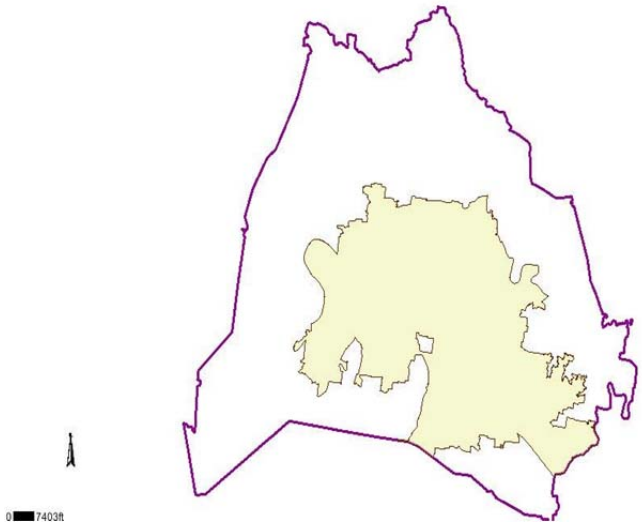
FORM OF GOVERNMENT

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

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

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

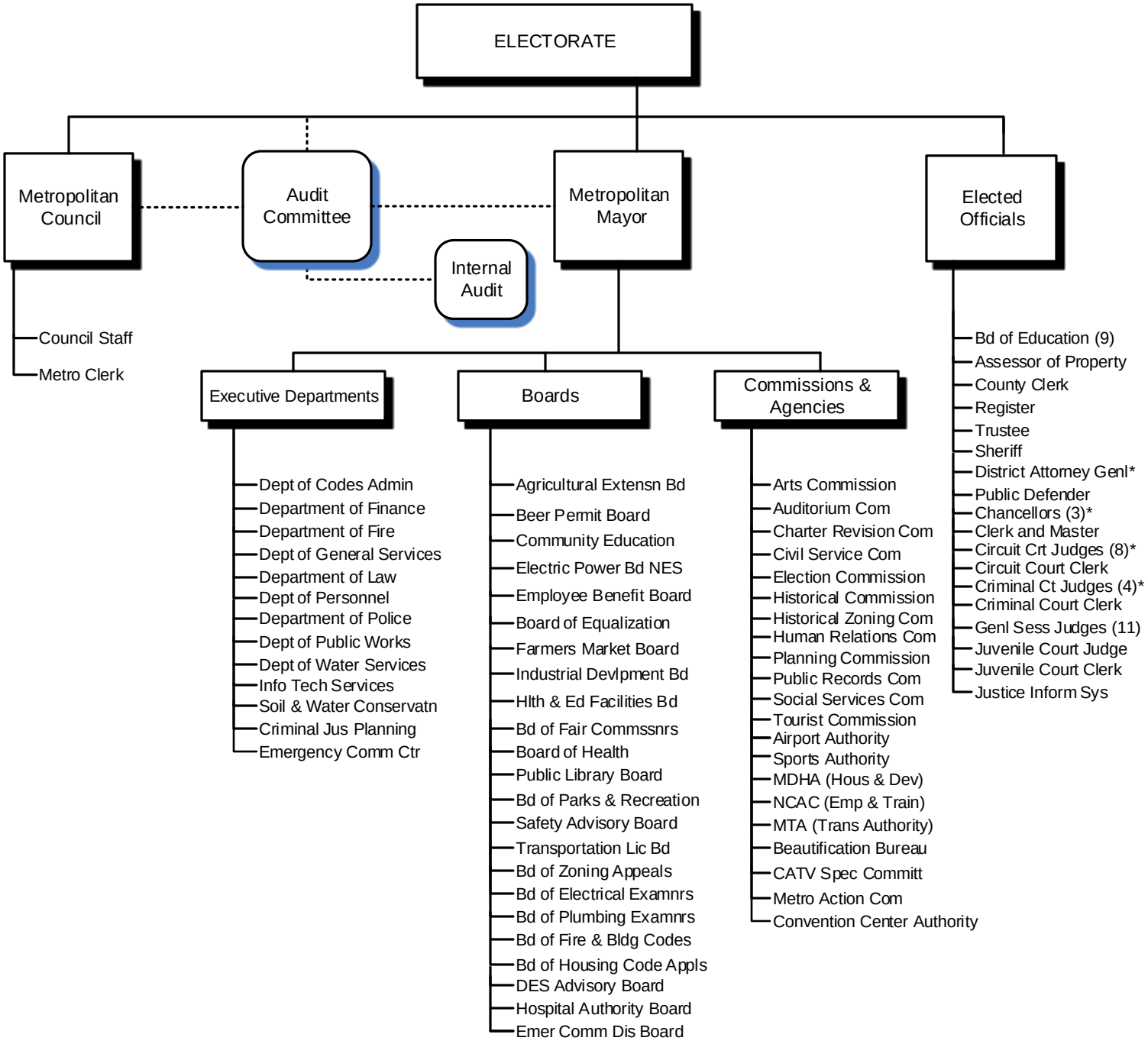
The original USD conformed to the corporate limits of the City of Nashville as they existed on April 1, 1963, the date of consolidation. USD residents are charged an additional tax to support those services, functions and debt obligations which benefit only the USD. Such services include additional police protection, storm sewers, street lighting and refuse collection. The Charter provides: "The area of the Urban Services District may be expanded and its territorial limits extended by annexation whenever particular areas of the General Services District come to need urban services, and The Metropolitan Government becomes able to provide such service within a reasonable period which shall be no greater than one year after ad valorem taxes in the annexed area become due." Since April 1, 1963 the area of the USD has been expanded from 72 square miles to 187 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, 2014

Karl Dean, Mayor

Finance Officials

George Rooker	Assessor of Property
Charles E. Cardwell	Trustee
Brenda Wynn	County Clerk

The Metropolitan Council

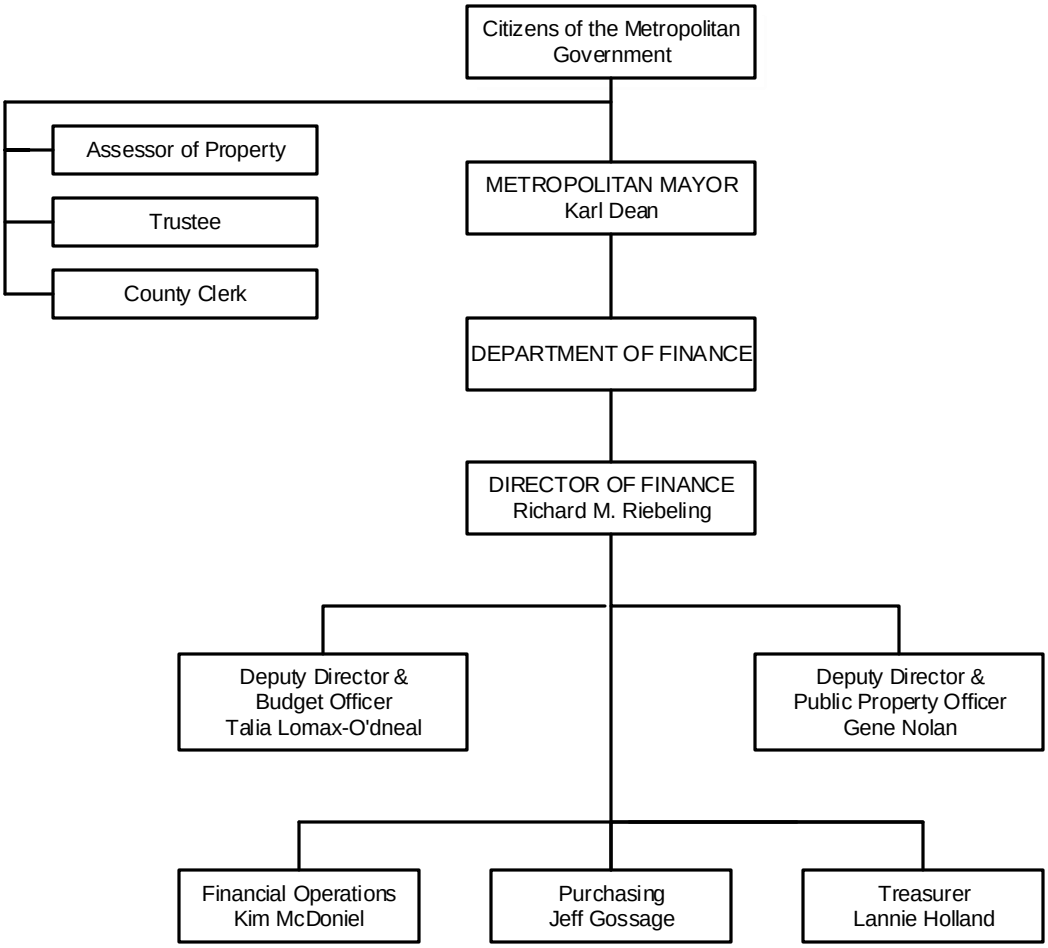
Diane Neighbors	Vice Mayor
Megan Barry	Council Member-at-large
Ronnie Steine	Council Member-at-large
Tim Garrett	Council Member-at-large
Charlie Tygard	Council Member-at-large
Jerry Maynard	Council Member-at-large

District No. 1 – Lonnell Matthews, Jr.
District No. 2 – Frank Harrison
District No. 3 – Walter Hunt
District No. 4 – Brady Banks
District No. 5 – Scott Davis
District No. 6 – Peter Westerholm
District No. 7 – Anthony Davis
District No. 8 – Karen Bennett
District No. 9 – Bill Pridemore
District No. 10 – Doug Pardue
District No. 11 – VACANT
District No. 12 – Steve Glover
District No. 13 – Josh Stites
District No. 14 – Bruce Stanley
District No. 15 – Phil Claiborne
District No. 16 – Tony Tenpenny
District No. 17 – Sandra Moore
District No. 18 – Burkley Allen
District No. 19 – Erica Gilmore
District No. 20 – Buddy Baker
District No. 21 – Edith Langster
District No. 22 – Sheri Weiner
District No. 23 – Emily Evans
District No. 24 – Jason Holleman
District No. 25 – Sean McGuire
District No. 26 – Chris Harmon
District No. 27 – Davette Blalock
District No. 28 – Duane A. Dominy
District No. 29 – Karen Y. Johnson
District No. 30 – Jason Potts
District No. 31 – Fabian Bedne
District No. 32 – Jacobia Dowell
District No. 33 – Robert Duvall
District No. 34 – Carter Todd
District No. 35 – Bo Mitchell

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ORGANIZATION OF THE DEPARTMENT OF FINANCE AND OTHER FINANCIAL OFFICES

At June 30, 2014



METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

CROSSLIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Metropolitan Government of Nashville and Davidson County, Tennessee (the "Government") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Government's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, as well as the financial statements of the Sports Authority Fund and the Industrial Development Board Fund, which are presented as supplementary information in the accompanying financial statements as of and for the year ended June 30, 2014, as listed in the table of contents. We have also audited the financial statements of each of the discretely presented component units of the Government as of and for the year ended June 30, 2014, as presented in the Government's basic financial statements, except as described in the first paragraph of the Auditor's Responsibility section of this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following discretely presented component units: The Nashville District Management Corporation, the Gulch Business Improvement District, Inc., the Metropolitan Development and Housing Agency, the Electric Power Board, the Emergency Communications District, and the Convention Center Authority, which represents 67% of the total assets, 59% of total net position and 78% of the total revenues of the aggregate discretely presented component units of the Government. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Metropolitan Government of Nashville and Davidson County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and the General Purpose School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, the Sports Authority Fund, the Industrial Development Board Fund, and each of the discretely presented component units as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

The accompanying financial statements of the Hospital Authority of Nashville and Davidson County, Tennessee (the "Hospital Authority", a component unit of the Government), have been prepared assuming that the Hospital Authority will continue as a going concern. As discussed in Note 13E to the accompanying financial statements, Metropolitan Nashville General Hospital (a fund of the Hospital Authority) has experienced recurring losses from operations, reflects current liabilities in excess of current assets, and has a net position deficit and Bordeaux Long Term Care (a fund of the Hospital Authority) has experienced recurring losses from operations and net cash used in operating activities. These conditions raise substantial doubt about the Hospital Authority's ability to continue as a going concern. The Hospital Authority management's plans regarding these matters are also described in Note 13E. The financial statements of the Hospital Authority do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1 through A11, the condition rating of transportation network, the schedule of funding progress - pension plans, the schedule of employer contributions - pension plans, the schedule of changes in net pension liability and related ratios - pension plans, the schedule of investment returns - pension plans, the schedule of funding progress - other postemployment benefit plans, and the schedule of employer contributions - other postemployment benefit plans on pages B-108 through B-109, B-110 through B-113, B-114 through B-117, B-118 through B-123, B-124, B-126 through B-127 and B-128, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements, and each of the nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, the Sports Authority Fund, the Industrial Development Board Fund, and the financial statements of each of the discretely presented component units. The schedules on pages C-9, C-10 and C-11, and on pages G-2 through G-21, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections listed in the table of contents and schedules on pages G-22 through G-31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Government's internal control over financial reporting and compliance.

Crosslin & Associates, P.C.

Nashville, Tennessee
October 31, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $1.4 billion (*net position*). This amount includes negative $870 million of *unrestricted net position*.
- The Government's total net position decreased by $114 million (a decrease of $123 million from governmental activities and an increase of $9 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 $137 million, a decrease of $287 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $82 million, or 9.4% of total general fund expenditures and other financing uses.
- At the end of the current fiscal year, committed fund balance available for the general purpose school fund was $43 million, or 5.9% of total general purpose school fund expenditures and other financing uses.
- The enterprise funds reported a net position at year-end of $1.4 billion, an increase of $16 million during the year, which includes $4.3 million related to the acquisition of Old Hickory Utility District.
- The Government's total general obligation and revenue bonds outstanding decreased by $157 million (4.5%) during the current fiscal year. Principal payments totaled $126 million and deferred amounts decreased a net amount of $31 million. There were no new bond issues. Other debt decreased by $4 million due to principal repayments.
- The Government borrows funds under commercial paper programs to provide interim or short-term financing of authorized capital projects. Total commercial paper outstanding at the close of the fiscal year was $200 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

The business-type activities of the Government include the Department of Water and Sewerage Services, District Energy System, Nashville Convention Center, Board of Fair Commissioners, Farmers Market, Police Secondary Employment, Surplus Property Auction, Municipal Auditorium, Police Impound, Stormwater Operations, and Community Education Commission 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, Emergency Communications District, and Convention Center Authority. These *component units* are legally separate organizations for which the Government is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

Fund Financial Statements

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

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

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

The Government reports 21 individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for the General Fund, General Purpose School Fund, 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, Stormwater Operations, and Community Education Commission 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, 2014, the Government used internal service funds to account for its fleet, information systems, radio equipment, insurance, postal, treasury management, general services and school printing functions. Because these services predominantly benefit governmental rather than business-type functions, they have been primarily included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Department of Water and Sewerage Services and the District Energy System, which are considered to be major funds of the Government. Data from the other enterprise funds are combined into a single, aggregated presentation. Also, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-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-124, and the Government's progress in funding its obligation to provide other postemployment benefits to employees, found on pages B-126 to B-128.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. In the case of the Government, assets and deferred inflows of resources exceeded liabilities and deferred outflows of resources by $1.4 billion at the close of the most recent fiscal year.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013, as restated	2014	2013, as restated
Current and other assets	$ 1,615,085	$ 1,692,001	$ 410,115	$ 464,454	$ 2,025,200	$ 2,156,455
Capital assets	3,414,832	3,248,509	1,885,858	1,858,341	5,300,690	5,106,850
Total assets	5,029,917	4,940,510	2,295,973	2,322,795	7,325,890	7,263,305
Deferred outflows of resources	150,012	165,760	4,620	6,793	154,632	172,553
Long-term liabilities	3,757,984	3,742,219	881,157	921,782	4,639,141	4,664,001
Other liabilities	448,728	273,849	85,066	82,741	533,794	356,590
Total liabilities	4,206,712	4,016,068	966,223	1,004,523	5,172,935	5,020,591
Deferred inflows of resources	886,104	880,266	-	-	886,104	880,266
Net position:						
Net investment in capital assets	955,256	857,598	1,232,187	1,239,786	2,187,443	2,097,384
Restricted	39,551	35,802	64,253	56,720	103,804	92,522
Unrestricted	(907,694)	(683,464)	37,930	28,559	(869,764)	(654,905)
Total net position	$ 87,113	$ 209,936	$ 1,334,370	$ 1,325,065	$ 1,421,483	$ 1,535,001

Governmental activities – Current and other assets for governmental activities decreased by 4.6%. The decrease is primarily due to the current year spending of cash received from the issuance of general obligation bonds in May 2013. Capital assets increased by 5.1% due to construction of new schools and other government buildings, the acquisition of park property, and the renovation of existing government buildings. Deferred outflows of resources decreased 9.5% primarily due to the amortization of deferred charges from bond refundings. Long-term liabilities increased by 0.4% primarily due to the increase in the net other postemployment benefits (OPEB) obligation, offset by principal payments on outstanding bonds and amortization of deferred premiums. Other liabilities increased by 63.9% primarily due to an increase in commercial paper outstanding to provide funding for capital projects prior to the issuance of general obligation bonds. Deferred inflows of resources increased by 0.7% primarily due to an increase in unavailable revenue from property taxes.

The largest portion of the Government's net position for governmental activities (1,096.6%) 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 position for governmental activities (45.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position for governmental activities represents unrestricted net position of negative $908 million (-1,042.0%). Note that the unrestricted net position is negative due to the net OPEB obligation of $1.055 billion at June 30, 2014.

Business-type activities – Current and other assets for business-type activities decreased by 11.7% primarily due to the current year spending of cash received from the issuance of Department of Water and Sewerage Services revenue bonds in April 2013. Capital assets increased by 1.5% due to additions to land, utility plants and construction work in progress for the Department of Water and Sewerage Services. Deferred outflows of resources decreased by 32.0% primarily due to amortization of charges from Department of Water and Sewerage Services bond refundings. Long-term liabilities decreased by 4.4% primarily due to principal payments on outstanding bonds and amortization of deferred premiums. Other liabilities increased by 2.8% primarily due to various increases in operating-related liabilities as well as an increase in commercial paper outstanding for the District Energy System to provide funding for capital projects prior to the issuance of general obligation bonds.

The largest portion of the Government's net position for business-type activities (92.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related outstanding debt used to acquire those assets. The Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government’s net position for business-type activities (4.8%) 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 position for business-type activities, representing unrestricted net position of $38 million (2.8%), may be used to meet the Government’s ongoing obligations to citizens and creditors.

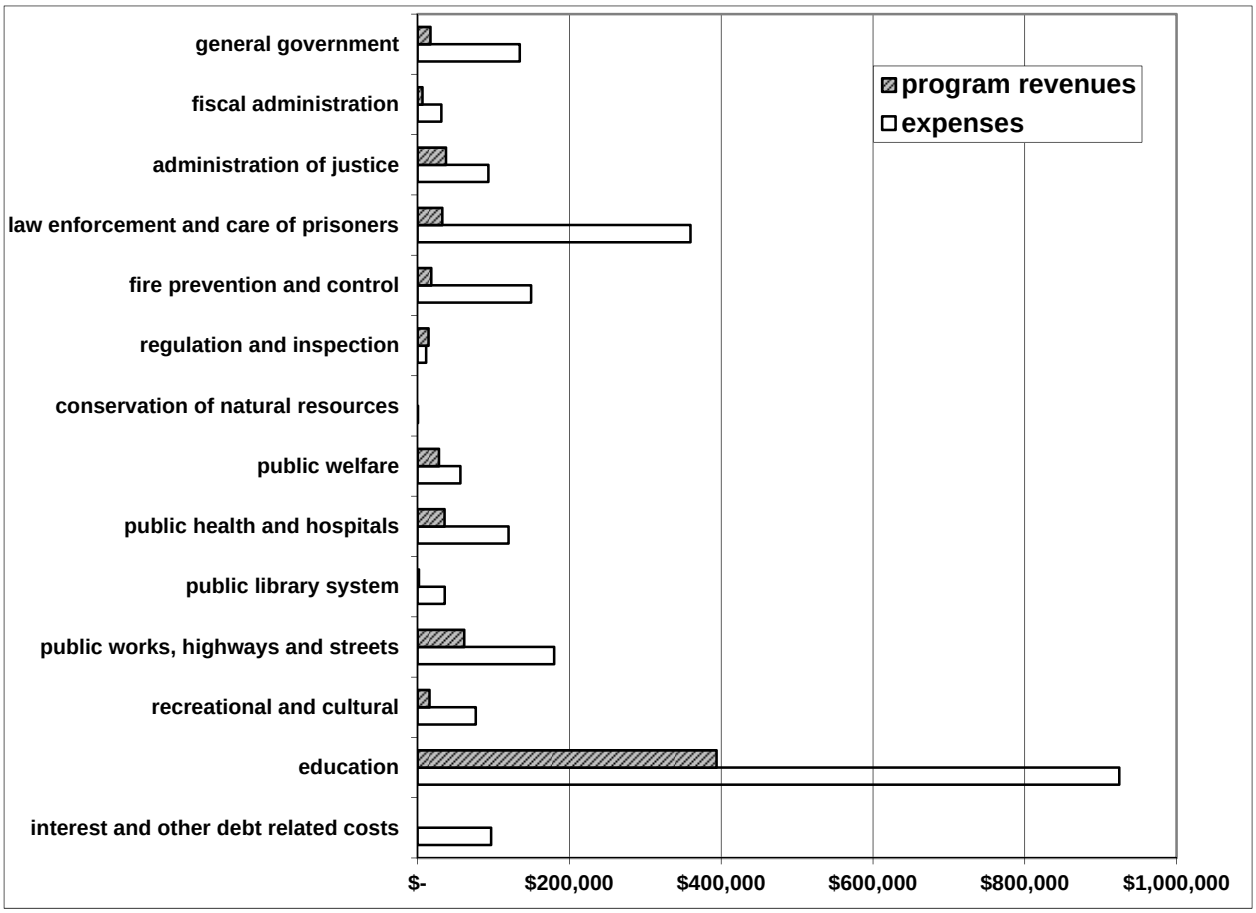
At the end of the current fiscal year, the Government is able to report positive balances in all three categories of net position for its total business-type activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013, as restated	2014	2013, as restated
Revenues:						
Program revenues:						
Charges for services	$ 163,468	$ 158,743	$ 253,465	$ 253,371	$ 416,933	$ 412,114
Operating grants and contributions	438,515	435,077	-	-	438,515	435,077
Capital grants and contributions	58,286	55,267	16,478	11,890	74,764	67,157
General revenues:						
Property taxes	911,661	895,919	-	-	911,661	895,919
Local option sales taxes	315,479	301,430	-	-	315,479	301,430
Hotel occupancy taxes	59,651	50,458	-	-	59,651	50,458
Beverage taxes	38,220	35,725	-	-	38,220	35,725
Wheel taxes	28,581	27,569	-	-	28,581	27,569
Business taxes	29,050	28,746	-	-	29,050	28,746
Franchise taxes	18,678	17,960	-	-	18,678	17,960
Other taxes	376	344	-	-	376	344
Revenues from the use of money or property	3,244	1,195	1,655	111	4,899	1,306
Revenues from other governmental agencies	66,010	66,572	-	-	66,010	66,572
Compensation for loss, sale or damage to property	4,296	7,043	196	60	4,492	7,103
Total revenues	2,135,515	2,082,048	271,794	265,432	2,407,309	2,347,480
Expenses:						
General government	134,592	118,107	-	-	134,592	118,107
Fiscal administration	31,357	32,675	-	-	31,357	32,675
Administration of justice	93,224	92,752	-	-	93,224	92,752
Law enforcement and care of prisoners	359,502	371,438	-	-	359,502	371,438
Fire prevention and control	149,551	170,843	-	-	149,551	170,843
Regulation and inspection	11,231	10,751	-	-	11,231	10,751
Conservation of natural resources	519	542	-	-	519	542
Public welfare	56,449	57,172	-	-	56,449	57,172
Public health and hospitals	119,828	119,695	-	-	119,828	119,695
Public library system	35,739	33,034	-	-	35,739	33,034
Public works, highways and streets	180,008	169,521	-	-	180,008	169,521
Recreational and cultural	76,759	68,515	-	-	76,759	68,515
Education	924,418	903,998	-	-	924,418	903,998
Interest and other debt related costs	96,842	77,525	-	-	96,842	77,525
Department of Water and Sewerage Services	-	-	208,945	205,278	208,945	205,278
District Energy System	-	-	18,774	17,573	18,774	17,573
Nashville Convention Center	-	-	3,591	7,427	3,591	7,427
Board of Fair Commissioners	-	-	3,140	3,074	3,140	3,074
Farmers Market	-	-	1,605	1,788	1,605	1,788
Police Secondary Employment	-	-	190	1,131	190	1,131
Surplus Property Auction	-	-	790	735	790	735
Municipal Auditorium	-	-	2,001	1,787	2,001	1,787
Police Impound	-	-	375	376	375	376
Stormwater Operations	-	-	11,073	10,717	11,073	10,717
Community Education Commission	-	-	324	352	324	352
Total expenses	2,270,019	2,226,568	250,808	250,238	2,520,827	2,476,806
Change in net position before transfers	(134,504)	(144,520)	20,986	15,194	(113,518)	(129,326)
Transfers	11,681	35,439	(11,681)	(35,439)	-	-
Change in net position	(122,823)	(109,081)	9,305	(20,245)	(113,518)	(129,326)
Net position, beginning of year	209,936	319,017	1,325,065	1,340,998	1,535,001	1,660,015
Acquisition of Old Hickory Utility District	-	-	-	4,312	-	4,312
Net position, end of year	$ 87,113	$ 209,936	$ 1,334,370	$ 1,325,065	$ 1,421,483	$ 1,535,001

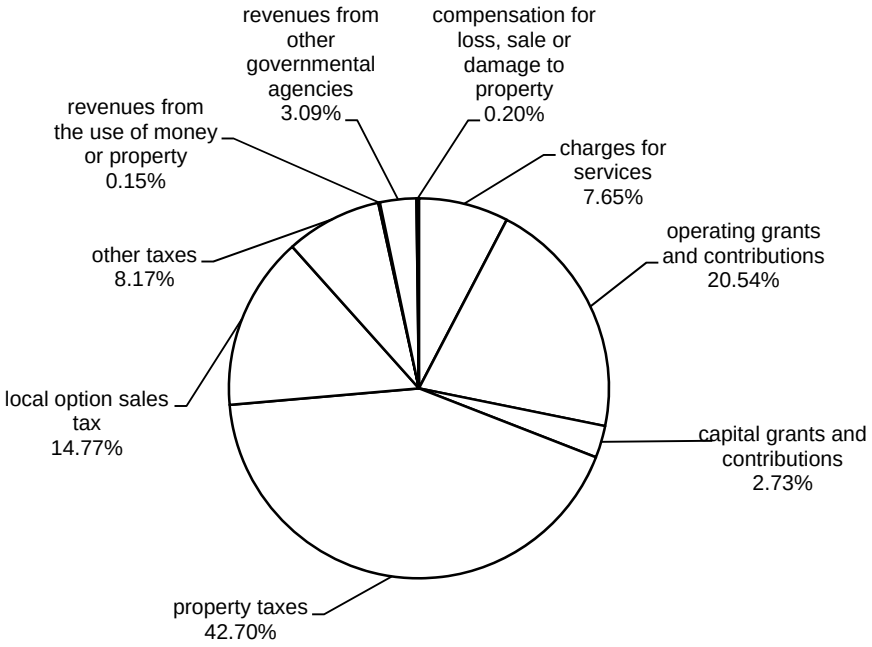
Governmental activities – Governmental activities decreased the Government's net position by $123 million, compared to a $109 million decrease in the prior year. Total revenue increased by $53 million. Significant variances in revenues included 1) an increase of $16 million in property taxes due to more construction and continued economic recovery, 2) an increase of $14 million in local option sales tax due to continued economic recovery, and 3) an increase of $9 million in hotel occupancy taxes due to the opening of new hotels as well as a general increase in tourism. Total expenses increased by $43 million. Operating expenses were generally higher across most functions due to increased appropriations, primarily in salaries and fringe benefits; however, increases were somewhat offset by a smaller increase in expense related to the Government's pension obligations compared to the prior year. Additionally, interest expense increased in the current year as the result of bonds issued in May 2013.

Expenses and Program Revenues - Governmental Activities – For the Year Ended June 30, 2014



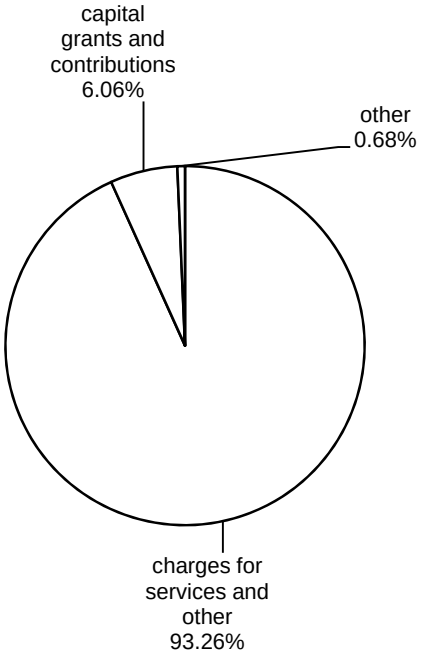
(in thousands)

Revenues by Source - Governmental Activities – For the Year Ended June 30, 2014



Business-type activities – Business-type activities increased the Government's net position by $9 million compared to a $20 million decrease in the prior year. The increase in the change in net position is primarily due to the Department of Water and Sewerage Services operating results for the 2014 fiscal year. While operating income was only slightly higher than the prior year, total change in net position increased by $26 million primarily due to 1) an increase of $5 million in contributions of capital assets from completed developments, and 2) a decrease of $23 million in transfers out to other funds. Transfers out in the prior year were unusually large as they included amounts to fund expenditures related to the May 2010 flood, which are reported in the Government's governmental activities.

Revenues by Source – Business-type Activities – For the Year Ended June 30, 2014



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the Government's governmental funds reported combined ending fund balances of $137 million, a decrease of $287 million in comparison with the prior year. Restricted fund balance of $39 million can only be used for specific purposes pursuant to constraints imposed by external parties such as creditors and grantors. Committed fund balance of $126 million can only be used for specific purposes pursuant to constraints imposed by formal legislative action of the Metropolitan Council. Significant commitments include $43 million for education, $19 million for debt service, $55 million for equipment acquisitions, and $9 million for other purposes. Assigned fund balance of $75 million primarily represents the portion of fund balance that is being used to balance the subsequent year budget. Unassigned fund balance of negative $107 million represents the $82 million residual balance of the General Fund offset by deficit balances in other funds, primarily the GSD, Education, and USD Capital Projects Funds where the deficits will be funded by the future issuance of general obligation bonds, and the Flood 2010 Recovery Fund where the deficit is expected to be funded by future grant payments. The remaining fund balance of $4 million represents nonspendable amounts and amounts assigned for specific purposes by the management of the Government.

The general fund is the chief operating fund of the Government. At the end of the current fiscal year, unassigned fund balance of the general fund was $82 million, while total fund balance was $117 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 9.4% of total general fund expenditures and other financing uses, while total fund balance represents 13.5% of total general fund expenditures and other financing uses.

The total fund balance of the Government's General Fund increased by $16 million during the current fiscal year as compared to a $30 million increase in the previous year. Revenue collections exceeded budgeted projections by $23 million. The increase was primarily due to improvements in business taxes, building permits, state taxes, and excise taxes resulting from the general economic recovery. Ongoing operating expenditures were under budget $20 million due to savings achieved throughout essentially all departments during the fiscal year. Despite a final budgeted deficit of $28 million that was to be funded by assigned and unassigned fund balance, higher actual revenues along with expenditure savings in the General Fund resulted in the $16 million improvement in fund balance.

The fund balance of the Government’s General Purpose School Fund increased by $5 million during the current fiscal year primarily due to local option sales tax and beverage tax collections exceeding budgeted projections and due to expenditure savings achieved during the fiscal year.

The fund balances of the Government’s GSD General Purposes, GSD School Purposes and USD General Purposes Debt Service Funds decreased by $16 million in total as planned. Assigned fund balance of $18 million had been appropriated to balance the budget for the year ended June 30, 2014.

The fund balances of the Government’s capital projects funds decreased by $293 million as excess bond proceeds received in May 2013 were expended. Current capital project expenditures are being funded through commercial paper borrowings.

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

Unrestricted net position of proprietary funds at the end of the year amounted to $186 million. The total increase in unrestricted net position for these funds was $60 million. Factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Government's business-type activities. Proprietary funds also include internal service funds, the operations of which are primarily included in governmental activities in the government-wide statements. The enterprise funds increased the unrestricted net position of proprietary funds by $13 million; the internal service funds increased unrestricted net position by $47 million. The increase in internal service funds is primarily due to the increase in unrestricted net position of $22 million in the Employee Medical Benefit Fund, $15 million in the School Professional Employees’ Insurance Fund, and $11 million in the Injured on Duty Fund, all of which are used to accumulate assets for the payment of self-insured medical claims. These increases were partially offset by decreases in various other internal service funds, none of which were individually significant.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original and Final Budgeted Amounts

For the General Fund, there were no differences in revenues and other financing sources between the original budget and final amended budget. Differences in expenditures and other financing uses between the original budget and the final amended budget were primarily due to mid-year supplements for unanticipated expenditures and unspent amounts carried forward from the prior year as authorized by the budget ordinance. Other variances in the budget line items were primarily due to fringe benefit increases and utility contingency costs being originally budgeted under miscellaneous expenditures then later being reallocated to departmental budgets after the final budget was approved.

Final Budgeted and Actual Amounts

Revenues and other financing uses exceeded budgeted amounts by $20 million. While revenues were budgeted conservatively due to economic uncertainly, collections exceeded budgeted amounts for business taxes, building permits, certain state taxes, and excise taxes, primarily due to the general economic recovery. These overages were partially offset by a shortage in charges for current services as billings for police secondary employment were below budgeted amounts and anticipated revenue growth was not realized. Actual expenditures and other financing uses were under budget by $18 million because of savings achieved by essentially 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, 2014 amounts to $5.3 billion (net of accumulated depreciation). Depreciation charges for the fiscal year totaled $161 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Utility plant in service	$ -	$ -	$ 2,647,480	$ 2,515,695	$ 2,647,480	$ 2,515,695
Land	372,581	338,459	30,640	30,606	403,221	369,065
Buildings and improvements	1,910,923	1,712,468	138,136	137,675	2,049,059	1,850,143
Improvements other than buildings	29	29	50,095	46,837	50,124	46,866
Furniture, machinery and equipment	394,096	377,197	46,234	39,966	440,330	417,163
Property under capital lease	-	-	3,645	3,645	3,645	3,645
Infrastructure	1,655,830	1,598,596	-	-	1,655,830	1,598,596
Public art	2,559	1,472	-	-	2,559	1,472
Construction in progress	87,482	154,938	114,113	151,235	201,595	306,173
Less: Accumulated depreciation	(1,008,668)	(934,650)	(1,144,485)	(1,070,339)	(2,153,153)	(2,004,989)
Total capital assets	$ 3,414,832	$ 3,248,509	$ 1,885,858	$ 1,855,320	$ 5,300,690	$ 5,103,829

The total increase in the Government's investment in capital assets for the current fiscal year was 3.9% (a 5.1% increase for governmental activities and a 1.6% increase for business-type activities).

Construction of new schools and other government buildings, the acquisition of park property, and the renovation of existing government buildings has continued in accordance with the Government’s capital plan. Additionally, land and infrastructure increased from donated rights of way related to new developments. Significant additions include a library, community center, and ice rink in southeast Davidson County, a new downtown Police precinct, a new Headstart facility, development of the west bank of the riverfront, and renovations to existing schools. Additions to utility plants and construction work in progress for the Department of Water and Sewerage Services net of disposals totaled approximately $93.8 million.

As allowed by GASB Statement No. 34, the Government has adopted the alternative to recording depreciation expense on selected infrastructure assets. Under this method, referred to as the modified approach, the Government expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under this approach include approximately 5,852 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 fair or better condition and 75% of bridges in fair or better condition. The most recent condition assessments indicate that 61.6% of roads and 97.1% of bridges are in fair or better condition, as compared to 60.1% of roads and 98.9% of bridges in the prior assessments. The maintenance of infrastructure in accordance with the Government's policy continues to be a priority. The percentage of roads and streets in fair or better condition declined after 2010 because the area was significantly impacted by the May 2010 flood, which was followed by an unusually hard winter with heavy snowfall and salt usage. Increased spending on roads and streets maintenance has resulted in slight improvement in recent years in the percentage of roads and streets in fair or better condition. The FY14-15 capital budget included additional funding for road and street maintenance.

Additional information on the Government's capital assets can be found in Note 5 beginning on page B-55 of this report.

Long-term debt – At the end of the current fiscal year, the Government had total bonded debt outstanding of $3.0 billion. Of this amount, $2.2 billion comprises debt backed by the full faith and credit of the Government. The remaining $797 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	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 2,169,255	$ 2,262,920	$ 58,475	$ 60,180	$ 2,227,730	$ 2,323,100
Deferred amounts, net	277,612	301,288	8,437	8,917	286,049	310,205
Total general obligation bonds outstanding	2,446,867	2,564,208	66,912	69,097	2,513,779	2,633,305
Revenue bonds	-	-	796,685	827,450	796,685	827,450
Deferred amounts, net	-	-	50,911	57,424	50,911	57,424
Total revenue bonds outstanding	-	-	847,596	884,874	847,596	884,874
Total general obligation and revenue bonds outstanding	$ 2,446,867	$ 2,564,208	$ 914,508	$ 953,971	$ 3,361,375	$ 3,518,179

The Government's total general obligation and revenue bonds outstanding net of deferred amounts decreased by $157 million (4.5%) during the current fiscal year. There were no new bond issues. Principal payments totaled $126 million and deferred amounts decreased $31 million.

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

Construction commitments at June 30, 2014 totaled $125 million for the governmental activities of the Government and $106 million for the Department of Water and Sewerage Services.

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

The Government maintains an "AA-" rating from Standard & Poor's and "Aa3" from Moody's for the revenue debt of the Department of Water and Sewerage Services.

The ratio of general long-term debt (defined as gross debt less debt service monies available and less debt to be repaid from sources other than property taxes) to the actual value of property is 3.26%, and the amount of net debt per capita is $3,261.

Additional information on the Government's long-term debt can be found in Note 6 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. In November 2009, the Government instituted a Water and Sewer revenue bond commercial paper program to provide interim and short-term financing for various authorized capital projects of the Department of Water and Sewerage Services. Commercial paper obligations of $200 million outstanding at June 30, 2014 were subsequently rolled over into new commercial paper obligations and are considered short-term liabilities of the appropriate capital projects and proprietary funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The most recent (August 2014) unemployment rate for the Nashville combined statistical area is 6.2%. The state's and nation's unemployment rates are 7.4% and 6.1%, respectively. The budget for the 2015 fiscal year reflects a balanced budget inclusive of the use of accumulated fund balance. For more comprehensive information on the Metropolitan Government's approved budget for the 2015 fiscal year, the budget ordinance, the budget book as well as other documents are available at www.nashville.gov.

OTHER MATTERS

Governmental Accounting Standard Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB), requires governments to account for and report their costs and obligations related to post employment healthcare and other nonpension benefits. At June 30, 2014, the unfunded accrued liability for these benefits for general government employees was $2 billion, and the unfunded accrued liability for teachers was $425 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 $135 million in the government-wide statements of net position and activities. Additional information can be found in Note 8 beginning on page B-88 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.

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.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION

June 30, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS:				
Cash and cash equivalents	$ 492,942,564	$ 59,722,141	$ 552,664,705	$ 457,235,927
Investments	-	3,913,092	3,913,092	14,674,629
Sales tax receivable	56,111,214	-	56,111,214	-
Accounts receivable	155,768,682	27,255,452	183,024,134	216,531,786
Property tax receivable	898,538,149	-	898,538,149	-
Allowance for doubtful accounts	(19,866,745)	(3,628,131)	(23,494,876)	(50,919,857)
Accrued interest receivable	2,648	1,171	3,819	22,619
Internal balances	15,017,246	(15,017,246)	-	-
Due from the primary government	-	-	-	11,565,913
Due from component units	4,428,874	6,137	4,435,011	7,724,493
Inventories of supplies	4,282,704	3,145,406	7,428,110	27,235,949
Other current assets	1,383,359	5,635	1,388,994	9,900,642
Restricted assets:				
Cash and cash equivalents	-	271,726,843	271,726,843	235,794,242
Investments	-	-	-	88,408,203
Accrued interest receivable	-	880	880	69,985
Due from other governmental agencies	-	-	-	15,290,814
Accounts receivable	-	63,530	63,530	-
Due from the primary government	-	-	-	3,805,167
Other restricted assets	-	49,414	49,414	5,267,869
Notes receivable	-	-	-	119,612,357
Capital assets:				
Utility plant in service	-	2,647,479,702	2,647,479,702	1,292,528,000
Land	372,581,141	30,639,729	403,220,870	359,090,299
Buildings and improvements	1,910,923,010	138,135,719	2,049,058,729	1,779,297,684
Improvements other than buildings	29,031	50,095,190	50,124,221	479,132,998
Furniture, machinery and equipment	394,095,893	46,234,141	440,330,034	377,031,683
Property under capital lease	-	3,645,000	3,645,000	-
Infrastructure	1,655,829,603	-	1,655,829,603	21,185,548
Public art	2,558,939	-	2,558,939	1,183,844
Construction in progress	87,482,184	114,113,704	201,595,888	154,785,560
Accumulated depreciation	(1,008,668,235)	(1,144,485,051)	(2,153,153,286)	(1,517,933,875)
Other noncurrent assets	6,476,919	62,870,554	69,347,473	15,109,715
Total assets	5,029,917,180	2,295,973,012	7,325,890,192	4,123,632,194
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	150,011,888	4,619,846	154,631,734	16,036,677
Total deferred outflows of resources	150,011,888	4,619,846	154,631,734	16,036,677

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION (CONTINUED)

June 30, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES:				
Accounts payable	$ 91,794,274	$ 9,277,918	$ 101,072,192	$ 234,080,861
Accrued payroll	51,412,606	1,833,768	53,246,374	11,081,517
Accrued interest	48,396,328	-	48,396,328	-
Claims payable	31,834,237	-	31,834,237	-
Due to component units	15,369,882	1,198	15,371,080	-
Due to the primary government	-	-	-	4,435,011
Customer deposits	-	2,730,381	2,730,381	13,915,686
Unearned revenue	2,043,942	766,470	2,810,412	3,011,893
Commercial paper payable	199,759,400	240,600	200,000,000	-
Other current liabilities	8,118,001	3,585,878	11,703,879	25,082,757
Liabilities payable from restricted assets:				
Accounts payable	-	11,137,552	11,137,552	3,184,486
Accrued payroll	-	170,011	170,011	-
Accrued interest	-	21,624,837	21,624,837	30,318,324
Funds held in trust	-	-	-	32,182
Current portion of long-term liabilities	-	33,697,921	33,697,921	63,365,000
Other restricted liabilities	-	-	-	104,489
Noncurrent liabilities:				
Due within one year	160,987,618	245,000	161,232,618	12,788,606
Due in more than one year	3,596,995,598	880,911,636	4,477,907,234	1,735,473,218
Total liabilities	4,206,711,886	966,223,170	5,172,935,056	2,136,874,030
DEFERRED INFLOWS OF RESOURCES:				
Assessed and unlevied property taxes	883,249,247	-	883,249,247	-
Interest rate swap	2,708,971	-	2,708,971	-
Effective portion of fuel hedging	145,429	-	145,429	54,050
Tax increment financing	-	-	-	28,000,000
Total deferred inflows of resources	886,103,647	-	886,103,647	28,054,050
NET POSITION:				
Net investment in capital assets	955,256,311	1,232,187,257	2,187,443,568	1,310,484,696
Restricted for debt retirement	-	64,253,093	64,253,093	155,616,343
Restricted for perpetual care:				
Expendable	185,112	-	185,112	-
Nonexpendable	208,132	-	208,132	-
Restricted for:				
Education	19,139,176	-	19,139,176	-
Law enforcement and care of prisoners	5,047,980	-	5,047,980	-
Public works, highways and streets	2,999,130	-	2,999,130	-
Convention center and tourism promotion	2,913,334	-	2,913,334	-
Public health	2,541,049	-	2,541,049	-
Public library	1,049,773	-	1,049,773	-
Other purposes	5,467,291	-	5,467,291	35,217,214
Unrestricted	(907,693,753)	37,929,338	(869,764,415)	473,422,538
Total net position	$ 87,113,535	$ 1,334,369,688	$ 1,421,483,223	$ 1,974,740,791

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, 2014

		Program Revenues		
Functions/ Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 134,592,258	$ 10,804,610	$ 3,726,939	$ 2,250,959
Fiscal administration	31,357,255	6,237,421	14,815	-
Administration of justice	93,224,440	32,929,328	4,261,447	-
Law enforcement and care of prisoners	359,501,788	30,281,131	1,952,056	119,218
Fire prevention and control	149,550,240	15,501,707	2,299,076	47,571
Regulation and inspection	11,231,396	14,251,461	-	-
Conservation of natural resources	518,707	-	-	-
Public welfare	56,449,294	1,161,957	26,893,460	22,657
Public health and hospitals	119,828,285	9,847,077	22,069,573	3,503,481
Public library system	35,738,501	437,674	1,139,321	6,193
Public works, highways and streets	180,008,423	12,573,404	676,722	48,026,585
Recreational and cultural	76,758,877	10,702,146	630,976	4,103,528
Education	924,418,136	18,740,191	374,850,898	206,148
Interest and other debt related costs	96,842,140	-	-	-
Total governmental activities	2,270,019,740	163,468,107	438,515,283	58,286,340
Business-type activities:				
Department of Water and Sewerage Services	208,945,103	211,371,654	-	16,477,629
District Energy System	18,773,638	18,525,652	-	-
Nashville Convention Center	3,591,461	2,123,510	-	-
Board of Fair Commissioners	3,139,544	3,020,551	-	-
Farmers Market	1,604,876	1,125,291	-	-
Police Secondary Employment	189,808	-	-	-
Surplus Property Auction	789,547	589,233	-	-
Municipal Auditorium	2,001,659	1,558,775	-	-
Police Impound	375,000	479,233	-	-
Stormwater Operations	11,073,221	14,613,874	-	-
Community Education Commission	324,167	57,512	-	-
Total business-type activities	250,808,024	253,465,285	-	16,477,629
Total primary government	$ 2,520,827,764	$ 416,933,392	$ 438,515,283	$ 74,763,969
Component units	$ 1,746,629,941	$ 1,520,728,506	$ 245,576,688	$ 109,081,562

General revenues:
- Property taxes
- Local option sales taxes
- Hotel occupancy taxes
- Beverage taxes
- Wheel taxes
- Business taxes
- Franchise taxes
- Other taxes
- Revenues from the use of money or property
- Revenues from other governmental agencies not restricted for specific programs/functions
- Compensation for loss, sale or damage to property

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning of year, as restated

Net position - end of year

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
STATEMENT OF ACTIVITIES (CONTINUED)
For the Year Ended June 30, 2014

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (117,809,750)	$ -	$ (117,809,750)	$ -
(25,105,019)	-	(25,105,019)	-
(56,033,665)	-	(56,033,665)	-
(327,149,383)	-	(327,149,383)	-
(131,701,886)	-	(131,701,886)	-
3,020,065	-	3,020,065	-
(518,707)	-	(518,707)	-
(28,371,220)	-	(28,371,220)	-
(84,408,154)	-	(84,408,154)	-
(34,155,313)	-	(34,155,313)	-
(118,731,712)	-	(118,731,712)	-
(61,322,227)	-	(61,322,227)	-
(530,620,899)	-	(530,620,899)	-
(96,842,140)	-	(96,842,140)	-
(1,609,750,010)	-	(1,609,750,010)	-
-	18,904,180	18,904,180	-
-	(247,986)	(247,986)	-
-	(1,467,951)	(1,467,951)	-
-	(118,993)	(118,993)	-
-	(479,585)	(479,585)	-
-	(189,808)	(189,808)	-
-	(200,314)	(200,314)	-
-	(442,884)	(442,884)	-
-	104,233	104,233	-
-	3,540,653	3,540,653	-
-	(266,655)	(266,655)	-
-	19,134,890	19,134,890	-
(1,609,750,010)	19,134,890	(1,590,615,120)	-
-	-	-	128,756,815
911,660,516	-	911,660,516	-
315,478,743	-	315,478,743	-
59,650,618	-	59,650,618	-
38,220,483	-	38,220,483	-
28,581,263	-	28,581,263	-
29,049,721	-	29,049,721	-
18,677,681	-	18,677,681	-
376,469	-	376,469	-
3,243,737	1,655,156	4,898,893	2,729,578
66,010,511	-	66,010,511	-
4,296,216	196,154	4,492,370	1,544,580
11,681,203	(11,681,203)	-	-
1,486,927,161	(9,829,893)	1,477,097,268	4,274,158
(122,822,849)	9,304,997	(113,517,852)	133,030,973
209,936,384	1,325,064,691	1,535,001,075	1,841,709,818
$ 87,113,535	$ 1,334,369,688	$ 1,421,483,223	$ 1,974,740,791

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, 2014

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
ASSETS:				
Cash and cash equivalents	$ 100,402,389	$ 68,407,745	$ 6,366,832	$ 1,995,177
Sales tax receivable	18,254,002	33,176,929	339,828	4,340,455
Accounts receivable	53,813,101	2,589,952	2,412,933	-
Accrued interest receivable	97	-	364	-
Property tax receivable	464,741,933	292,617,821	87,567,357	37,229,147
Allowance for doubtful accounts	(15,123,777)	(3,047,600)	(1,100,858)	(402,533)
Due from other funds of the primary government	3,711,719	15,516,371	219,122	-
Due from component units	4,427,337	-	-	-
Inventories of supplies	290,295	1,175,288	-	-
Other assets	300,622	426,863	20,000	-
Total assets	$ 630,817,718	$ 410,863,369	$ 95,825,578	$ 43,162,246
LIABILITIES:				
Accounts payable	$ 13,069,744	$ 9,557,643	$ 22,124	$ 8,066
Accrued payroll	19,618,357	27,688,714	-	-
Due to other funds of the primary government	7,515,391	1,557,271	46,403	6,820
Due to component units	66,042	-	-	-
Commercial paper payable	-	-	-	-
Other liabilities	1,729,535	7,012	-	-
Total liabilities	41,999,069	38,810,640	68,527	14,886
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	461,215,633	289,045,796	86,306,409	36,755,321
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - other revenues	10,586,113	279,610	-	-
Total deferred inflows of resources	471,801,746	289,325,406	86,306,409	36,755,321
FUND BALANCES (DEFICITS):				
Nonspendable	525,930	1,569,880	-	-
Restricted for:				
Other purposes	-	-	-	-
Committed for:				
Education (available)	-	43,152,443	-	-
Debt service	-	-	9,450,642	6,392,039
Equipment acquisitions (appropriated)	-	-	-	-
Equipment acquisitions (unappropriated)	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Subsequent year budgetary appropriations	32,024,800	38,005,000	-	-
Specific projects	2,816,100	-	-	-
Unassigned	81,650,073	-	-	-
Total fund balances (deficits)	117,016,903	82,727,323	9,450,642	6,392,039
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 630,817,718	$ 410,863,369	$ 95,825,578	$ 43,162,246

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, 2014

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 5,684,292	$ 34,047,979	$ 7,505,232	$ 1,155,174	$ 114,857,001	$ 340,421,821
-	-	-	-	-	56,111,214
-	2,600,695	-	-	79,294,541	140,711,222
36	39	-	-	1,067	1,603
16,381,891	-	-	-	-	898,538,149
(191,977)	-	-	-	-	(19,866,745)
-	1,087,061	1,110,890	1,158,530	5,494,873	28,298,566
-	-	-	-	-	4,427,337
-	-	-	-	1,128,619	2,594,202
-	-	-	-	596,193	1,343,678
$ 21,874,242	$ 37,735,774	$ 8,616,122	$ 2,313,704	$ 201,372,294	$ 1,452,581,047
$ 2,040	$ 22,270,346	$ 9,867,309	$ 658,377	$ 17,385,340	$ 72,840,989
-	10,410	-	-	1,536,676	48,854,157
1,338	2,666,128	9,429	17,155	38,168,435	49,988,370
-	6,883,673	4,615,000	5,905	3,799,262	15,369,882
-	135,705,711	29,236,110	4,508,956	30,308,623	199,759,400
-	-	-	-	2,510,346	4,246,893
3,378	167,536,268	43,727,848	5,190,393	93,708,682	391,059,691
16,159,435	-	-	-	-	889,482,594
-	-	-	-	24,513,357	24,513,357
-	-	-	-	-	10,865,723
16,159,435	-	-	-	24,513,357	924,861,674
-	-	-	-	1,552,472	3,648,282
-	-	-	-	39,365,865	39,365,865
-	-	-	-	-	43,152,443
3,275,429	-	-	-	-	19,118,110
-	-	-	-	41,076,096	41,076,096
-	-	-	-	13,840,876	13,840,876
-	-	-	-	8,695,897	8,695,897
2,436,000	-	-	-	-	72,465,800
-	-	-	-	-	2,816,100
-	(129,800,494)	(35,111,726)	(2,876,689)	(21,380,951)	(107,519,787)
5,711,429	(129,800,494)	(35,111,726)	(2,876,689)	83,150,255	136,659,682
$ 21,874,242	$ 37,735,774	$ 8,616,122	$ 2,313,704	$ 201,372,294	$ 1,452,581,047

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS

June 30, 2014

Fund balances - total governmental funds	$	136,659,682
Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported for governmental funds in the Balance Sheet because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets		4,244,316,612
Less accumulated depreciation		(878,751,093)
Net pension assets are not financial resources and therefore are not reported in the governmental funds.		6,331,490
Noncurrent assets related to the fair value of fuel hedges are not financial resources and therefore not reported in the governmental funds.		145,429
Deferred inflows related to the fair value of derivative financial instruments are not financial obligations and therefore not reported in the governmental funds.		(2,854,400)
Loss contingencies that are probable and reasonably estimable are not financial obligations and therefore not reported in governmental funds.		(3,871,108)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable		(2,169,254,899)
Qualified zone academy notes payable		(2,901,965)
Qualified school construction bond loan payable		(45,337,266)
Less deferred charge on refunding		150,011,888
Add net bond premium/discount		(277,544,667)
Accrued interest payable		(48,396,328)
Unamortized swaption proceeds		(2,043,942)
Net pension obligation		(98,584,655)
Net other postemployment benefits obligation		(1,054,905,000)
Compensated absences		(79,732,145)
Claims and judgments		(5,043,448)
Landfill closure costs		(9,252,416)
Fair value of derivative financial instruments		(10,698,568)
Certain deferred inflows reported in the governmental funds are recognized as revenues in the governmental activities.		41,612,427
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.		197,207,907
Net position - governmental activities	$	87,113,535

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

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, 2014

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
REVENUES:				
Property taxes	$ 491,647,887	$ 284,597,949	$ 84,292,496	$ 35,895,936
Local option sales taxes	102,395,435	186,859,425	1,769,426	24,454,456
Other taxes, licenses and permits	120,627,119	7,754,014	-	-
Fines, forfeits and penalties	12,780,838	516	534,916	-
Revenues from the use of money or property	198,903	143,598	-	452,834
Revenues from other governmental agencies	87,412,640	256,004,508	2,740,180	77,054
Commissions and fees	14,790,053	-	-	-
Charges for current services	30,996,165	1,440,106	-	-
Compensation for loss, sale or damage to property	1,193,663	1,389,246	650,000	-
Contributions and gifts	359,992	1,257,054	-	-
Bond interest tax credit	-	-	4,837,386	-
Miscellaneous	1,567,356	155,118	-	-
Total revenues	863,970,051	739,601,534	94,824,404	60,880,280
EXPENDITURES:				
Current:				
General government	25,903,721	-	-	-
Fiscal administration	21,517,557	-	-	-
Administration of justice	56,599,410	-	-	-
Law enforcement and care of prisoners	240,770,156	-	-	-
Fire prevention and control	109,211,951	-	-	-
Regulation and inspection	7,615,499	-	-	-
Conservation of natural resources	357,658	-	-	-
Public welfare	7,944,408	-	-	-
Public health and hospitals	62,670,990	-	-	-
Public library system	21,426,128	-	-	-
Public works, highways and streets	31,930,278	-	-	-
Recreational and cultural	34,535,016	-	-	-
Education	-	690,019,780	-	-
Employee benefits	79,043,492	-	-	-
Miscellaneous	87,709,934	-	-	-
Debt service:	-			
Principal retirement	-	-	52,004,659	36,778,471
Interest	-	-	60,370,364	32,189,877
Fiscal charges	-	-	1,988,306	914,059
Capital outlay	-	-	-	-
Total expenditures	787,236,198	690,019,780	114,363,329	69,882,407
Excess (deficiency) of revenues over expenditures	76,733,853	49,581,754	(19,538,925)	(9,002,127)

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, 2014

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 15,742,837	$ -	$ -	$ -	$ 1,944,514	$ 914,121,619
-	-	-	-	-	315,478,742
-	-	-	-	61,989,454	190,370,587
-	-	-	-	4,909,515	18,225,785
9,104	362,374	136	-	728,356	1,895,305
-	8,415,025	13,344	-	202,080,757	556,743,508
-	-	-	-	9,330,306	24,120,359
-	-	-	-	27,347,259	59,783,530
-	436,274	1,498,908	-	97,697	5,265,788
-	3,315,495	60,735	-	5,167,240	10,160,516
-	-	-	-	-	4,837,386
-	-	-	-	478,457	2,200,931
15,751,941	12,529,168	1,573,123	-	314,073,555	2,103,204,056
-	-	-	-	62,990,380	88,894,101
-	-	-	-	228,557	21,746,114
-	-	-	-	13,691,453	70,290,863
-	-	-	-	23,004,447	263,774,603
-	-	-	-	2,308,173	111,520,124
-	-	-	-	167,225	7,782,724
-	-	-	-	-	357,658
-	-	-	-	30,417,582	38,361,990
-	-	-	-	23,413,534	86,084,524
-	-	-	-	923,424	22,349,552
-	-	-	-	29,887,199	61,817,477
-	-	-	-	1,801,619	36,336,635
-	-	-	-	166,342,904	856,362,684
-	-	-	-	-	79,043,492
-	-	-	-	-	87,709,934
8,537,214	-	-	-	-	97,320,344
8,937,425	-	-	-	-	101,497,666
323,670	-	-	-	-	3,226,035
-	222,032,018	72,962,102	14,163,462	24,853,521	334,011,103
17,798,309	222,032,018	72,962,102	14,163,462	380,030,018	2,368,487,623
(2,046,368)	(209,502,850)	(71,388,979)	(14,163,462)	(65,956,463)	(265,283,567)

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, 2014

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
OTHER FINANCING SOURCES (USES):				
Transfers in	$ 20,174,668	$ 2,937,193	$ 9,767,259	$ 5,915,043
Transfers out	(80,429,883)	(47,345,723)	-	-
Total other financing sources (uses)	(60,255,215)	(44,408,530)	9,767,259	5,915,043
Net change in fund balances	16,478,638	5,173,224	(9,771,666)	(3,087,084)
FUND BALANCES (DEFICITS), beginning of year	100,538,265	77,554,099	19,222,308	9,479,123
FUND BALANCES (DEFICITS), end of year	$ 117,016,903	$ 82,727,323	$ 9,450,642	$ 6,392,039

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, 2014

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 1,973,600	$ 1,175,240	$ 35,817,239	$ 11,402,255	$ 94,644,523	$ 183,807,020
(2,844,500)	(46,580,814)	-	(115,482)	(28,182,278)	(205,498,680)
(870,900)	(45,405,574)	35,817,239	11,286,773	66,462,245	(21,691,660)
(2,917,268)	(254,908,424)	(35,571,740)	(2,876,689)	505,782	(286,975,227)
8,628,697	125,107,930	460,014	-	82,644,473	423,634,909
$ 5,711,429	$ (129,800,494)	$ (35,111,726)	$ (2,876,689)	$ 83,150,255	$ 136,659,682

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, 2014

Net change in fund balances - governmental funds	$	(286,975,227)
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		202,968,322
Depreciation expense		(70,443,316)
Donations of capital assets increase net position for governmental activities, but do not appear in the governmental funds because they are not financial resources.		42,636,535
The gain or loss on the sale of capital assets is reported for governmental activities, whereas in in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the capital assets sold.		(520,881)
Changes in net pension assets increase or decrease net position for governmental activities, but do not appear in the governmental funds because they are not current financial resources.		28,060
Changes in loss contingencies that are probable and reasonably estimable increase or decrease net position for governmental activities, but do not appear in the governmental funds because they are not current financial obligations.		(3,871,108)
Bond proceeds provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities for governmental activities. Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities for governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities.		
Principal repayments		97,320,344
Amortization of deferred charge on refunding		(14,177,792)
Amortization of premium/discount		23,665,268
Change in accrued interest		(9,110,514)

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, 2014

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
Some expenses reported for governmental activities do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds.		
Net pension obligation		(9,539,409)
Net other postemployment benefits obligation		(135,497,000)
Compensated absences		5,465,575
Claims and judgments		(464,448)
Landfill closure costs		260,141
Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.		(5,613,468)
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.		40,873,342
Change in net position - governmental activities	$	(122,822,849)

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 492,498,300	$ 492,498,300	$ 491,647,887	$ (850,413)
Local option sales tax	105,588,000	105,588,000	102,395,435	(3,192,565)
Other taxes, licenses and permits	105,769,100	105,769,100	120,627,119	14,858,019
Fines, forfeits and penalties	11,102,000	11,102,000	12,780,838	1,678,838
Revenues from the use of money or property	-	-	198,903	198,903
Revenues from other governmental agencies	78,205,200	78,205,200	87,412,640	9,207,440
Commissions and fees	12,949,500	12,949,500	14,790,053	1,840,553
Charges for current services	32,912,800	32,912,800	30,996,165	(1,916,635)
Compensation for loss, sale or damage to property	512,100	512,100	1,193,663	681,563
Contributions and gifts	355,300	355,300	359,992	4,692
Miscellaneous	1,539,000	1,539,000	1,567,356	28,356
Total revenues	841,431,300	841,431,300	863,970,051	22,538,751
EXPENDITURES:				
General government	26,161,400	26,850,400	25,903,721	946,679
Fiscal administration	23,296,600	23,466,400	21,517,557	1,948,843
Administration of justice	57,926,800	58,162,300	56,599,410	1,562,890
Law enforcement and care of prisoners	238,233,300	244,538,700	240,770,156	3,768,544
Fire prevention and control	111,768,600	112,844,600	109,211,951	3,632,649
Regulation and inspection	8,680,100	8,556,100	7,615,499	940,601
Conservation of natural resources	385,200	387,500	357,658	29,842
Public welfare	8,260,000	8,372,300	7,944,408	427,892
Public health and hospitals	57,386,000	62,780,700	62,670,990	109,710
Public library system	21,988,500	22,095,200	21,426,128	669,072
Public works, highways and streets	32,476,700	32,444,500	31,930,278	514,222
Recreational and cultural	35,631,700	35,440,500	34,535,016	905,484
Employee benefits	78,506,700	78,506,700	79,043,492	(536,792)
Miscellaneous	99,384,600	93,162,400	87,709,934	5,452,466
Total expenditures	800,086,200	807,608,300	787,236,198	20,372,102
Excess (deficiency) of revenues over expenditures	41,345,100	33,823,000	76,733,853	42,910,853
OTHER FINANCING SOURCES (USES):				
Transfers in	18,696,300	18,696,300	20,174,668	1,478,368
Transfers out	(75,116,700)	(80,774,100)	(80,429,883)	344,217
Total other financing sources (uses)	(56,420,400)	(62,077,800)	(60,255,215)	1,822,585
Net change in fund balances	(15,075,300)	(28,254,800)	16,478,638	44,733,438
FUND BALANCES, beginning of year	100,538,265	100,538,265	100,538,265	-
FUND BALANCES, end of year	$ 85,462,965	$ 72,283,465	$ 117,016,903	$ 44,733,438

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 285,203,000	$ 285,203,000	$ 284,597,949	$ (605,051)
Local option sales tax	181,737,500	181,737,500	186,859,425	5,121,925
Other taxes, licenses and permits	5,127,100	5,127,100	7,754,014	2,626,914
Fines, forfeits and penalties	6,200	6,200	516	(5,684)
Revenues from the use of money or property	-	-	143,598	143,598
Revenues from other governmental agencies	256,191,700	256,191,700	256,004,508	(187,192)
Charges for current services	760,000	760,000	1,440,106	680,106
Compensation for loss, sale or damage to property	1,103,000	1,103,000	1,389,246	286,246
Contributions and gifts	300,000	300,000	1,257,054	957,054
Miscellaneous	45,000	45,000	155,118	110,118
Total revenues	730,473,500	730,473,500	739,601,534	9,128,034
EXPENDITURES:				
Education	695,851,800	700,151,800	690,019,780	10,132,020
Total expenditures	695,851,800	700,151,800	690,019,780	10,132,020
Excess (deficiency) of revenues over expenditures	34,621,700	30,321,700	49,581,754	19,260,054
OTHER FINANCING SOURCES (USES):				
Transfers in	3,946,800	3,946,800	2,937,193	(1,009,607)
Transfers out	(50,568,500)	(50,568,500)	(47,345,723)	3,222,777
Total other financing sources (uses)	(46,621,700)	(46,621,700)	(44,408,530)	2,213,170
Net change in fund balances	(12,000,000)	(16,300,000)	5,173,224	21,473,224
FUND BALANCES, beginning of year	77,554,099	77,554,099	77,554,099	-
FUND BALANCES, end of year	$ 65,554,099	$ 61,254,099	$ 82,727,323	$ 21,473,224

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2014

	Business-type Activities - Enterprise Funds				
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
ASSETS:					
Current assets:					
Cash and cash equivalents	$ 35,450,831	$ 3,954,383	$ 20,316,927	$ 59,722,141	$ 152,520,743
Investments	-	3,913,092	-	3,913,092	-
Accounts receivable	20,322,903	2,959,614	3,972,935	27,255,452	12,302,258
Allowance for doubtful accounts	(2,686,134)	-	(941,997)	(3,628,131)	-
Accrued interest receivable	1,126	2	43	1,171	1,045
Due from other funds of the primary government	845,053	-	868,783	1,713,836	1,743,495
Due from component units	4,464	-	1,673	6,137	1,537
Inventories of supplies	3,145,406	-	-	3,145,406	1,688,502
Other current assets	923	-	4,712	5,635	39,681
Restricted assets:					
Cash and cash equivalents	186,405	1,631,488	-	1,817,893	-
Accounts receivable	63,530	-	-	63,530	-
Accrued interest receivable	880	-	-	880	-
Due from other funds of the primary government	19,038,104	-	-	19,038,104	-
Other current assets	49,414	-	-	49,414	-
Total current assets	76,422,905	12,458,579	24,223,076	113,104,560	168,297,261
Noncurrent assets:					
Capital assets:					
Utility plant in service	2,582,602,654	64,877,048	-	2,647,479,702	-
Land	22,509,294	1,311,213	6,819,222	30,639,729	-
Buildings and improvements	40,907,269	22,249,491	74,978,959	138,135,719	349,008
Improvements other than buildings	45,753,326	273,754	4,068,110	50,095,190	29,031
Furniture, machinery and equipment	42,867,689	886,904	2,479,548	46,234,141	176,986,524
Property under capital lease	-	-	3,645,000	3,645,000	-
Construction in progress	113,698,124	242,609	172,971	114,113,704	1,818,626
Less accumulated depreciation	(1,069,979,334)	(21,182,700)	(53,323,017)	(1,144,485,051)	(129,917,142)
Capital assets - net	1,778,359,022	68,658,319	38,840,793	1,885,858,134	49,266,047
Restricted assets:					
Cash and cash equivalents	269,908,950	-	-	269,908,950	-
Other noncurrent assets	62,870,554	-	-	62,870,554	-
Total noncurrent assets	2,111,138,526	68,658,319	38,840,793	2,218,637,638	49,266,047
Total assets	2,187,561,431	81,116,898	63,063,869	2,331,742,198	217,563,308
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	2,782,856	1,836,990	-	4,619,846	-
Total deferred outflows of resources	2,782,856	1,836,990	-	4,619,846	-

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)

June 30, 2014

	Business-type Activities - Enterprise Funds				
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
LIABILITIES:					
Current liabilities:					
Accounts payable	$ 5,462,297	$ 2,289,564	$ 1,526,057	$ 9,277,918	$ 14,038,506
Accrued payroll	1,010,239	4,308	819,221	1,833,768	2,558,449
Claims payable	-	-	-	-	31,834,237
Due to other funds of the primary government	1,831,293	55,018	848,813	2,735,124	230,084
Due to component units	-	-	1,198	1,198	-
Customer deposits	2,529,211	-	201,170	2,730,381	-
Unearned revenue	-	-	766,470	766,470	-
Current portion of capitalized lease obligations	-	-	245,000	245,000	-
Other current liabilities	3,585,878	-	-	3,585,878	-
Liabilities payable from restricted assets:					
Accounts payable	11,137,552	-	-	11,137,552	-
Accrued payroll	170,011	-	-	170,011	-
Accrued interest	20,878,117	746,720	-	21,624,837	-
Current portion of long term debt	31,500,000	2,147,994	-	33,647,994	-
Current portion of state loans	49,927	-	-	49,927	-
Commercial paper payable	-	240,600	-	240,600	-
Due to other funds of the primary government	-	-	-	-	-
Total current liabilities	78,154,525	5,484,204	4,407,929	88,046,658	48,661,276
Noncurrent liabilities:					
Revenue bonds payable	816,095,703	52,279,494	-	868,375,197	-
General obligation bonds payable	-	12,485,015	-	12,485,015	-
State loans	51,424	-	-	51,424	-
Claims payable	-	-	-	-	4,728,187
Total noncurrent liabilities	816,147,127	64,764,509	-	880,911,636	4,728,187
Total liabilities	894,301,652	70,248,713	4,407,929	968,958,294	53,389,463
NET POSITION:					
Net investment in capital assets	1,190,008,658	3,582,806	38,595,793	1,232,187,257	49,266,047
Restricted for debt retirement	63,368,325	884,768	-	64,253,093	-
Unrestricted	42,665,652	8,237,601	20,060,147	70,963,400	114,907,798
Total net position	$ 1,296,042,635	$ 12,705,175	$ 58,655,940	1,367,403,750	$ 164,173,845
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(33,034,062)	
Net position of business-type activities				$ 1,334,369,688	

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds				
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
OPERATING REVENUES:					
Charges for services	$ 210,492,836	$ 18,525,652	$ 23,044,305	$ 252,062,793	$ 375,417,159
Other	542,868	-	-	542,868	12,183,476
Total operating revenues	211,035,704	18,525,652	23,044,305	252,605,661	387,600,635
OPERATING EXPENSES:					
Personal services	42,617,655	179,650	9,537,700	52,335,005	18,622,072
Contractual services	39,908,929	14,157,276	9,139,866	63,206,071	41,497,888
Supplies and materials	12,597,581	139,359	844,313	13,581,253	16,636,578
Depreciation	69,639,202	2,292,147	2,336,788	74,268,137	16,094,182
Compensation for damages to property	-	-	-	-	2,805,893
Medical and insurance benefits	-	-	-	-	284,213,253
Other	6,579,162	39,286	698,897	7,317,345	5,602,537
Total operating expenses	171,342,529	16,807,718	22,557,564	210,707,811	385,472,403
OPERATING INCOME (LOSS)	39,693,175	1,717,934	486,741	41,897,850	2,128,232
NONOPERATING REVENUE (EXPENSE):					
Investment income (loss)	1,499,691	91,760	63,705	1,655,156	623,650
Interest expense	(35,811,363)	(1,967,349)	(27,075)	(37,805,787)	-
Gain (loss) on sale of property	183,584	-	12,570	196,154	172,861
Other	335,950	-	333,647	669,597	507,897
Total nonoperating revenue (expense)	(33,792,138)	(1,875,589)	382,847	(35,284,880)	1,304,408
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS	5,901,037	(157,655)	869,588	6,612,970	3,432,640
CAPITAL GRANTS AND CONTRIBUTIONS	16,477,629	-	-	16,477,629	-
TRANSFERS IN	22,083	2,135,353	4,264,140	6,421,576	37,274,103
TRANSFERS OUT	(13,182,909)	(1,393,800)	(3,526,070)	(18,102,779)	(1,937,800)
CHANGE IN NET POSITION	9,217,840	583,898	1,607,658	11,409,396	38,768,943
NET POSITION, beginning of year, as restated	1,286,824,795	12,121,277	57,048,282		125,404,902
NET POSITION, end of year	$ 1,296,042,635	$ 12,705,175	$ 58,655,940		$ 164,173,845
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(2,104,399)	
Change in net position of business-type activities				$ 9,304,997	

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds				
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	$ 212,382,161	$ 18,467,643	$ 22,759,415	$ 253,609,219	$ 386,267,002
Payments to suppliers	(54,554,540)	(13,955,283)	(10,188,998)	(78,698,821)	(361,305,287)
Payments to employees	(42,324,366)	(180,097)	(9,862,170)	(52,366,633)	(17,770,785)
Other receipts (payments)	(4,754,719)	-	-	(4,754,719)	507,897
Net cash provided by (used in) operating activities	110,748,536	4,332,263	2,708,247	117,789,046	7,698,827
Cash flows from noncapital financing activities:					
Transfers in	22,083	2,135,353	4,264,140	6,421,576	37,274,103
Transfers out	(13,182,909)	(1,393,800)	(3,326,186)	(17,902,895)	(1,937,800)
Payments to other funds of the primary government	-	-	(2,400,000)	(2,400,000)	-
Net cash provided by (used in) non-capital financing activities	(13,160,826)	741,553	(1,462,046)	(13,881,319)	35,336,303
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(87,202,423)	(727,827)	(181,005)	(88,111,255)	(7,884,941)
Proceeds from the sale of property	183,584	-	12,570	196,154	281,747
Proceeds from borrowings	-	536,443	-	536,443	-
Principal payments on borrowings	(30,813,472)	(2,000,652)	(230,000)	(33,044,124)	-
Interest subsidy	4,952,201	-	-	4,952,201	-
Interest paid	(39,530,088)	(2,177,445)	(27,075)	(41,734,608)	-
Capital contributions received	5,357,233	-	-	5,357,233	-
Advances to other funds of the primary government	(3,214,958)	-	-	(3,214,958)	-
Other receipts (payments)	1,291,012	-	-	1,291,012	-
Net cash provided by (used in) capital and related financing activities	(148,976,911)	(4,369,481)	(425,510)	(153,771,902)	(7,603,194)
Cash flows from investing activities:					
Increase (decrease) in investments	-	103,694	-	103,694	-
Interest on investments	1,509,622	35,952	63,884	1,609,458	626,714
Net cash provided by (used in) investing activities	1,509,622	139,646	63,884	1,713,152	626,714
Net changes in cash and cash equivalents	(49,879,579)	843,981	884,575	(48,151,023)	36,058,650
Cash and cash equivalents at beginning of year	355,425,765	4,741,890	19,432,352	379,600,007	116,462,093
Cash and cash equivalents at end of year	$ 305,546,186	$ 5,585,871	$ 20,316,927	$ 331,448,984	$ 152,520,743
Cash and cash equivalents are classified as:					
Current assets	$ 35,450,831	$ 3,954,383	$ 20,316,927	$ 59,722,141	$ 152,520,743
Current restricted assets	186,405	1,631,488	-	1,817,893	-
Noncurrent restricted assets	269,908,950	-	-	269,908,950	-
Cash and cash equivalents at end of year	$ 305,546,186	$ 5,585,871	$ 20,316,927	$ 331,448,984	$ 152,520,743

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, 2014

	Business-type Activities - Enterprise Funds				
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 39,693,175	$ 1,717,934	$ 486,741	$ 41,897,850	$ 2,128,232
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	69,639,202	2,292,147	2,336,788	74,268,137	16,094,182
Provision for doubtful accounts	(240,000)	-	-	(240,000)	-
Other receipts (payments)	335,950	-	412,225	748,175	507,897
Changes in assets and liabilities:					
Accounts receivable	2,953,411	(58,009)	453,883	3,349,285	(9,047,298)
Due from other funds of the primary government	(622,652)	-	(695,290)	(1,317,942)	112,164
Due from component units	1,659	-	33,027	34,686	14,080
Inventories of supplies	(889,277)	-	-	(889,277)	(14,750)
Other current assets	23,955	-	40,568	64,523	243,606
Other noncurrent assets	-	-	100,000	100,000	-
Accounts payable	(1,158,753)	384,071	(305,155)	(1,079,837)	917,631
Accrued payroll	293,289	(447)	(47,223)	245,619	283,585
Claims payable	-	-	-	-	(3,540,884)
Due to other funds of the primary government	1,282,603	57	284,123	1,566,783	382
Due to component units	-	-	(287,427)	(287,427)	-
Customer deposits	(824,086)	-	(79,404)	(903,490)	-
Unearned revenue	-	-	(24,609)	(24,609)	-
Other current liabilities	260,060	(3,490)	-	256,570	-
Total adjustments	71,055,361	2,614,329	2,221,506	75,891,196	5,570,595
Net cash provided by (used in) operating activities	$ 110,748,536	$ 4,332,263	$ 2,708,247	$ 117,789,046	$ 7,698,827
Non-Cash Capital, Financing and Investing Activities:					
Contributions of capital assets	$ 11,649,610	$ -	$ -	$ 11,649,610	$ -
Increase in fair value of investments	-	55,806	-	55,806	-

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2014

	Pension (and Other Employee Benefit) Trust Funds	Agency Funds
ASSETS:		
Cash and cash equivalents	$ 67,429,239	$ 40,868,628
Investments, at fair value:		
U.S. government agencies	55,225,614	-
Non U.S. government bonds	40,273,840	-
Common collective trust	41,524,462	-
Commercial mortgage backed securities	28,987,926	-
Collateralized mortgage obligations - government	13,437,964	-
Bank loans	7,769,280	-
Asset backed securities	9,974,318	-
Government mortgage backed securities	963,264	-
Corporate bonds and notes	214,083,156	-
High yield bonds	2,512,163	-
Inflation protected bonds	15,435,638	-
Common stock	1,091,746,015	-
Preferred stock	1,962,424	-
Municipals	2,836,662	-
Credit default swaps	124,204,386	-
Commingled funds U.S. debt	15,750,000	-
Venture capital and partnerships	1,180,552,293	-
Cash collateral received - securities lending program	41,217,719	-
Mortgages and real estate	-	1,291,100
Mutual funds	-	15,865
Accounts receivable	99,017,389	-
Accrued interest receivable	4,624,145	11
Due from other funds of the primary government	3,069,262	1,845,517
Other assets	-	57,145
Total assets	3,062,597,159	$ 44,078,266
LIABILITIES:		
Accounts payable	117,836,490	$ -
Due to brokers	122,282,916	-
Payable for collateral received - securities lending program	41,217,719	-
Due to other funds of the primary government	2,755,202	-
Funds held in custody for others	-	30,419,703
Other liabilities	-	13,658,563
Total liabilities	284,092,327	$ 44,078,266
NET POSITION:		
Held in trust for pension benefits	2,776,645,107	
Held in trust for other employee benefits	1,859,725	
Total net position	$ 2,778,504,832	

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended June 30, 2014

	Pension (and other Employee Benefit) Trust Funds
ADDITIONS:	
Investment income:	
Interest and dividend income	$ 66,376,089
Net appreciation (depreciation) of investments	365,802,359
Miscellaneous	132,956
Net increase (decrease) in fair value of investments	432,311,404
Net income earned on securities lending transactions:	
Securities lending income	576,080
Securities lending expense	(115,197)
Net income earned on securities lending transactions	460,883
Less investment expenses	(9,995,612)
Net investment income (loss)	422,776,675
Contributions:	
Employee contributions	2,231,784
Employer contributions	121,155,403
Transfers in	132,383
Contributions from the State of Tennessee	17,593,670
Miscellaneous	2,199,441
Total contributions	143,312,681
Total additions	566,089,356
DEDUCTIONS:	
Pension and other employee benefits	196,592,511
Refunds of contributions	6,508
Administrative expenses	2,919,281
Transfers out	2,095,823
Total deductions	201,614,123
Change in net position	364,475,233
NET POSITION, beginning of year	2,414,029,599
NET POSITION, end of year	$ 2,778,504,832

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS

June 30, 2014

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
ASSETS:				
Cash and cash equivalents	$ 290,390	$ 224,501	$ 42,589,887	$ 1,401,546
Investments	-	-	2,354,626	-
Accounts receivable	-	-	2,577,927	-
Allowance for doubtful accounts	-	-	-	-
Accrued interest receivable	-	-	272	8
Due from the primary government	-	-	11,499,871	-
Due from component units	-	-	7,724,493	-
Inventories of supplies	-	-	-	-
Other current assets	3,256	5,504	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Due from the primary government	-	-	-	-
Other restricted assets	-	-	-	-
Notes receivable	-	-	28,683,006	-
Capital assets:				
Utility plant in service	-	-	-	-
Land	-	-	82,204,458	-
Buildings and improvements	-	-	368,155,513	-
Improvements other than buildings	135,512	-	1,601,646	-
Furniture, machinery and equipment	18,697	-	22,671,491	-
Infrastructure	-	-	-	-
Public art	-	-	-	-
Construction in progress	-	-	44,063,507	-
Less accumulated depreciation	(154,209)	-	(150,126,698)	-
Other noncurrent assets	-	-	-	-
Total assets	293,646	230,005	463,999,999	1,401,554
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	-	-	4,105,816	-
Total deferred outflows of resources	-	-	4,105,816	-

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITON
COMPONENT UNITS (CONTINUED)

June 30, 2014

	Hospital Authority				
Total Governmental Types	General Hospital	Bordeaux Long Term Care	Total	Metropolitan Development and Housing Agency	Electric Power Board
$ 44,506,324	$ 941,905	$ 504,887	$ 1,446,792	$ 52,418,144	$ 267,994,000
2,354,626	-	-	-	4,913,194	-
2,577,927	52,523,517	2,040,702	54,564,219	5,208,254	146,144,000
-	(44,338,598)	(1,566,000)	(45,904,598)	(3,077,472)	(1,819,000)
280	-	-	-	22,186	-
11,499,871	-	-	-	-	-
7,724,493	-	-	-	-	-
-	2,226,358	-	2,226,358	2,206,156	19,723,000
8,760	463,335	416,667	880,002	1,345,211	5,445,000
-	-	32,182	32,182	-	141,667,000
-	-	-	-	-	41,134,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,683,006	-	-	-	88,375,351	2,554,000
-	-	-	-	-	1,292,528,000
82,204,458	-	-	-	84,365,411	3,901,000
368,155,513	50,733,445	20,248,666	70,982,111	301,338,706	52,239,000
1,737,158	-	510,539	510,539	-	-
22,690,188	37,332,427	4,746,270	42,078,697	4,557,968	77,362,000
-	-	-	-	21,185,548	-
-	-	-	-	-	-
44,063,507	998,992	113,414	1,112,406	12,425,967	48,379,000
(150,280,907)	(59,902,311)	(18,182,879)	(78,085,190)	(149,710,435)	(571,479,000)
-	100,000	-	100,000	-	250,000
465,925,204	41,079,070	8,864,448	49,943,518	425,574,189	1,526,022,000
4,105,816	-	-	-	-	9,831,000
4,105,816	-	-	-	-	9,831,000

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)

June 30, 2014

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
ASSETS:			
Cash and cash equivalents	$ 2,563,552	$ 60,636,649	$ 791,252
Investments	-	-	7,406,809
Accounts receivable	934,055	5,012,711	527,913
Allowance for doubtful accounts	(8,451)	(110,000)	-
Accrued interest receivable	-	-	-
Due from the primary government	-	-	-
Due from component units	-	-	-
Inventories of supplies	2,571,838	508,597	-
Other current assets	501,202	1,119,610	130,314
Restricted assets:			
Cash and cash equivalents	5,636,986	61,324,657	-
Investments	-	7,706,000	-
Accrued interest receivable	-	-	-
Due from other governmental agencies	13,010,875	2,279,939	-
Due from the primary government	-	-	-
Other restricted assets	-	2,551,396	-
Notes receivable	-	-	-
Capital assets:			
Utility plant in service	-	-	-
Land	15,155,266	96,992,465	-
Buildings and improvements	96,251,387	255,460,891	-
Improvements other than buildings	-	476,885,301	-
Furniture, machinery and equipment	105,024,266	108,530,594	14,135,000
Infrastructure	-	-	-
Public art	-	-	-
Construction in progress	11,959,308	36,845,372	-
Less accumulated depreciation	(75,056,311)	(466,909,686)	(8,516,641)
Other noncurrent assets	851,393	13,908,322	-
Total assets	179,395,366	662,742,818	14,474,647
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	2,099,861	-
Total deferred outflows of resources	-	2,099,861	-

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)

June 30, 2014

Convention Center Authority	Total Proprietary Types	Total Component Units
$ 26,879,214	$ 412,729,603	$ 457,235,927
-	12,320,003	14,674,629
1,562,707	213,953,859	216,531,786
(336)	(50,919,857)	(50,919,857)
153	22,339	22,619
66,042	66,042	11,565,913
-	-	7,724,493
-	27,235,949	27,235,949
470,543	9,891,882	9,900,642
27,133,417	235,794,242	235,794,242
39,568,203	88,408,203	88,408,203
69,985	69,985	69,985
-	15,290,814	15,290,814
3,805,167	3,805,167	3,805,167
2,716,473	5,267,869	5,267,869
-	90,929,351	119,612,357
-	1,292,528,000	1,292,528,000
76,471,699	276,885,841	359,090,299
634,870,076	1,411,142,171	1,779,297,684
-	477,395,840	479,132,998
2,652,970	354,341,495	377,031,683
-	21,185,548	21,185,548
1,183,844	1,183,844	1,183,844
-	110,722,053	154,785,560
(17,895,705)	(1,367,652,968)	(1,517,933,875)
-	15,109,715	15,109,715
799,554,452	3,657,706,990	4,123,632,194
-	11,930,861	16,036,677
-	11,930,861	16,036,677

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)

June 30, 2014

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
LIABILITIES:				
Accounts payable	$ 290,480	$ 10,840	$ 9,299,544	$ 805,436
Accrued payroll	-	-	4,830	-
Due to the primary government	-	-	1,637	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Current portion of long-term liabilities	-	-	-	-
Current portion of capitalized lease obligations	-	-	-	-
Other current liabilities	-	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued interest	-	-	2,888,171	-
Funds held in trust	-	-	-	-
Current portion of long-term liabilities	-	-	5,830,000	-
Other restricted liabilities	-	-	-	-
Revenue bonds payable	-	-	153,742,137	-
Capitalized lease obligations	-	-	-	-
TVA advances	-	-	-	-
Other long-term liabilities	-	-	4,848,436	-
Total liabilities	290,480	10,840	176,614,755	805,436
DEFERRED INFLOWS OF RESOURCES:				
Effective portion of fuel hedging	-	-	-	-
Tax increment financing	-	-	28,000,000	-
Total deferred inflows of resources	-	-	28,000,000	-
NET POSITION:				
Net investment in capital assets	-	-	225,638,980	-
Restricted for debt retirement	-	-	13,250,722	-
Restricted for other purposes	-	-	-	-
Unrestricted	3,166	219,165	24,601,358	596,118
Total net position	$ 3,166	$ 219,165	$ 263,491,060	$ 596,118

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)

June 30, 2014

	Hospital Authority				
Total Governmental Types	General Hospital	Bordeaux Long Term Care	Total	Metropolitan Development and Housing Agency	Electric Power Board
$ 10,406,300	$ 11,624,590	$ 1,280,324	$ 12,904,914	$ 2,247,272	$ 192,161,000
4,830	2,391,458	357,149	2,748,607	831,015	-
1,637	4,426,700	-	4,426,700	-	-
-	-	-	-	582,686	13,333,000
-	-	-	-	-	-
-	-	-	-	10,037,585	-
-	1,901,420	-	1,901,420	-	-
-	1,148,679	194,498	1,343,177	9,220,182	-
-	-	-	-	-	1,372,000
2,888,171	-	-	-	-	2,823,000
-	-	32,182	32,182	-	-
5,830,000	-	-	-	-	29,700,000
-	-	-	-	-	-
153,742,137	-	-	-	-	622,309,000
-	26,963,010	-	26,963,010	-	-
-	-	-	-	-	2,476,000
4,848,436	-	-	-	62,895,251	10,518,000
-					
177,721,511	48,455,857	1,864,153	50,320,010	85,813,991	874,692,000
-	-	-	-	-	-
28,000,000	-	-	-	-	-
28,000,000	-	-	-	-	-
225,638,980	(4,142,560)	7,436,010	3,293,450	256,609,304	259,378,000
13,250,722	-	-	-	-	62,979,000
-	-	-	-	-	-
25,419,807	(3,234,227)	(435,715)	(3,669,942)	83,150,894	338,804,000
$ 264,309,509	$ (7,376,787)	$ 7,000,295	$ (376,492)	$ 339,760,198	$ 661,161,000

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)

June 30, 2014

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
LIABILITIES:			
Accounts payable	$ 4,128,200	$ 9,042,556	$ 1,796,319
Accrued payroll	2,505,661	4,064,109	-
Due to the primary government	637	-	-
Customer deposits	-	-	-
Unearned revenue	-	-	-
Current portion of long-term liabilities	-	849,601	-
Current portion of capitalized lease obligations	-	-	-
Other current liabilities	14,519,398	-	-
Liabilities payable from restricted assets:			
Accounts payable	-	934,144	-
Accrued interest	-	4,097,276	-
Funds held in trust	-	-	-
Current portion of long-term liabilities	-	27,835,000	-
Other restricted liabilities	-	-	-
Revenue bonds payable	-	146,382,486	-
Capitalized lease obligations	-	-	-
TVA advances	-	-	-
Other long-term liabilities	41,481,766	39,676,199	-
Total liabilities	62,635,662	232,881,371	1,796,319
DEFERRED INFLOWS OF RESOURCES:			
Effective portion of fuel hedging	54,050	-	-
Tax increment financing	-	-	-
Total deferred inflows of resources	54,050	-	-
NET POSITION:			
Net investment in capital assets	139,648,849	342,147,659	5,618,359
Restricted for debt retirement	-	32,634,228	-
Restricted for other purposes	2,050,000	33,167,214	-
Unrestricted	(24,993,195)	24,012,207	7,059,969
Total net position	$ 116,705,654	$ 431,961,308	$ 12,678,328

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)

June 30, 2014

Convention Center Authority	Total Proprietary Types	Total Component Units
$ 1,394,300	$ 223,674,561	$ 234,080,861
927,295	11,076,687	11,081,517
6,037	4,433,374	4,435,011
-	13,915,686	13,915,686
3,011,893	3,011,893	3,011,893
-	10,887,186	10,887,186
-	1,901,420	1,901,420
-	25,082,757	25,082,757
878,342	3,184,486	3,184,486
20,509,877	27,430,153	30,318,324
-	32,182	32,182
-	57,535,000	63,365,000
104,489	104,489	104,489
624,180,933	1,392,872,419	1,546,614,556
-	26,963,010	26,963,010
-	2,476,000	2,476,000
-	154,571,216	159,419,652
651,013,166	1,959,152,519	2,136,874,030
-	54,050	54,050
-	-	28,000,000
-	54,050	28,054,050
78,150,095	1,084,845,716	1,310,484,696
46,752,393	142,365,621	155,616,343
-	35,217,214	35,217,214
23,638,798	448,002,731	473,422,538
$ 148,541,286	$ 1,710,431,282	$ 1,974,740,791

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, 2014

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Nashville District Management Corporation	$ 1,519,871	$ 1,452,279	$ 65,785	$ -
Gulch Business Improvement District, Inc.	218,976	185,330	-	-
Sports Authority	45,646,174	3,981,300	24,777,002	18,667,273
Industrial Development Board	1,451,699	4,100	1,454,479	-
General Hospital	100,557,636	64,427,659	33,447,142	1,338,846
Bordeaux Long Term Care	29,470,294	15,487,104	18,544,224	-
Metropolitan Development and Housing Agency	111,407,611	22,570,111	76,628,172	8,966,107
Electric Power Board	1,180,822,000	1,241,434,000	-	-
Metropolitan Transit Authority	85,344,240	14,376,140	43,554,329	30,078,540
Metropolitan Nashville Airport Authority	118,688,696	136,779,715	-	12,739,063
Emergency Communications District	6,571,556	6,214,037	-	-
Convention Center Authority	64,931,188	13,816,731	47,105,555	37,291,733
Total component units	$ 1,746,629,941	$ 1,520,728,506	$ 245,576,688	$ 109,081,562

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

Total general revenues

Changes in net position

Net position - beginning of year

Net position - end of year

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES
COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2014

Net (Expense) Revenue and Changes in Net Position							
Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board	Total Governmental Types	Hospital Authority		
					General Hospital	Bordeaux Long Term Care	Total
$ (1,807)	$ -	$ -	$ -	$ (1,807)	$ -	$ -	$ -
-	(33,646)	-	-	(33,646)	-	-	-
-	-	1,779,401	-	1,779,401	-	-	-
-	-	-	6,880	6,880	-	-	-
-	-	-	-	-	(1,343,989)	-	(1,343,989)
-	-	-	-	-	-	4,561,034	4,561,034
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(1,807)	(33,646)	1,779,401	6,880	1,750,828	(1,343,989)	4,561,034	3,217,045
1,604	1,991	871,435	2,756	877,786	-	621	621
-	-	694,528	-	694,528	-	-	-
1,604	1,991	1,565,963	2,756	1,572,314	-	621	621
(203)	(31,655)	3,345,364	9,636	3,323,142	(1,343,989)	4,561,655	3,217,666
3,369	250,820	260,145,696	586,482	260,986,367	(6,032,798)	2,438,640	(3,594,158)
$ 3,166	$ 219,165	$ 263,491,060	$ 596,118	$ 264,309,509	$ (7,376,787)	$ 7,000,295	$ (376,492)

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, 2014

	Net (Expense) Revenue and Changes in Net Position			
	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	(3,243,221)	-	-	-
Electric Power Board	-	60,612,000	-	-
Metropolitan Transit Authority	-	-	2,664,769	-
Metropolitan Nashville Airport Authority	-	-	-	30,830,082
Emergency Communications District	-	-	-	-
Convention Center Authority	-	-	-	-
Total component units	(3,243,221)	60,612,000	2,664,769	30,830,082
General revenues:				
Revenues from the use of money or property	285,867	295,000	-	328,349
Compensation for loss, sale or damage to property	-	-	824,530	25,522
Total general revenues	285,867	295,000	824,530	353,871
Changes in net position	(2,957,354)	60,907,000	3,489,299	31,183,953
Net position - beginning of year	342,717,552	600,254,000	113,216,355	400,777,355
Net position - end of year	$ 339,760,198	$ 661,161,000	$ 116,705,654	$ 431,961,308

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, 2014

Net (Expense) Revenue and Changes in Net Position			
Emergency Communications District	Convention Center Authority	Total Proprietary Types	Total Component Units
$ -	$ -	$ -	$ (1,807)
-	-	-	(33,646)
-	-	-	1,779,401
-	-	-	6,880
-	-	(1,343,989)	(1,343,989)
-	-	4,561,034	4,561,034
-	-	(3,243,221)	(3,243,221)
-	-	60,612,000	60,612,000
-	-	2,664,769	2,664,769
-	-	30,830,082	30,830,082
(357,519)	-	(357,519)	(357,519)
-	33,282,831	33,282,831	33,282,831
(357,519)	33,282,831	127,005,987	128,756,815
8,415	933,540	1,851,792	2,729,578
-	-	850,052	1,544,580
8,415	933,540	2,701,844	4,274,158
(349,104)	34,216,371	129,707,831	133,030,973
13,027,432	114,324,915	1,580,723,451	1,841,709,818
$ 12,678,328	$ 148,541,286	$ 1,710,431,282	$ 1,974,740,791

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The **Nashville District Management Corporation** was established in 1998 to administer special assessment revenue collected by the Government for the benefit of the Central Business Improvement District (CBID). The Corporation's duties and responsibilities are defined in a memorandum of agreement with the Government and include, but are not limited to, providing services for improvement and operation of the CBID through security enhancement, downtown marketing, and improving downtown beautification, sanitation and maintenance. The original agreement was one year, renewable annually by mutual notification by each party to the other. The agreement may be terminated by the Government upon thirty days notice. The Corporation is a legally separate entity which is closely related to and 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 a legally separate entity which is closely related to and 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 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 stadium. The underlying credit for the Sports Authority Revenue bonds is a pledge on the non-tax revenues of the Government's General Fund, and the Government is required to approve debt issuances of the Sports Authority. The members of the Sports Authority's Board are all appointed and can also be removed by the Government. The Sports Authority does not issue separate financial statements. A Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for its only fund are included in the Component Units section with reconciliations of those statements to the Statement of Net Position – Component Units and Statement of Activities – Component Units included in the basic financial statements.

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

The **Hospital Authority** operates General Hospital (a full service medical facility) 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. The members of the Hospital Authority Board are all appointed and can also be removed by the

Government. The Government approves and can modify the annual operating budget of 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 issuances of the Board. Complete financial statements of the Board can be obtained from its administrative offices at 1214 Church Street, Nashville, TN 37246.

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

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

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

The **Convention Center Authority** is a public, nonprofit corporation and public instrumentality of the Government formed in August 2009, and was responsible for the acquisition, development and construction of a new convention center – the Music City Center – and is responsible for the operation of the completed facility. The Convention Center Authority is also responsible for the management and operation of the original Nashville Convention Center. Because the assets of the Nashville Convention Center are owned by the Government, its Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are presented as a proprietary fund of the Government. The members of the Convention Center Authority's Board of Directors are all appointed and can be removed by the Government. Complete financial statements of the Convention Center Authority can be obtained from the Department of Finance, Financial Operations, PO Box 196300, Nashville, TN 37219.

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

The separately issued financial statements for the component units contain additional note disclosures that are not considered essential to the fair presentation of the Government's basic financial statements and have therefore been excluded from these notes to the financial statements in the Government's Comprehensive Annual Financial Report for the year ended June 30, 2014.

The primary government includes $4,435,011 due from component units and $15,371,080 due to component units in the Statement of Net Position. The component units include $4,435,011 due to the primary government and $15,371,080 due from the primary government. Additionally, the component units include $7,724,493 due from component units and zero due to component units; the difference is attributable to transactions between Sports Authority and Metropolitan Development and Housing Agency subsequent to the Agency's year-end.

B. Accounting Pronouncements

The Government adopted GASB Statement No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62, required for fiscal periods beginning after December 15, 2012, in fiscal 2014. This Statement improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of Statements No. 54 and No. 62.

The Government adopted GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, required for fiscal periods beginning after June 15, 2013, in fiscal 2014. This Statement improves financial reporting by state and local government pension plans.

The Government plans to adopt GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, required for fiscal periods beginning after June 15, 2014, in fiscal 2015. This Statement improves accounting and financial reporting by state and local governments for pensions.

The Government plans to adopt GASB Statement No. 69, Government Operations and Disposals of Government Operations, required for fiscal periods beginning after December 15, 2013, in fiscal 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

The Government adopted GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, required for fiscal periods beginning after June 15, 2013, in fiscal 2014. This Statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Government plans to adopt GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 60, required for fiscal periods beginning after June 15, 2014, in fiscal 2015. This Statement improves accounting and financial reporting by state and local governments for pensions by addressing an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement.

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

C. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Government reports the following major governmental funds:

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

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

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

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

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

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

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

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

The Government reports the following major enterprise funds:

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

The **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, 2014, these services include fleet management, information systems, radio maintenance, insurance, 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 purchasers of certain outstanding property tax receivables, funds held by the Sheriff's Department for inmates, and funds held by the Planning Commission for performance bonds for contractors.

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

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

Investments – Investments, except in the pension funds, consist primarily of U.S. Government securities and are stated at fair value. Pension fund investments, which also include common stocks, bonds and U.S. Government and other domestic and foreign securities, are stated at quoted fair value at June 30, 2014. The Government and certain component units also invest in the Tennessee Local Government Investment Pool which is maintained and managed by the State of Tennessee. This Pool is not registered with the Securities and Exchange Commission (SEC) but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the Government's investments in the Pool have been determined based on the Pool's share price. Investment income consists of realized and unrealized appreciation or depreciation in the fair value of assets. Investment income of the capital projects funds is reported in those funds and is transferred to the debt service funds after arbitrage calculations, as applicable.

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

Capital assets – Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined as assets with an individual cost in excess of $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 $2,103,026 for the year ended June 30, 2014.

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

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

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

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

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

Deferred outflows of resources – In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. *Deferred outflows of resources* represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource (expense) until then. The *deferred charge on refunding* results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, 2014. The claims liabilities are based on the estimated cost of settling the claim, including nonincremental claim adjustments, using past experience and adjusting for current conditions. Losses for uninsured judgments against the Government payable from governmental funds not expected to be liquidated with expendable available resources are reported in the applicable governmental activities in the Statements of Net Position and Activities.

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

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

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

Landfills – State and federal laws and regulations require the Government to place a final cover on all its landfill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near, or after, the date the landfill stops accepting waste, the Government is required to report a portion of these closure and postclosure care costs as an expense in the government-wide financial statements. This expense is based on landfill capacity used at the reporting date. The current year expenditures of the landfills are reported in the Solid Waste Operations Fund, a nonmajor governmental fund, in the Governmental Funds section of this report. The long term liability and expense are reported in the Statements of Net Postion and Activities. The total liability for landfill purposes is $9,252,416.

> Bordeaux Sanitary Landfill – This landfill has stopped accepting solid waste, and closure procedures are 100% complete. Estimated postclosure costs of $5,705,087 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 $1,213,364 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 $1,592,912 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 $741,053 are included in the long-term liability.

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

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

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

Deferred inflows of resources – In addition to liabilities, the Balance Sheets and Statements of Net Position will sometimes report a separate section for deferred inflows of resources. *Deferred inflows of resources* represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The *unavailable revenue* reported in the Balance Sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The *assessed and unlevied property taxes* reported in the Statement of Net Position, arises from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year but levied in the subsequent year. The *interest rate swap,* which relates to an interest rate swap agreement, and the *effective portion of fuel hedging,* which relates to the Government's fuel hedging program, are considered to be hedging derivatives. Changes in the fair market value of hedging derivatives are reported as deferred inflows or outflows of resources.

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

F. Revenues, Expenditures and Expenses

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

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

Unbilled revenues – Revenues from the Department of Water and Sewerage Services are recognized from meters read on a monthly cycle basis. At the end of each month, an estimate of service rendered from the latest date of each meter-reading cycle to month end is accrued and included in accounts receivable.

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

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

- Public utility property	55%	(Railroads and certain telecommunication services at 40%)
- Industrial and commercial property		
- Real	40%	
- Personal	30%	
- Farm and residential property	25%	

Taxes are levied at a rate of $3.924 per $100 of assessed value for the entire metropolitan area (General Services District) with an additional tax of $.592 per $100 of assessed value levied upon properties within the Urban Services District.

Payments are due by February 28 of the following year and are delinquent on March 1. Property taxes receivable have been included in the Balance Sheet – Governmental Funds with offsetting deferred inflows to reflect amounts not available at June 30, 2014. Amounts available at June 30, 2014 have been recorded as revenue in the governmental fund statements. Current tax collections of $863,883,378 for the fiscal year ended June 30, 2014 were approximately 99% of the tax levy.

Of the $898,538,149 property tax receivable, $883,249,247 represents the 2015 property taxes which have been assessed but not yet levied and recorded as required by GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

G. Estimates

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

NOTE 2 – RESTATEMENT OF NET POSITION

The Department of Water and Sewerage Services acquired the operations of the Old Hickory Utility District effective July 1, 2013, including assumption of its outstanding assets and liabilities. The Department has restated its beginning net position to reflect this transaction. The impact on the financial statements was an increase in beginning net position as follows:

	Statement of Activities Business-type Activities	Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds
Net position - beginning of year, as previously reported	$ 1,320,752,660	$ 1,351,682,323
Net effect of acquisition of Old Hickory Utility District	4,312,031	4,312,031
Net position - beginning of year, as restated	$ 1,325,064,691	$ 1,355,994,354

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance With Finance Related Legal and Contractual Provisions

Management believes that the Government has no material violations of finance related legal and contractual provisions as of June 30, 2014.

B. Budgets and Budgetary Accounting

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

1. The Director of Finance annually obtains information from all officers, departments, boards, commissions and other agencies of the Government for which appropriations are made and/or revenues are collected and compiles the annual operating budget for the ensuing fiscal year beginning July 1. The compiled information, including various expenditure options and the means of financing them, is submitted to the Mayor for review.

2. The Mayor, with the assistance of the Department of Finance, determines the programs to be recommended to the Metropolitan Council, the expenditures proposed to operate those programs and the revenue changes needed to fund those expenditures. That information is compiled into a balanced operating budget which is submitted to the Metropolitan Council by May 1.

3. Copies of the Mayor's proposed budget and budget message are distributed to interested persons, and a summary of the budget is published in the area daily newspaper. The budget is a public record open for public inspection.

4. The Metropolitan Council's Budget and Finance Committee holds hearings with the officers, departments, boards, commissions and other agencies to explore the impact of the recommended operating budget and to explore other departmental budget options. In addition, advertised public hearings are held to obtain taxpayers' comments prior to final passage.

5. The budget is legally enacted effective July 1 through passage of an ordinance by the Metropolitan Council. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and fund balance.

6. The amounts in the adopted operating budgets for each organizational unit, purpose or activity constitute the annual appropriation for such items, and no expenditure can be made which will result in the annual appropriation being exceeded unless an additional appropriation is made.

7. The Metropolitan Council may make appropriations in addition to those contained in the current operating budgets, but any such additional appropriations may be made only from an existing unappropriated surplus in the fund to which it applies.

8. The Mayor may transfer the available balance of any appropriation for any purpose to the appropriation for any other purpose within the same department or by resolution approved by the Metropolitan Council, the available balance of any appropriation may be transferred to another appropriation within the same section of the budget and within the same fund.

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 2014-2015 was submitted to the Metropolitan Council and subsequently approved by Substitute Bill Number BL 2014-774. Fund balance resources at June 30, 2014 have been assigned to the 2014-2015 fiscal year operating budget as follows:

General Services District General Fund	$ 26,627,700
Urban Services District General Fund	5,397,100
General Purpose School Fund	38,005,000
Urban Services District General Purposes Debt Service Fund	2,436,000

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, 2014 were as follows:

	Outstanding Encumbrances
General Fund	$ 1,029,912
Special Revenue Funds:	
General Purpose School	1,663,775
Metropolitan Action Commission	3,748,500
General Fund 4% Reserve	3,560,825
Stormwater Grants	85,054
Flood 2010 Recovery	1,028,807
Education Services	4,514,995
Other Governmental Services	5,696,960
Capital Projects Funds:	
GSD Capital Projects	70,659,519
Education Capital Projects	43,587,189
USD Capital Projects	6,243,651

C. Deficit Balances and Excess Expenditures

The following funds have deficit balances at June 30, 2014:

	Unassigned Fund Balance/ Unrestricted Net Position
Capital Project Funds:	
GSD Capital Projects	$ (129,800,494)
Education Capital Projects	(35,111,726)
USD Capital Projects	(2,876,689)
Special Revenue Funds:	
Flood 2010 Recovery	(21,380,951)

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

The deficit in the Flood 2010 Recovery Fund is expected to be funded by future revenues from the Federal and Tennessee Emergency Management Agencies (FEMA and TEMA). Certain flood-related expenditures continue to be on appeal with FEMA.

During the year ended June 30, 2014, 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:			
Employee Benefits:			
Employer's Contribution for Group Health Insurance	$ 44,617,000	$ 46,106,688	$ (1,489,688)
Miscellaneous:			
Subsidies	40,098,300	40,311,522	(213,222)
Transfers Out:			
Fiduciary Funds	75,000	77,188	(2,188)
GSD General Purposes Debt Service Fund:			
Interest	54,699,700	60,370,364	(5,670,664)
Fiscal Charges	1,928,600	1,988,306	(59,706)
GSD School Purposes Debt Service Fund:			
Principal Retirement	33,142,000	36,778,471	(3,636,471)

Employer's Contribution for Group Health Insurance represents the employer portion of health and dental benefits for retirees, while the employer portion of active employees' health and dental benefits are budgeted in departmental budgets. The employer portion of all health and dental benefits for both active employees and retirees was under budget for the General Fund as a whole.

Subsidies are over budget due to increased collection of tax increments, which are remitted to the Metropolitan Development and Housing Agency.

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

Expenditures for the Debt Service Funds are not controlled on a line item basis. Also, interest in the GSD General Purposes Debt Service Fund is budgeted net of bond interest tax credits, which are reported as revenue. These funds are under budget as a whole.

NOTE 4 – 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 (LGIP); the State of Tennessee Intermediate Term Investment Fund (ITIF); the First Tennessee Bank Advisors Short Investment Pool (FTB Short Pool); most bonds issued by U.S. Government Agencies and other investments such as repurchase agreements and commercial paper. The Government is authorized to invest in these instruments either directly or through the Metro Investment Pool (MIP). The Metro Investment Pool is invested in the LGIP, the ITIF, and the FTB Short Pool. Primary oversight for the LGIP and the ITIF rests with the State of Tennessee Funding Board. The LGIP and ITIF are similar to a SEC 2a-7 account (SEC designation). The ITIF and the FTB Short Pool are primarily invested in bonds issued by U.S. Government Agencies. The Government's amounts included in the LGIP and ITIF are reported at the fair value of its position in the LGIP or ITIF, which approximates the value of the shares at amortized cost. The Government's amounts in the FTB Short Pool are reported at fair value. The Metropolitan Employees' Benefit Trust is authorized to invest funds in accordance with the Statement of Investment Policy of the Investment Committee of the Government, which states that the Investment Committee may make investments it deems suitable for the Trust. Investments of the Teachers Retirement Plan are administered by the Administrative Retirement Committee of the Metropolitan Nashville Public Schools which adopted the Metropolitan Employees' Benefit Trust Statement of Investment Policy effective July 1, 2011.

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. As of June 30, 2014, 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 the Statement of Investment Policy adopted by their respective Committees.

As of June 30, 2014, the Government had the following investments:

Investment Type		Fair Value	Total Portfolio Average Weighted Maturity (in Years)
Metro Investment Pool:			
Tennessee Local Government Investment Pool	$	360,021,843	0.30
Tennessee Intermediate Term Investment Fund		201,109,807	2.14
First Tennessee Bank Advisors Short Investment Pool		161,954,227	2.93
Total Metro Investment Pool (a)	$	723,085,877	
Separate Portfolios:			
U.S. Treasuries (a)	$	51,095,077	(b)
U.S. Government Bonds		3,913,092	3.72
Total Separate Portfolios	$	55,008,169	

Investment Type	Fair Value	Total Portfolio Average Weighted Maturity (in Years)
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan:		
U.S. Government Agencies	$ 55,225,614	14.17
Non U.S. Government Bonds	40,273,840	2.70
Common Collective Trust	41,524,462	(b)
Commercial Mortgage Backed Securities	28,987,926	3.99
Collateralized Mortgage Obligations - Government	13,437,964	1.92
Bank Loans	7,769,280	0.87
Asset Backed Securities	9,974,318	2.79
Government Mortgage Backed Securities	963,264	(b)
Corporate Bonds and Notes	214,083,156	3.24
High Yield Bonds	2,512,163	3.55
Inflation Protected Bonds	15,435,638	6.92
Common Stock	1,091,746,015	(b)
Preferred Stock	1,962,424	(b)
Municipals	2,836,662	11.20
Credit Dafault Swaps	124,204,386	0.03
Comingled Funds U.S. Debt	15,750,000	(b)
Venture Capital and Partnerships	1,180,552,293	(b)
Cash Collateral Received - Securities Lending Program	41,217,719	(b)
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	$ 2,888,457,124	

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

(b) 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 policies place no specific limit on the weighted average maturity of the Government's investment portfolios. However, the average maturity of the portfolios are monitored and managed so that the changing interest rates will cause only minimal deviations in the net asset value. As of June 30, 2014, the investments of the Government had average weighted maturities as noted on the preceding table.

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

Also, the use of futures, options and swaps is permitted as long as the particular investment manager's strategy or mandate allows it. As of June, 30, 2014, the investments of the Government had credit ratings as follows:

		Credit Ratings							
Investment Type	Fair Value	A	AA	AAA	B	BB	BBB	CC - D	Not Rated
Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan									
U.S. Government Agencies	$ 55,225,614	$ 5,165,851	$ 31,650,092	$ -	$ -	$ -	$ -	$ -	$ 18,409,671
Non U.S. Government Bonds	40,273,840	1,951,328	153,000	7,851,902	-	-	11,101,294	-	19,216,316
Commercial Mortgage Backed Securities	28,987,926	-	-	-	-	-		-	28,987,926
Collateralized Mortgage Obligations - Government	13,437,964	1,872,912	838,535	1,894,794	509,084	-	1,367,352	2,274,451	4,680,836
Bank Loans	7,769,280	-	-	-	347,957	3,669,858	2,573,294	-	1,178,171
Asset Backed Securities	9,974,318	199,329	-	624,395	446,920	747,277	540,107	4,645,043	2,771,247
Government Mortgage Backed Securities	963,264	-	963,264	-	-	-	-	-	-
Corporate Bonds and Notes	214,083,156	52,670,767	4,514,924	444,159	7,160,823	23,153,291	97,038,484	691,750	28,408,958
High Yield Bonds	2,512,163	-	-	-	-	-	-	-	2,512,163
Inflation Protected Bonds	15,435,638	-	-	-	-	-	-	-	15,435,638
Municipals	2,836,662	308,386	1,058,959	241,494	-	-	-	-	1,227,823
Credit Default Swaps	124,204,386	9,339,609	4,852,159	-	2,834,670	4,300,656	38,341,700	-	64,535,592
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	$ 515,704,211	$ 71,508,182	$ 44,030,933	$ 11,056,744	$ 11,299,454	$ 31,871,082	$ 150,962,231	$ 7,611,244	$ 187,364,341

Concentration of credit risk is the risk of loss attributed to the magnitude of the Government's investment in a single issuer. The Government's Investment Policy limits single issuer exposure to 5% except for the securities of the U.S. Government or its agencies. There is no single issuer that exceeds 5% of total investments at June 30, 2014.

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, 2014, all investments were insured or registered or the securities were held by the Government or its agent in the Government's name.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of June 30, 2014, no Metro Investment Pool or Separate Portfolio investments were held in foreign currency. The Investment Policy for the Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan places no specific limits on investments in international markets; however, investments in international markets are targeted at 16% with a maximum exposure not to exceed 30% of the portfolios. As of June 30, 2014, the Government's exposure to foreign currency risk is as follows:

Base Currency	Fair Value
Common Stock:	
Australian dollar	$ 7,373,103
British pound sterling	58,608,458
Canadian dollar	6,477,510
Danish krone	1,055,230
Euro	72,862,555
Japanese yen	24,533,726
Norwegian krone	10,126,637
Swedish krona	6,623,415
Swiss franc	15,052,498
Total Common Stock	202,713,132
Venture Capital and Partnerships:	
Euro	63,499,566
Total Venture Capital and Partnerships	63,499,566
Total Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan	$ 266,212,698

C. Securities Lending Program

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

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

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the Trust loans for the year ended June 30, 2014 was approximately 60 days. Cash collateral is invested in a short term investment pool. The relationship between the maturities of the investment pool and the Custodian's loans is affected by the maturities of the securities loans made by other entities that use the Custodian's pool, which the Custodian's system cannot determine. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. As the loans are terminable at will, the duration of the investments generally did not match the duration of the investments made with the cash collateral.

The collateral held and the market value of the securities on loan as of June 30, 2014 was $41,217,719 and $40,153,318 respectively, for the Trust. The cash collateral is recorded as both an asset and a liability on the Trust financial statements. Securities and letters-of-credit received as collateral at June 30, 2014 are not recorded in the Statement of Plan Net Position, as the Trust cannot sell or pledge the collateral received absent a borrower default.

At year end, the Trust has no credit risk by the borrowers because the amount the Trust owes the borrowers exceeds the amount the borrowers owe the Trust. The gross earnings for securities lending were $55,232 and borrowers rebates were $520,848 for total income of $576,080, and the related expenses were $115,197 in agent fees, netting $460,883 in securities lending income for the Trust.

Component Units

A. Deposits

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

B. Investments

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

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

Governmental activities:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	$ 338,459,304	$ 34,377,837	$ (256,000)	$ 372,581,141
Transportation infrastructure	1,476,084,085	47,869,100	-	1,523,953,185
Public art	1,471,700	1,087,239	-	2,558,939
Construction in progress	154,937,668	124,561,790	(192,017,274)	87,482,184
Total capital assets, not being depreciated	1,970,952,757	207,895,966	(192,273,274)	1,986,575,449
Capital assets, being depreciated:				
Buildings and improvements	1,712,468,104	203,666,248	(5,211,342)	1,910,923,010
Improvements other than buildings	29,031	-	-	29,031
Furniture, machinery and equipment	377,196,946	24,664,973	(7,766,026)	394,095,893
Stormwater infrastructure	122,512,089	9,364,329	-	131,876,418
Total capital assets, being depreciated	2,212,206,170	237,695,550	(12,977,368)	2,436,924,352
Less accumulated depreciation:				
Building and improvements	(627,433,853)	(54,885,049)	5,100,392	(677,218,510)
Furniture, machinery and equipment	(268,896,592)	(29,180,436)	7,418,766	(290,658,262)
Stormwater infrastructure	(38,319,449)	(2,472,014)	-	(40,791,463)
Total accumulated depreciation	(934,649,894)	(86,537,499)	12,519,158	(1,008,668,235)
Total capital assets, being depreciated, net	1,277,556,276	151,158,051	(458,210)	1,428,256,117
Governmental activities capital assets, net	$ 3,248,509,033	$ 359,054,017	$ (192,731,484)	$ 3,414,831,566

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

Business-type activities:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	$ 30,606,179	$ 33,550	$ -	$ 30,639,729
Construction in progress	151,235,431	79,614,689	(116,736,416)	114,113,704
Total capital assets, not being depreciated	181,841,610	79,648,239	(116,736,416)	144,753,433
Capital assets, being depreciated:				
Utility plant in service	2,515,695,283	131,784,419	-	2,647,479,702
Buildings and improvements	137,674,386	613,483	(152,150)	138,135,719
Improvements other than buildings	46,836,769	3,258,421	-	50,095,190
Furniture, machinery and equipment	39,965,707	6,627,631	(359,197)	46,234,141
Property under capital lease	3,645,000	-	-	3,645,000
Total capital assets, being depreciated	2,743,817,145	142,283,954	(511,347)	2,885,589,752
Less accumulated depreciation:				
Utility plant in service	(917,423,861)	(68,367,589)	-	(985,791,450)
Buildings and improvements	(78,460,379)	(3,649,770)	9,965	(82,100,184)
Improvements other than buildings	(37,421,633)	(957,834)	-	(38,379,467)
Furniture, machinery and equipment	(35,476,349)	(1,201,819)	111,937	(36,566,231)
Property under capital lease	(1,556,594)	(91,125)	-	(1,647,719)
Total accumulated depreciation	(1,070,338,816)	(74,268,137)	121,902	(1,144,485,051)
Total capital assets, being depreciated, net	1,673,478,329	68,015,817	(389,445)	1,741,104,701
Business-type activities capital assets, net	$ 1,855,319,939	$ 147,664,056	$ (117,125,861)	$ 1,885,858,134

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

Governmental activities:		
General government	$	10,688,353
Fiscal administration		865,922
Administration of justice		2,234,745
Law enforcement and care of prisoners		7,644,441
Fire prevention and control		1,478,196
Education		33,337,667
Regulation and inspection		4,979
Public welfare		619,524
Public health and hospitals		586,131
Public library system		2,223,705
Public works, highways and streets, including depreciation of stormwater infrastructure		4,847,260
Recreational and cultural		5,912,393
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		16,094,183
Total depreciation expense, governmental activities	$	86,537,499
Business-type activities:		
Department of Water and Sewerage Services	$	69,639,202
District Energy System		2,292,147
Nashville Convention Center		1,426,103
Board of Fair Commissioners		374,813
Farmers Market		292,602
Municipal Auditorium		243,270
Total depreciation expense, business-type activities	$	74,268,137

Component Units

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	$ 335,876,318	$ 29,139,856	$ (5,925,875)	$ 359,090,299
Public art	1,177,844	6,000	-	1,183,844
Construction in progress	146,116,392	76,728,405	(68,059,237)	154,785,560
Total capital assets, not being depreciated	483,170,554	105,874,261	(73,985,112)	515,059,703
Capital assets, being depreciated:				
Utility plant in service	1,252,508,000	54,413,000	(14,393,000)	1,292,528,000
Buildings and improvements	1,699,929,441	80,542,085	(1,173,842)	1,779,297,684
Improvements other than buildings	476,710,887	2,435,457	(13,346)	479,132,998
Furniture, machinery and equipment	357,645,781	42,781,305	(23,395,403)	377,031,683
Infrastructure	21,155,548	30,000	-	21,185,548
Total capital assets, being depreciated	3,807,949,657	180,201,847	(38,975,591)	3,949,175,913
Less accumulated depreciation for:				
Utility plant in service	(486,878,000)	(45,091,000)	26,650,000	(505,319,000)
Buildings and improvements	(452,846,602)	(55,987,040)	4,209,807	(504,623,835)
Improvements other than buildings	(281,243,834)	(14,953,460)	13,347	(296,183,947)
Furniture, machinery and equipment	(192,670,827)	(28,734,112)	18,944,862	(202,460,077)
Infrastructure	(8,546,353)	(800,663)	-	(9,347,016)
Total accumulated depreciation	(1,422,185,616)	(145,566,275)	49,818,016	(1,517,933,875)
Total capital assets, being depreciated, net	2,385,764,041	34,635,572	10,842,425	2,431,242,038
Component units activities capital assets, net	$ 2,868,934,595	$ 140,509,833	$ (63,142,687)	$ 2,946,301,741

NOTE 6 – BONDS, NOTES AND OTHER OBLIGATIONS

Primary Government

A. Transaction Summary

Bonds, notes and other obligations activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental activities:					
General obligation bonds payable:					
General Services District (1)	$ 1,326,011,362	$ -	$ (52,004,659)	$ 1,274,006,703	$ 60,734,952
Schools (1)	734,220,976	-	(32,827,475)	701,393,501	38,585,773
Urban Services District (1)	202,391,909	-	(8,537,214)	193,854,695	10,316,281
Deferred premium (discount)	301,287,667	-	(23,675,632)	277,612,035	-
Total general obligation bonds payable	2,563,911,914	-	(117,044,980)	2,446,866,934	109,637,006
Qualified zone academy notes payable:					
Qualified Zone Academy Notes	3,316,532	-	(414,567)	2,901,965	414,567
Deferred premium (discount)	(77,732)	-	10,364	(67,368)	-
Total qualified zone academy notes payable	3,238,800	-	(404,203)	2,834,597	414,567
Qualified school construction bond loans payable	48,873,695	-	(3,536,429)	45,337,266	3,536,429
Other obligations payable:					
Net pension obligation	89,045,246	119,966,952	(110,427,543)	98,584,655	-
Net other postemployment benefits obligation	919,408,000	220,601,000	(85,104,000)	1,054,905,000	-
Compensated absences	85,197,720	68,716,186	(74,181,761)	79,732,145	46,499,765
Claims and judgments	10,584,406	2,226,568	(3,039,339)	9,771,635	400,448
Landfill closure costs	9,512,557	-	(260,141)	9,252,416	499,403
Fair value of derivative financial instruments	12,150,831	-	(1,452,263)	10,698,568	-
Total other obligations payable	1,125,898,760	411,510,706	(274,465,047)	1,262,944,419	47,399,616
Total governmental activities long-term liabilities	$ 3,741,923,169	$ 411,510,706	$ (395,450,659)	$ 3,757,983,216	$ 160,987,618
Business-type activities:					
Department of Water and Sewerage Services:					
Revenue bonds payable	$ 827,450,000	$ -	$ (30,765,000)	$ 796,685,000	$ 31,500,000
Deferred premium (discount)	57,423,660	-	(6,512,957)	50,910,703	-
State economic and development loan	149,823	-	(48,472)	101,351	49,927
Total Department of Water and Sewerage Services	885,023,483	-	(37,326,429)	847,697,054	31,549,927
District Energy System:					
General obligation bonds payable (1)	60,475,753	-	(2,000,652)	58,475,101	2,147,994
Deferred premium (discount)	8,917,346	-	(479,944)	8,437,402	-
Total District Energy System	69,393,099	-	(2,480,596)	66,912,503	2,147,994
Farmers Market:					
Capitalized lease obligations payable	475,000	-	(230,000)	245,000	245,000
Total business-type activities long-term liabilities	$ 954,891,582	$ -	$ (40,037,025)	$ 914,854,557	$ 33,942,921

(1) The balances at July 1, 2013 for general obligation bonds for General Services District, Schools, Urban Services District, and District Energy System include the reallocation of certain bond proceeds received in the prior year. Amounts totaling $38,211,563 previously reported as General Services District bonds were reallocated to Schools, Urban Services District, and District Energy System in the amounts of $31,600,880, $6,314,840, and $295,843, respectively, to properly reflect the fiscal 2014 use of excess bond proceeds that were outstanding at June 30, 2013.

B. Description of Amounts Payable

Amounts payable at June 30, 2014 are as follows:

	Interest Rate	Amount
Governmental activities:		
General obligation bonds payable from ad valorem taxes:		
General Services District - General Purposes, due in varying amounts to July 1, 2034	.32 - 5.71%	$ 1,274,006,703
General Services District - School Purposes, due in varying amounts to July 1, 2034	.32 - 5.71%	701,393,501
Urban Services District - General Purposes, due in varying amounts to July 1, 2034	.32 - 5.71%	193,854,695
Deferred premium (discount)		277,612,035
Total general obligation bonds payable from ad valorem taxes		2,446,866,934
Qualified zone academy notes payable:		
Qualified Zone Academy Notes, due in varying amounts to December 28, 2020	N/A	2,901,965
Deferred premium (discount)		(67,368)
Total qualified zone academy notes payable		2,834,597
Qualified school construction bond loans payable	1.515%	45,337,266
Other obligations payable:		
Net pension obligation		98,584,655
Net other postemployment benefits obligation		1,054,905,000
Compensated absences		79,732,145
Claims and judgments		9,771,635
Landfill closure		9,252,416
Fair value of derivative financial instruments		10,698,568
Total other obligations payable		1,262,944,419
Total governmental activities long-term liabilities		$ 3,757,983,216
Business-type activities:		
Bonds payable:		
Series 2007, due in varying amounts to January 1, 2016	4.25 - 5.00%	$ 12,870,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2008A, due in varying amounts to January 1, 2022	3.25 - 5.25%	101,720,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2010A, due in varying amounts to July 1, 2027	3.00 - 5.00%	104,050,000
Department of Water and Sewerage Revenue Bonds, Federally Taxable (BAB's), Series 2010B, due in varying amounts to July 1, 2037	6.393 - 6.568%	135,000,000
Department of Water and Sewerage Revenue Bonds, Federally Taxable, Series 2010C, due in varying amounts to July 1, 2041	6.693%	75,000,000
Department of Water and Sewerage Revenue Refunding Bonds, Federally Taxable, Series 2010D, due in varying amounts to July 1, 2018	4.255 - 4.791%	7,610,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2012, due in varying amounts to July 1, 2023	1.00 - 5.00%	122,505,000
Department of Water and Sewerage Revenue Refunding Bonds, Series 2013, due in varying amounts to July 1, 2033	3.00 - 5.00%	237,930,000
Deferred premium (discount)		50,910,703
Total Department of Water and Sewerage Services		847,595,703

	Interest Rate	Amount
Business-type activities: (Continued)		
District Energy System G. O. Multi-purpose Bonds, Series 2005A, due in varying amounts to January 1, 2025	4.25 - 5.25%	765,000
District Energy System G. O. Public Improvement and Refunding Bonds, Series 2010A, due in varying amounts to July 1, 2026	2.75 - 5.00%	274,201
District Energy System G. O. Refunding Bonds, Series 2010C, due in varying amounts to July 1, 2015	2.21 - 3.23%	273,169
District Energy System G. O. Refunding Bonds, Series 2010D, due in varying amounts to July 1, 2024	1.50 - 5.00%	1,014,955
District Energy System G. O. Refunding Bonds, Series 2011, due in varying amounts to July 1, 2023	2.00 - 5.00%	504,087
District Energy System Revenue Refunding Bonds, Series 2012A, due in varying amounts to October 1, 2033	2.00 - 5.00%	45,960,000
District Energy System G. O. Refunding Bonds, Series 2012B, due in varying amounts to July 1, 2024	.32 - 2.767%	3,157,400
District Energy System G. O. Refunding Bonds, Series 2013A, due in varying amounts to July 1, 2033	3.00 - 5.00%	6,526,289
Deferred premium (discount)		8,437,402
Total District Energy System		66,912,503
Total bonds payable		914,508,206
Department of Water and Sewerage Services - state economic and development loan	3.00%	101,351
Farmers Market - capitalized lease obligations payable	7.50%	245,000
Total business-type activities long-term liabilities		$ 914,854,557

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

Governmental activities:	
Noncurrent liabilities:	
Due within one year	$ 160,987,618
Due in more than one year	3,596,995,598
Total governmental activities	$ 3,757,983,216
Business-type activities:	
Liabilities payable from restricted assets:	
Current portion of long-term liabilities	$ 33,697,921
Noncurrent liabilities:	
Due within one year	245,000
Due in more than one year	880,911,636
Total business-type activities	$ 914,854,557

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

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

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

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, 2014, the Government believes it is in compliance with all financial limitations and restrictions.

E. Annual Debt Service Requirements

The annual requirements to amortize all general obligation bonds and revenue bonds outstanding as of June 30, 2014 are as follows:

Year Ending	General Obligation Bonds		Revenue Bonds		Total Primary Government	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 111,785,000	$ 102,930,065	$ 31,500,000	$ 41,367,233	$ 143,285,000	$ 144,297,298
2016	112,120,000	98,254,285	20,275,000	40,175,458	132,395,000	138,429,743
2017	122,980,000	92,353,214	28,795,000	39,028,808	151,775,000	131,382,022
2018	124,785,000	87,719,803	37,475,000	37,476,030	162,260,000	125,195,833
2019	130,385,000	81,993,867	38,225,000	35,654,524	168,610,000	117,648,391
2020-2024	698,275,000	319,711,158	174,300,000	149,491,044	872,575,000	469,202,202
2025-2029	574,920,000	160,819,664	87,825,000	119,079,112	662,745,000	279,898,776
2030-2034	318,735,000	52,811,748	109,575,000	91,928,870	428,310,000	144,740,618
2035-2039	33,745,000	962,925	137,465,000	55,814,955	171,210,000	56,777,880
2040-2044	-	-	131,250,000	13,779,454	131,250,000	13,779,454
Total	2,227,730,000	997,556,729	796,685,000	623,795,488	3,024,415,000	1,621,352,217
Deferred Premium (Discount)	286,049,437	-	50,910,703	-	336,960,140	-
Total	$ 2,513,779,437	$ 997,556,729	$ 847,595,703	$ 623,795,488	$ 3,361,375,140	$ 1,621,352,217

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. In July 2007, the Government entered into a Standby Note Purchase Agreement with three banks 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 providers would issue bank notes, the proceeds of which would be applied to pay the principal of and interest on commercial paper notes on the respective maturity dates.

General obligation commercial paper is issued as federally tax-exempt notes. The commercial paper is sold at par as interest-bearing obligations in minimum denominations of $100,000 with interest payable at maturity. The commercial paper has varying maturities not to exceed 270 days, and all rollover commercial paper will not have a final maturity more than two years from the initial dates of issuance. The State has waived the two year final maturity limitation and approved a final maturity not to exceed six years. Interest rates vary depending on the market. At June 30, 2014, the amount of principal outstanding could not exceed $400 million.

In November 2009, the Government instituted a Water and Sewerage revenue commercial paper (bond anticipation note) program. Commercial paper notes are issued to provide interim or short-term financing of various water and sewer capital projects. The notes may be refunded with new notes (rollover notes) until the Government is prepared to issue long-term bonds and thereby provide permanent financing for the capital projects financed under the commercial paper program. The Government entered into Standby Note Purchase Agreements with two banks 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 providers would issue bank notes, the proceeds of which would be applied to pay the principal of and interest on commercial paper notes on the respective maturity dates.

Revenue commercial paper is issued as federally tax-exempt notes. The commercial paper is sold at par as interest-bearing obligations in minimum denominations of $100,000 with interest payable at maturity. The commercial paper has varying maturities not to exceed 270 days, and all rollover commercial paper will not have a final maturity more than two years from the initial dates of issuance. The State has waived the two year final maturity limitation and approved a final maturity not to exceed six years. Interest rates vary depending on the market. At June 30, 2014, the amount of principal outstanding could not exceed $183.4 million.

Commercial paper obligations of $200,000,000 with interest rates ranging from 0.08% to .11% were outstanding at June 30, 2014. These obligations were refunded subsequent to year-end with rollover notes. The obligations are considered short-term debt at June 30, 2014 and are recorded as a liability in the Capital Project Funds, Flood 2010 Recovery Fund, and the District Energy System of the Government.

Commercial paper activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
Commercial paper payable	$ 50,000,000	$ 400,000,000	$ (250,000,000)	$ 200,000,000

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

Governmental activities:	
Commercial paper payable	$ 199,759,400
Total governmental activities	199,759,400
Business-type activities:	
Commercial paper payable	240,600
Total business-type activities	240,600
Total commercial paper payable	$ 200,000,000

G. Defeased Bonds

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, 2014, $797,820,000 of general obligation bonds and $49,845,000 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 and Series 2010A, B, C and D 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 into 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, 2014 are summarized below:

Year Ending June 30	Principal	Investment Credit (1)
2015	$ 414,567	$ 97,031
2016	414,567	97,031
2017	414,567	97,031
2018	414,567	97,031
2019	414,567	97,031
2020-2021	829,130	194,063
Total qualified zone academy notes payable	$ 2,901,965	$ 679,218

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

J. Qualified School Construction Bond Loan

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

The Government entered a loan agreement with the TSSBA in December 2009 whereby the Government would receive an amount not to exceed $21,760,000 of the proceeds from the TSSBA QSCB, Series 2009. Actual proceeds totaled $21,120,000. Interest on the loan is 1.515%, and the loan matures in 2027. Under the provisions

of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The TSSBA will hold and invest the proceeds from the Series 2009 Bonds, and as allowable expenditures are incurred, the Government will request reimbursement. The Government is required to make annual principal payments to TSSBA. An investment credit applied to the Government's portion of the bond proceeds will be used to reduce future payments.

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

QSCB note principal maturities at June 30, 2014 are summarized below:

Year Ending June 30	Principal	Interest	Subsidy
2015	$ 3,536,429	$ 2,043,674	$ 1,723,706
2016	3,536,429	2,043,674	1,723,706
2017	3,536,429	2,043,674	1,723,706
2018	3,536,429	2,043,674	1,723,706
2019	3,536,429	2,043,674	1,723,706
2020-2024	17,682,141	10,218,372	8,618,532
2025-2028	9,972,980	6,007,478	6,032,972
Total qualified school construction bond loan payable	$ 45,337,266	$ 26,444,220	$ 23,270,034

K. 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 are being 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 loan is for seven years, and interest is calculated on the loan at 3%.

State economic and development loan principal maturities as of June 30, 2014 are summarized below:

Year Ending June 30	Principal	Interest
2015	$ 49,927	$ 3,041
2016	51,424	1,543
Total state economic and development loan	$ 101,351	$ 4,584

L. Derivative Financial Instruments

In connection with outstanding variable rate debt, the Government competitively bid the sale of a pay-fixed receive-variable Securities Industry and Financial Market Association (SIFMA), formerly the Bond Market Association, swaption (Swaption). This transaction generated an upfront payment of $3,800,000, which is deferred and being amortized over the term of the related interest rate swap in the government-wide statements. The Swaption was sold on a SIFMA floating to fixed interest rate swap and, when it was exercised by the winning bidder, SunTrust

Bank (Counterparty), the Government was placed into a variable to fixed interest rate swap commencing on May 15, 2006. The interest rate swap is a hedging derivative instrument (cash flow hedge) maintained by the Government in order to manage its exposure to market risk from fluctuations in interest rates on its variable rate debt. On February 2, 2012, the Government refunded the Tennessee Municipal Bond Fund (TMBF) Loan, which was the debt previously associated with the hedging derivative instrument. Upon the refunding of the TMBF Loan, the Government terminated hedge accounting for the derivative instrument. The related deferral account totaled $16,126,556 at the date of the refunding and has been included in the net carrying amount of the TMBF Loan for purposes of determining the deferred charge related to its refunding. The Government has subsequently employed the interest rate swap as a hedging derivative instrument maintained in order to manage its exposure to market risk from fluctuations in interest rates on its commercial paper program.

The swap agreement provides that the Government will pay a fixed rate of 5.4% to the Counterparty and will receive the SIFMA rate on the outstanding notional amount which reduces annually and was $45,280,000 at June 30, 2014. The SIFMA rate at June 30, 2014 was .06%. All terms of the swap remain in effect and expire May 15, 2026. The credit rating of the Counterparty at June 30, 2014 is BBB+. The fair value of this swap contract was a liability of $10,698,568 at June 30, 2014 and is recorded in noncurrent liabilities in the Statement of Net Position. The liability decreased by $1,006,644 for the year ended June 30, 2014. This change in fair value is reported as a deferred inflow of resources in the Statement of Net Position.

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

The net receipts/payments on the hedging derivative instrument at June 30, 2014 are summarized below. The amounts assume that the current reference rate (.06%) of the interest rate swap will remain the same for the term of the swap agreement. As this rate varies, the net receipts/payments will vary.

Year Ending June 30	Hedging Derivative, Net Payments
2015	$ 2,417,952
2016	2,271,636
2017	2,117,310
2018	1,953,906
2019	1,781,424
2020-2024	5,959,173
2025-2026	789,252
Total hedging derivative, net payments	$ 17,290,653

Credit risk – The Government is exposed to credit risk on hedging derivative instruments that are in asset positions. There were no such instruments in asset positions at June 30, 2014. However, should interest rates change and the fair value of the swap becomes positive, the Government would be exposed to credit risk in the amount of the derivative's fair value. The Government relies primarily on the credit rating of the counterparty to assess credit risk.

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

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

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

M. Unissued Bonds or Notes

At June 30, 2014, authorized but unissued general obligation bonds totaled $1,061,628,000. 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, 2014 was as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental types:					
Revenue bonds payable:					
Sports Authority	$ 82,106,597	$ 106,866,052	$ (29,400,512)	$ 159,572,137	$ 5,830,000
Total revenue bonds payable - governmental types	82,106,597	106,866,052	(29,400,512)	159,572,137	5,830,000
Proprietary types:					
Revenue bonds payable:					
Electric Power Board	555,385,000	122,894,000	(26,270,000)	652,009,000	29,700,000
Metropolitan Nashville Airport Authority	202,282,071	-	(28,064,585)	174,217,486	27,835,000
Convention Center Authority	624,261,428	-	(80,495)	624,180,933	-
Total revenue bonds payable - proprietary types	1,381,928,499	122,894,000	(54,415,080)	1,450,407,419	57,535,000
Notes payable:					
Metropolitan Development and Housing Agency	71,980,760	5,985,551	(6,646,625)	71,319,686	10,037,585
Metropolitan Nashville Airport Authority	6,611,604	4,221,197	(771,077)	10,061,724	849,601
Total notes payable - proprietary types	78,592,364	10,206,748	(7,417,702)	81,381,410	10,887,186
Total revenue bonds and notes payable	1,542,627,460	239,966,800	(91,233,294)	1,691,360,966	74,252,186
Other liabilities payable:					
Sports Authority:					
Other liabilities	3,563,854	4,848,436	(3,563,854)	4,848,436	-
Hospital Authority:					
Capitalized lease obligation	30,628,984	-	(1,764,554)	28,864,430	1,901,420
Other liabilities	15,784,753	2,437,260	(18,222,013)	-	-
Metropolitan Development and Housing Agency:					
Other liabilities	1,895,771	1,613,150	(1,895,771)	1,613,150	-
Electric Power Board:					
TVA advances and other	13,557,000	4,576,000	(5,139,000)	12,994,000	-
Metropolitan Transit Authority:					
Advance lease receipts	11,507,481	-	(590,004)	10,917,477	-
Refundable grants	-	3,642,082	-	3,642,082	-
Other postemployment benefits obligation	22,633,778	6,419,657	(2,131,228)	26,922,207	-

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Other liabilities payable: (Continued)					
Metropolitan Nashville Airport Authority:					
Fair value of derivative financial instruments	2,209,043	-	(322,718)	1,886,325	-
Unearned income	646,196	-	(284,149)	362,047	-
Other postemployment benefits obligation	25,438,752	4,089,602	(3,069,177)	26,459,177	-
Other liabilities	1,825,341	-	(68,814)	1,756,527	-
Total other liabilities payable - proprietary types	129,690,953	27,626,187	(37,051,282)	120,265,858	1,901,420
Total revenue bonds, notes and other liabilities payable - component units	$ 1,672,318,413	$ 267,592,987	$ (128,284,576)	$ 1,811,626,824	$ 76,153,606

B. Description of Amounts Payable

Amounts payable at June 30, 2014 are as follows:

	Interest Rates	Amount
Governmental types:		
Revenue bonds payable:		
Public Improvement Revenue Bonds (Stadium Project), Series 2004 due in varying amounts to July 1, 2027	5.375 - 5.875%	$ 22,225,000
Taxable Public Improvement Revenue Bonds, Series 2012A (Stadium Project), due in varying amount to July 1, 2033	1.142 - 5.231%	22,105,000
Taxable Public Facility Revenue Refunding Bonds, Series 2012B (Arena Project), due in varying amount to July 1, 2018	.38 - 2.944%	7,645,000
Taxable Public Facility Revenue Improvement Bonds (Hockey Project), Series 2013A, due in varying amount to July 1, 2033	.793 - 5.150%	14,160,000
Taxable Public Improvement Revenue Refunding Bonds, Series 2013B, due in varying amount to July 1, 2025	.793 - 4.050%	25,925,000
Public Improvement Revenue Bonds (Ballpark Project), Series 2013A due in varying amounts to August 1, 2043	3.00 - 5.250%	53,760,000
Taxable Public Improvement Revenue Bonds (Ballpark Project), Series 2013B due in varying amounts to August 1, 2043	1.25 - 5.625%	11,240,000
Deferred premium (discount)		2,512,137
Total revenue bonds payable - governmental types		159,572,137
Proprietary types:		
Revenue bonds payable:		
Electric Power Board Electric System Revenue Bonds, 1998 Series A, due in varying amounts to May 15, 2023	5.125 - 5.40%	28,910,000
Electric Power Board Electric System Revenue Bonds, 1998 Series B, due in varying amounts to May 15, 2017	4.75 - 5.50%	18,224,000
Electric Power Board Electric System Revenue Bonds, 2001 Series B, due in varying amounts to May 15, 2014	5.50%	-
Electric Power Board Electric System Revenue Bonds, 2008 Series A, due in varying amounts to May 15, 2033	3.25 - 5.00%	94,269,000
Electric Power Board Electric System Revenue Bonds, 2008 Series B, due in varying amounts to May 15, 2023	3.25 - 5.00%	73,231,000
Electric Power Board Electric System Revenue Bonds, 2011 Series A, due in varying amounts to May 15, 2036	1.50 - 5.00%	101,793,000

	Interest Rates	Amount
Proprietary types:		
Revenue bonds payable: (Continued)		
Electric Power Board Electric System Revenue Bonds, 2011		
Series B, due in varying amounts to May 15, 2026	2.00 - 5.00%	148,608,000
Electric Power Board Electric System Revenue Bonds, 2013		
Series A, due in varying amounts to May 15, 2029	3.25 - 5.00%	61,403,000
Electric Power Board Electric System Revenue Bonds, 2014		
Series A, due in varying amounts to May 15, 2039	2.00 - 5.00%	125,571,000
Airport Improvement Revenue Bonds, Series 2003 B,		
due in varying amounts to July 1, 2033	4.13 - 5.94%	15,695,000
Airport Improvement Revenue Bonds, Series 2008A,		
due in varying amounts to July 1, 2019	4.49%	12,400,000
Airport Improvement Revenue Bonds, Series 2009A,		
due in varying amounts to July 1, 2019	3.00 - 5.25%	27,310,000
Airport Improvement Revenue Bonds, Series 2010A,		
due in varying amounts to July 1, 2017	3.00 - 5.00%	14,520,000
Special Facility Revenue Bonds, Series 2010,		
due in varying amounts to July 1, 2029 (includes terms bonds at 6.79%)	2.25 - 6.19%	62,975,000
Airport Improvement Revenue Bonds, Series 2010B,		
due in varying amounts to July 1, 2015	3.00 - 4.00%	31,965,000
Airport Improvement Revenue Bonds, Series 2010C,		
due in varying amounts to July 1, 2016	3.00 - 4.00%	7,145,000
Metropolitan Nashville Airport Authority:		
Deferred premium (discount)		2,207,486
Convention Center Authority Revenue Bonds, 2010A-1		
due in varying amounts to July 1, 2026	3.35 - 5.00%	51,730,000
Convention Center Authority Revenue Bonds, 2010A-2		
due in varying amounts to July 1, 2043	7.431%	152,395,000
Convention Center Authority Revenue Bonds, 2010B		
due in varying amounts to July 1, 2043	4.862 - 6.731%	419,090,000
Convention Center Authority:		
Deferred premium (discount)		965,933
Total revenue bonds payable - proprietary types		1,450,407,419
Notes payable:		
Metropolitan Development and Housing Agency		71,319,686
Metropolitan Nashville Airport Authority		10,061,724
Total notes payable - proprietary types		81,381,410
Total revenue bonds and notes payable		1,691,360,966
Other liabilities payable:		
Sports Authority:		
Other liabilities		4,848,436
Hospital Authority:		
Capitalized lease obligation		28,864,430
Metropolitan Development and Housing Agency:		
Other liabilities		1,613,150
Electric Power Board:		
TVA Advances		2,476,000
Other		10,518,000
Metropolitan Transit Authority:		
Advance lease receipts		10,917,477
Refundable grants		3,642,082
Other postemployment benefits obligation		26,922,207

	Interest Rates	Amount
Other liabilities payable: (Continued)		
Metropolitan Nashville Airport Authority:		
Fair value of derivative financial instruments		1,886,325
Unearned income		362,047
Other postemployment benefits obligation		26,459,177
Other liabilities		1,756,527
Total other liabilities payable - proprietary types		120,265,858
Total bonds, notes and other liabilities payable - component units		$ 1,811,626,824

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

Liabilities payable from restricted assets:	
Current portion of long-term liabilities	$ 63,365,000
Noncurrent liabilities:	
Due within one year	12,788,606
Due in more than one year	1,735,473,218
Total component units long-term liabilities	$ 1,811,626,824

C. Issuance of Bonds

Sports Authority

On August 20, 2013, the Sports Authority issued $14,160,000 Public Facility Revenue Improvement Bonds, Series 2013A (Taxable), maturing on July 1, 2033, with interest rates ranging from 0.793% to 5.150%, and $25,925,000 Public Improvement Revenue Refunding Bonds, Series 2013B (Taxable), maturing on July 1, 2025, with interest rates ranging from 0.793% to 4.050%. The proceeds of the 2013A Bonds will be used to pay costs for certain recreational facilities including an ice skating and hockey rink. The Series 2013B Bonds refunded a portion of the Public Improvement Revenue Refunding Bonds, Series 2004. By issuing the Series 2013B Bonds, the Sports Authority obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of $982,131. The refunding will reduce the Sports Authority's debt service payments over the next twelve years by an estimated $1,144,035.

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

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

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

D. 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.

E. Defeased Bonds

Sports Authority

In the current year, the Sports Authority has defeased certain revenue 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, 2014, $32,275,000 of Sports Authority revenue bonds are considered defeased.

F. Description of Bonds

Convention Center Authority

In April 2010, the Convention Center Authority issued Tourism Tax Revenue Bonds, Series 2010A-1 in the amount of $51,730,000, Series 2010A-2 in the amount of $152,395,000, and Series 2010B in the amount of $419,090,000, for a combined principal amount of $623,215,000 plus original issue premium of $1,301,329. The purpose of the bonds is to pay the costs associated with planning, designing, engineering, acquiring, constructing, equipping, furnishing, improving, repairing, refurbishing and opening the Music City Center.

The land for the Music City Center was purchased prior to the creation of the Convention Center Authority by the Metropolitan Development and Housing Agency (the Agency), a component unit of the Metropolitan Government, through a bank loan. In conjunction with the issuance of the Tourism Tax Revenue Bonds, the Agency loan was retired, and the land was transferred to the Convention Center Authority.

The bond proceeds were as follows:

Establishment of debt service reserve funds	$40,040,199
Establishment of capitalized interest funds	22,287,870
Payment of bond issue costs	7,299,082
Retirement of the Agency loan	46,313,567

The remaining $508,575,611 was deposited in construction funds to be drawn down as the Music City Center is constructed. The capitalized interest funds will be applied to interest payable during construction. All of the bonds are subject to Federal arbitrage regulations.

The Series 2010A-1 Bonds are tax exempt, and the Series 2010A-2 and Series 2010B Bonds are federally taxable and were issued as Build America Bonds (BAB's) under an irrevocable election under Section 54 of the Internal Revenue Service Code. BAB's qualify for a 35% credit from the Federal Government on interest payable on the bonds. The Metropolitan Government is required to file requests for these interest credits no earlier than 90 days prior to each scheduled interest payment. Subsequent to the issuance of the bonds, the Federal Government has reduced the credit by 7.2% to 8.7%. The Convention Center Authority is not anticipating restoration of the credit to the original amount; however, the reduction is not expected to have a material impact on the ability to meet future debt payments.

The Series 2010A Bonds are payable from tourism tax revenues received by the Metropolitan Government. The tourism tax revenues consist of 3% of the 6% of the Hotel/Motel Tax authorized by Tennessee Code Annotated (TCA) Section 7-4-102, $2.00 of the $2.50 Hotel Room Occupancy Tax authorized by TCA Section 7-4-2-2, the $2.00 Contracted Vehicle Tax authorized by TCA Section 7-2-203, the 1% Rental Vehicle Surcharge Tax authorized by TCA Section 67-4-1908, an allocation of state and local sales and uses taxes derived from incremental sales tax growth within a Tourism Development Zone (TDZ) authorized by TCA Section 7-88-1-101, and an allocation of Campus Sales Tax, consisting of state and local sales and uses taxes collected on the premises of the Music City Center and on any convention center hotels.

The Series 2001B Bonds are payable from the remaining tourism tax revenues available after the payment of the 2001A Bonds, and are additionally secured by the Metropolitan Government's non-tax revenues of the GSD General Fund, subject to the prior pledge and application of certain requirements related to bonds issued by the Sports Authority.

G. Conduit Debt Obligations

Industrial Development Board

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

The aggregate principal amount as of June 30, 2014 for the Industrial Revenue Bonds issued after April 1, 1996 was approximately $813,751,461. 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 $4,268,481,525. The aggregate principal amount of revenue bonds which were issued by the Board and were still outstanding as of April 1, 1996 could not be determined; however, the total aggregate principal amount of revenue bonds issued by the Board prior to April 1, 1996 was $1,367,025,500.

H. Other Matters

Sports Authority

The Authority has a $10,000,000 revolving credit line with First Tennessee Bank for the purpose of financing capital improvements at the Bridgestone Arena. Interest is calculated monthly at a variable rate as set forth in in the loan agreement based on the outstanding principal balance of the loan. The monthly interest is payable from capital improvement fees received by the Metropolitan Government, and any excess monthly revenues over the interest due are paid against the outstanding principal balance. The loan expires September 30, 2017 at which time the principal outstanding balance and any interest will be due to First Tennessee Bank. The total outstanding balance as of June 30, 2014 is $4,845,012.

I. Annual Debt Service Requirements

The annual principal maturities of all bonds and notes payable as of June 30, 2014 for the component units are as follows:

Year Ending June 30	Revenue Bonds and Notes Payable Principal	Revenue Bonds and Notes Payable Interest
2015	$ 74,252,186	$ 72,980,486
2016	75,318,801	70,072,983
2017	59,730,188	74,750,997
2018	67,105,296	74,287,580
2019	59,074,315	70,649,479
2020-2024	358,094,820	273,325,962
2025-2029	295,473,057	196,009,391
2030-2034	236,292,573	126,924,183
2035-2039	201,140,174	71,420,120
2040-2044	193,335,000	23,909,689
Total	1,619,816,410	1,054,330,870
Deferred charges	71,544,556	-
Total	$ 1,691,360,966	$ 1,054,330,870

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

J. Additional Information

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

NOTE 7 – PENSION PLANS

The Government adopted GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, required for fiscal periods beginning after June 15, 2013, in fiscal 2014. This Statement improves financial reporting by state and local government pension plans. The Government plans to adopt GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, required for fiscal periods beginning after June 15, 2014, in fiscal 2015. This Statement improves accounting and financial reporting by state and local governments for pensions. Accordingly, disclosures required for pension plans are presented in accordance with GASB Statement No. 67, and disclosures required for governments are presented in accordance with GASB Statement No. 27.

The Government has the following single-employer pension plans:

Name	Type	Status	Administering Fund
Primary Government			
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
Component Units			
Sports Authority, Hospital Authority, and Convention Center Authority	Included in primary government plans (1)		
Hospital Authority	Defined Contribution	Open	N/A
Convention Center Authority	Defined Contribution	Open	N/A
Metropolitan Development and Housing Agency	Defined Contribution	Open	N/A
Electric Power Board	Defined Benefit	Open	N/A
Metropolitan Transit Authority	Defined Benefit	Open	N/A
Metropolitan Nashville Airport Authority	Defined Benefit	Closed	N/A
Metropolitan Nashville Airport Authority	Defined Contribution	Open	N/A

(1) Employees of Hospital Authority and Convention Center Authority hired before certain dates are eligible to participate in the plans of the Government. Employees hired subsequent to those dates are only eligible to participate in the plans administered by those Authorities.

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

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

No separate financial reports are issued for these plans.

A. Summary of Significant Accounting Policies

Measurement Focus, Basis of Account and Financial Statement Presentation

The pension funds are reported using the accrual basis of accounting. Employer and employee contributions are recognized in the period due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. The net pension asset and obligation are reported in the applicable governmental activities in the Statements of Net Position and Activities. All plans with a net pension obligation are governmental in nature.

Method Used to Value Investments

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

B. Plan Descriptions

Plan Administration

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

Plan Membership

Plan membership is summarized on the Selected Pension Information Schedules on pages B-82 to B-83.

Benefits Provided

Metro Plan

Division A

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

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

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

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

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 for employees employed on or between October 1, 2001 and December 31, 2012 who vest before leaving employment. Benefits fully vest on completing 10 years of service for employees and non-vested employees hired or rehired on or after January 1, 2013.

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

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

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

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

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

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

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

<u>City Plan</u>

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 highest 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, 10th Floor Andrew Jackson Building, Nashville, TN 37243.

City Education Plan

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

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

County Education Plan

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

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

Contributions

Metro Plan

The funding policy is to provide for periodic contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. All other funding is provided by the Government with an actuarially recommended employer contribution rate of 17.117% for the non-certificated employees of Metropolitan Nashville Public Schools and all other Metro employees.

City Plan

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

County Plan

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

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 (8.88% of covered payroll for the fiscal year ending June 30, 2014). 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, 2014, 2013, and 2012 were $31,712,479, $31,637,282, and $31,044,714, 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).

C. Investments

Investment Policy

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

The policy emphasizes a long-term investment strategy. Short-term fluctuations in the market value of the portfolio should not influence the investment structure under normal circumstances. The policy outlines asset allocation targets as follows:

Asset Class	Target
Domestic Equity	14.50 %
International Equity	13.00
Global Equity	10.00
Equity Hedge	10.00
Fixed Income	15.00
Fixed income Alternatives	15.00
Real Assets	12.50
Private Equity	10.00
Total All Asset Classes	100.00 %

There were no changes in the investment policy in the current year.

Concentrations

There are no individual investments in the Metro Plan or the Metro Education Plan that exceed 5% of plan assets at June 30, 2014.

Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on investments of the Metro Plan and Metro Education Plan, net of investment expense, was 17.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability

The components of the net pension liability at June 30, 2014 are summarized on the Selected Pension Information Schedules on pages B-86 to B-87.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2013, with update procedures applied for information relating to GASB Statement No. 67. Actuarial assumptions are summarized on the Selected Pension Information Schedules on pages B-84 to B-85.

Mortality rates were based on the 110% RP-2000 Healthy Annuitant Mortality Table for Males and Females, as determined by the periodic actuarial experience study.

The actuarial assumptions used in the July 1, 2013 valuations were based on the results of an actuarial experience study for the period 2007 to 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class from historical returns and consensus expectations of future returns. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation are summarized in the following table:

Asset Class	Long-Term Historical Real Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equity	7.10 %	6.60 %
International Equity	10.00	10.10
Equity Hedge	6.40	5.80
Fixed Income	3.40	1.80
Fixed income Alternatives	3.40	5.60
Real Assets	2.30	6.10
Private Equity	7.10	7.60

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. Based on the Plan assumptions and funding policy, the fiduciary net position for each Plan was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County	$ 9,762,102	$ 9,452,473	$ 8,869,339
Metro	402,627,581	96,866,832	(169,677,153)
County Education	31,464,549	30,007,970	28,475,234
Metro Education	138,821,834	124,088,220	110,635,083
City	45,703,125	44,537,234	42,028,849
City Education	14,735,435	14,122,188	13,450,184
Total net pension liability	$ 643,114,626	$ 319,074,917	$ 33,781,536

E. 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:

	Beginning of Year	End of Year
Net pension obligation:		
Metro	$ 26,466,686	$ 41,470,857
County Education	482,650	1,043,460
Metro Education	62,095,910	56,070,338
Total net pension obligation	89,045,246	98,584,655
Net pension assets:		
County	(3,157,659)	(3,092,736)
City	(206,638)	(765,221)
City Education	(2,939,133)	(2,473,533)
Total net pension assets	(6,303,430)	(6,331,490)
Total net pension obligation (assets)	$ 82,741,816	$ 92,253,165

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 Selected Pension Information Schedules on pages B-82 to B-83. The net pension benefit obligations for the plans of Metropolitan Nashville Public Schools are calculated net of expected reimbursements from the State of Tennessee.

The significant actuarial assumptions underlying the plans of the primary government are summarized on the Selected Pension Information Schedules on pages B-84 to B-85. 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.

The funded status of each plan at the most recent actuarial valuation date is also summarized on the Selected Pension Information Schedules on page B-84 to B-85.

F. Additional Information

Component Units

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	County	Metro	County Education
ANNUAL PENSION COST AND NET PENSION OBLIGATION (ASSET) - FISCAL 2014			
Annual required contribution	$ 1,413,489	$ 103,660,539	$ 4,570,592
Interest on net pension obligation	(236,824)	1,985,001	36,199
Adjustment to annual required contribution	460,027	(2,998,324)	(70,315)
Annual pension cost	1,636,692	102,647,216	4,536,476
Contributions made	(1,571,769)	(87,643,045)	(3,975,666)
Increase (decrease) in net pension obligation (asset)	64,923	15,004,171	560,810
Net pension obligation (asset) beginning of year	(3,157,659)	26,466,686	482,650
Net pension obligation (asset) end of year	$ (3,092,736)	$ 41,470,857	$ 1,043,460
THREE-YEAR TREND INFORMATION			
2014			
Annual pension cost (APC)	$ 1,636,692	$ 102,647,216	$ 4,536,476
Percentage of APC contributed	96.03%	85.38%	87.64%
Net pension obligation (asset)	$ (3,092,736)	$ 41,470,857	$ 1,043,460
2013			
Annual pension cost (APC)	$ 3,533,646	$ 95,927,150	$ 7,923,549
Percentage of APC contributed	46.80%	86.16%	53.35%
Net pension obligation (asset)	$ (3,157,659)	$ 26,466,686	$ 482,650
2012			
Annual pension cost (APC)	$ 2,990,221	$ 90,920,515	$ 6,250,579
Percentage of APC contributed	57.64%	89.79%	67.62%
Net pension obligation (asset)	$ (5,037,597)	$ 13,192,664	$ (3,213,574)
PLAN MEMBERSHIP - Latest Actuarial Valuation Date			
Active:			
Fully vested	-	9,411	-
Non-vested and partially vested	-	3,218	-
Total active	-	12,629	-
Retirees and beneficiaries receiving benefits	96	8,088	230
Terminated vested	-	2,910	-
Total	96	23,627	230

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

Metro Education	City	City Education	Total Primary Government
$ 14,708,257	$ 6,650,683	$ 2,190,063	$ 133,193,623
4,657,193	(15,498)	(220,435)	6,205,636
(6,582,190)	30,104	428,191	(8,732,507)
12,783,260	6,665,289	2,397,819	130,666,752
(18,808,832)	(7,223,872)	(1,932,219)	(121,155,403)
(6,025,572)	(558,583)	465,600	9,511,349
62,095,910	(206,638)	(2,939,133)	82,741,816
$ 56,070,338	$ (765,221)	$ (2,473,533)	$ 92,253,165
$ 12,783,260	$ 6,665,289	$ 2,397,819	$ 130,666,752
147.14%	108.38%	80.58%	92.72%
$ 56,070,338	$ (765,221)	$ (2,473,533)	$ 92,253,165
$ 12,398,823	$ 14,063,062	$ 4,857,942	$ 138,704,172
144.49%	54.61%	42.07%	83.76%
$ 62,095,910	$ (206,638)	$ (2,939,133)	$ 82,741,816
$ 13,769,588	$ 11,455,624	$ 3,957,669	$ 129,344,196
126.89%	69.54%	53.87%	89.03%
$ 67,612,757	$ (6,589,290)	$ (5,753,135)	$ 60,211,825
-	-	-	9,411
-	-	-	3,218
-	-	-	12,629
1,050	430	124	10,018
2	-	-	2,912
1,052	430	124	25,559

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	County (a)	Metro	County Education (a)	Metro Education
ACTUARIAL VALUATION INFORMATION				
Valuation date	July 1, 2013	July 1, 2013	July 1, 2013	July 1, 2013
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 (4 remaining)	40 years (6 remaining)	15 years (4 remaining)	30 years (17 remaining)
Asset valuation method	market	5 year smoothed market	market	5 year smoothed market
Actuarial assumptions:				
Investment rate of return*	7.50%	7.50%	7.50%	7.50%
Projected salary increases*	N/A	4.00%	N/A	5.00%
Inflation	2.60%	2.60%	2.60%	2.60%
Postretirement benefit increase adjustments	2.50%	2.50% Division A 1.50% Division B	3.00%	3.00%
* Includes inflation				
FUNDED STATUS				
Actuarial value of assets	$ -	$ 2,220,622,176	$ -	$ 65,563,054
Actuarial accrued liability (AAL)	$ 10,052,974	$ 2,688,495,620	$ 32,506,827	$ 209,335,000
Unfunded (overfunded) AAL	$ 10,052,974	$ 467,873,444	$ 32,506,827	$ 143,771,946
Funded ratio	0.00%	82.60%	0.00%	31.32%
Covered payroll	$ -	$ 556,220,289	$ -	$ -
Unfunded AAL as a percentage of covered payroll	- %	84.12 %	- %	- %

(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

City (a)	City Education (a)
July 1, 2013	July 1, 2013
entry age normal	entry age normal
level dollar closed	level dollar closed
15 years (4 remaining)	15 years (4 remaining)
market	market
7.50%	7.50%
N/A	N/A
2.60%	2.60%
2.50%	3.00%
$ -	$ -
$ 47,300,784	$ 15,576,102
$ 47,300,784	$ 15,576,102
0.00%	0.00%
$ -	$ -
- %	- %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	County	Metro	County Education
COMPONENTS OF NET PENSION LIABILITY AT JUNE 30, 2014			
Total pension liability	$ 9,452,473	$ 2,794,230,943	$ 30,007,970
Plan fiduciary net position	-	(2,697,364,111)	-
Net pension liability	$ 9,452,473	$ 96,866,832	$ 30,007,970
Plan fiduciary net position as a percentage of the total pension liability	- %	96.53 %	- %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

Metro Education	City	City Education Plan	Total Primary Government
$ 203,369,216	$ 44,537,234	$ 14,122,188	$ 3,095,720,024
(79,280,996)	-	-	(2,776,645,107)
$ 124,088,220	$ 44,537,234	$ 14,122,188	$ 319,074,917
38.98 %	- %	- %	89.69 %

NOTE 8 – 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, 2014, the Government and retirees contributed $45,128,891 and $15,042,964 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, 2014, the Government and retirees each contributed $2,625,943 for dental insurance. Finally, the Government provides life insurance at no charge to the retirees. For the fiscal year ended June 30, 2014, the Government contributed $1,843,990 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, 2014, the Government and retires contributed $19,693,001 and $6,308,063 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 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	$ 175,166,000	$ 38,309,000	$ 213,475,000
Interest on net OPEB obligation	34,599,000	6,774,000	41,373,000
Adjustment to annual required contribution	(28,577,000)	(5,670,000)	(34,247,000)
Annual OPEB cost	181,188,000	39,413,000	220,601,000
Contributions made	(65,186,000)	(19,918,000)	(85,104,000)
Increase (decrease) in net OPEB obligation	116,002,000	19,495,000	135,497,000
Net OPEB obligation beginning of year	768,874,000	150,534,000	919,408,000
Net OPEB obligation end of year	$ 884,876,000	$ 170,029,000	$ 1,054,905,000

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 years 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, 2014	$ 181,188,000	35.98 %	$ 884,876,000
	June 30, 2013	181,484,000	34.48	768,874,000
	June 30, 2012	176,073,000	32.87	649,971,000
School Professional Employees' Insurance Plan				
	June 30, 2014	39,413,000	50.54	170,029,000
	June 30, 2013	36,955,000	59.90	150,534,000
	June 30, 2012	37,985,000	52.18	135,714,000

D. Funded Status and Funding Progress

Metropolitan Government

As of June 30, 2014 the most recent actuarial valuation date, the Metro Employee' Medical Benefit Plan was 0% funded. The actuarial accrued liability for benefits was $2.032 billion, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $2.032 billion. The covered payroll (annual payroll of active employees covered by the Metro Plan) was $518 million, and the ratio of the UAAL to the covered payroll was 393%.

Metropolitan Nashville Public Schools

As of June 30, 2014 the most recent actuarial valuation date, the School Professional Employees' Insurance Plan was 0% funded. The actuarial accrued liability for benefits was $425 million, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $425 million. The covered payroll (annual payroll of active employees covered by the School Plan) was $306 million, and the ratio of the UAAL to the covered payroll was 139%.

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, 2014 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), 2.75% rate of inflation, and 4.5% projected increase in salaries. 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 8.5% in the first year of valuation. Future annual increases are assumed to grade uniformly from 8.0% to 5.0% over a six year period. Annual prescription drug costs are assumed to increase 7.0% in the first year of valuation. Future annual increases are assumed to grade uniformly from 6.5% to 5.0% over a three year period. Costs for supplemental insurance for retirees are assumed to increase 3.5% in the first year of valuation and 8.0% in the second year of valuation. Future annual increases are assumed to grade uniformly to 5.0% over a six year period. Dental costs are assumed to have no increase from fiscal 2014 through fiscal 2018 and increase 4% each year thereafter. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period for the initial amortization amount at June 30, 2014 was 24 years.

Component Units

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

NOTE 9 – DEFERRED COMPENSATION AND PROFIT SHARING PLANS

Primary Government

Metro Plan

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

Component Units

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

NOTE 10 – LEASES

Primary Government

The Government entered a lease agreement commencing November, 2005, for additional office space. The terms of the agreement call for a base annual rent of $600,191 before a 50% credit for tenant improvements 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, 2014. 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 February, 2016. However, the Government may exercise up to six renewal options for five additional years each. Rent expense for the year ended June 30, 2014 was $328,305.

The Government entered into operating lease agreements in 2008 and 2013 for downtown office space. These leases were amended during the year ended June 30, 2014 to provide for additional space through 2024. Rent expense for the year ended June 30, 2014 totaled $1,482,675. Future minimum rental payments are as follows:

Year Ending June 30,		
2015	$	1,880,452
2016		1,900,892
2017		1,921,706
2018		1,943,158
2019		1,979,011
2020-2024		8,980,967
Total future minimum lease payments	$	18,606,186

The Government entered into an operating lease agreement during the year ended June 30, 2014 for space to be used as a clinic for employees who are injured in the line of duty. Rent expense for the year ended June 30, 2014 totaled $71,402. Future minimum rental payments are as follows:

Year Ending June 30,		
2015	$	102,876
2016		105,962
2017		109,141
2018		112,415
2019		28,310
Total future minimum lease payments	$	458,704

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, 2014.

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, 2014, the leased building is carried in the enterprise funds at $3,645,000, less accumulated depreciation of $1,647,719. A summary of future minimum lease payments and the present value of future lease payments for the capitalized lease as of June 30, 2014 is as follows:

Year Ending June 30,	
2015	$ 258,965
Total future minimum lease payments	258,965
Less:	
Amount representing interest imputed at 7.5%	13,965
Current portion of capital lease	245,000
Long-term capitalized lease obligation	$ -

Component Units

Nashville District Management Corporation

The Corporation leases office space under a noncancelable operating lease which expires December, 2017. The space is paid for and used by Nashville Downtown Partnership, Inc., a related nonprofit organization. In connection with the lease, the lessor provided rent reductions totaling $42,120 for the year ended December 31, 2013 that has been reflected in the financial statements as contributions with an offsetting charge to expense. Under the terms of the lease, the lessor will continue to provide rent reductions of similar amounts each year of the lease. The lease provides for additional rent to be payable in the event property taxes and/or building operating costs increase from base year amounts. Rent expense totaled $81,864 for the year ended December 31, 2013. Future minimum lease payments at December 31, 2013 totaled $269,265.

General Hospital

The Government, on behalf of General Hospital, entered into a capital lease agreement with Meharry Medical College for the use of the Hubbard Hospital site on the Meharry campus. Under the terms of the agreement, the Government will lease the building for 30 years at $4 million per year, including imputed interest at 7.5% per annum. Lease payments began in December 1994 after Meharry Medical College and the Board of Hospitals agreed on a program of renovations by Meharry Medical College to the property. This lease has been subleased to the Hospital Authority. At June 30, 2014, 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, 2014 follows:

Year Ending June 30,	
2015	$ 4,000,000
2016	4,000,000
2017	4,000,000
2018	4,000,000
2019	4,000,000
2020-2024	20,000,000
2025	1,666,667
Total future minimum lease payments	41,666,667
Less:	
Amount representing interest	12,802,237
Current portion of capital lease	1,901,420
Long-term capitalized lease obligation	$ 26,963,010

Convention Center Authority

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

Years Ending June 30,	Annual Rent
2015-2019	$ 250,000
2020-2024	350,000
2025-2064	500,000
2065-2069	650,000
2070-2074	750,000

The Hall of Fame is responsible for all interior and exterior operating costs, maintenance and repairs. As required by the agreements, the Authority will establish a reserve fund for the majority of the rental income received from the Hall of Fame to cover future capital costs related to the connector. The cost and carrying amount of the connector on the Authority's statement of net position at June 30, 2014 is $37,291,733.

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

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2014 are attributable to unsettled balances at year-end, primarily for internal service billings and transfers between funds.

Balances at June 30, 2014 are as follows:

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES

For the Year Ended June 30, 2014

	Due To					
Due From	General Fund	General Purpose School Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund	GSD Capital Projects Fund
General Fund	$ -	$ -	$ -	$ -	$ -	$ 79,988
General Purpose School Fund	1,107,991	-	-	-	-	-
GSD General Purposes Debt Service Fund	122,060	-	-	-	-	-
GSD Capital Projects Fund	-	-	-	-	-	-
Education Capital Projects Fund	-	198,690	-	-	-	912,200
USD Capital Projects Fund	-	-	-	-	-	1,158,530
Nonmajor Governmental Funds	3,610,233	547,421	-	-	-	482,530
Department of Water and Sewerage Services	159,742	186,243	-	-	-	-
Nonmajor Enterprise Funds	1,653	27,646	30,000	-	-	811
Internal Service Funds	247,840	554,016	16,403	6,820	1,338	32,069
Fiduciary Funds	2,265,872	43,255	-	-	-	-
	$ 7,515,391	$ 1,557,271	$ 46,403	$ 6,820	$ 1,338	$ 2,666,128

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

For the Year Ended June 30, 2014

	Due To								
	Education Capital Projects Fund	USD Capital Projects Fund	Nonmajor Governmental Funds	Department of Water and Sewerage Services	District Energy System	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
	$ 429	$ -	$ 3,475,267	$ 12,377	$ -	$ 124,159	$ 19,499	$ -	$ 3,711,719
	-	-	14,399,498	-	-	8,882	-	-	15,516,371
	-	-	97,062	-	-	-	-	-	219,122
	-	17,155	55,282	1,014,624	-	-	-	-	1,087,061
	-	-	-	-	-	-	-	-	1,110,890
	-	-	-	-	-	-	-	-	1,158,530
	-	-	584,434	-	-	270,255	-	-	5,494,873
	9,000	-	19,034,999	-	54,918	383,544	54,711	-	19,883,157
	-	-	880	804,279	100	824	2,590	-	868,783
	-	-	521,013	13	-	61,149	153,284	149,550	1,743,495
	-	-	-	-	-	-	-	2,605,652	4,914,779
	$ 9,429	$ 17,155	$ 38,168,435	$ 1,831,293	$ 55,018	$ 848,813	$ 230,084	$ 2,755,202	$ 55,708,780

NOTE 12 - INTERFUND TRANSFERS

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

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

Interfund transfers for the year ended June 30, 2014 consist of the following:

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 2014

	Transferred To						
Transferred From	General Fund	General Purpose School Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund	GSD Capital Projects Fund	Education Capital Projects Fund
General Fund	$ 481,000	$ -	$ 3,521,300	$ -	$ -	$ -	$ -
General Purpose School Fund	192,000	-	778,200	4,328,371	-	-	-
USD General Purposes Debt Service Fund	-	-	2,844,500	-	-	-	-
GSD Capital Projects Fund	30,000	-	-	-	-	-	35,817,239
USD Capital Projects Fund	-	-	-	-	-	-	-
Nonmajor Governmental Funds	10,546,760	2,937,193	924,459	1,586,672	583,400	-	-
Department of Water and Sewerage Services	5,487,400	-	198,800	-	-	952,248	-
District Energy System	3,600	-	-	-	1,390,200	-	-
Nonmajor Enterprise Funds	1,496,108	-	1,500,000	-	-	222,992	-
Internal Service Funds	1,937,800	-	-	-	-	-	-
Fiduciary Funds	-	-	-	-	-	-	-
	$ 20,174,668	$ 2,937,193	$ 9,767,259	$ 5,915,043	$ 1,973,600	$ 1,175,240	$ 35,817,239

SCHEDULE OF INTERFUND TRANSFERS (CONTINUED)

For the Year Ended June 30, 2014

	Transferred To						
USD Capital Projects Fund	Nonmajor Governmental Funds	Department of Water and Sewerage Services	District Energy System	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
$ -	$ 47,021,812	$ -	$ 1,958,300	$ 3,906,500	$ 23,463,783	$ 77,188	$ 80,429,883
-	40,741,957	-	-	-	1,250,000	55,195	47,345,723
-	-	-	-	-	-	-	2,844,500
9,102,366	456,315	-	177,053	-	997,841	-	46,580,814
-	115,482	-	-	-	-	-	115,482
2,299,889	109,073	22,083	-	357,640	8,815,109	-	28,182,278
-	6,000,000	-	-	-	544,461	-	13,182,909
-	-	-	-	-	-	-	1,393,800
-	199,884	-	-	-	107,086	-	3,526,070
-	-	-	-	-	-	-	1,937,800
-	-	-	-	-	2,095,823	-	2,095,823
$ 11,402,255	$ 94,644,523	$ 22,083	$ 2,135,353	$ 4,264,140	$ 37,274,103	$ 132,383	$ 227,635,082

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Insurance and Benefits

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

Primary Government

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

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

The Government is also self-insured with respect to casualty losses on real and personal property. Each loss is subject to a per occurrence deductible of $10,000 to a maximum of $1,000,000 per occurrence and a $3,000,000 annual aggregate. If a single loss reaches $1,000,000, the property insurance policy will respond. After the $3,000,000 annual aggregate has been exhausted, a $50,000 per occurrence deductible will apply to each and every loss and the property insurance policy will respond. Losses from the perils of flood and earth movement will not erode the aggregate. Settled claims have not exceeded the self insured retention in any of the past three fiscal years. The Government is also self-insured with respect to medical benefits and employee blanket bond coverage. Estimated losses for all self-insured risks of $36,562,424 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, 2013 and 2014:

	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, 2012	$ 1,640,589	$ 5,580,341	$ 5,679,202	$ 15,305,000	$ 8,576,000	$ 36,781,132
Add: Provision for events of the current fiscal year	271,681	5,653,664	87,342,745	183,429,697	16,940,255	293,638,042
Deduct: Payments on claims during the fiscal year	705,367	3,004,496	86,880,551	182,103,697	17,621,755	290,315,866
Claims payable June 30, 2013	1,206,903	8,229,509	6,141,396	16,631,000	7,894,500	40,103,308
Add: Provision for events of the current fiscal year	289,133	2,516,760	81,484,965	186,645,221	16,083,067	287,019,146
Deduct: Payments on claims during the fiscal year	766,983	3,710,449	82,069,810	186,435,221	17,577,567	290,560,030
Claims payable June 30, 2014	$ 729,053	$ 7,035,820	$ 5,556,551	$ 16,841,000	$ 6,400,000	$ 36,562,424

Component Units

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

The Convention Center Authority is exposed to various risks of loss incidental to its operations and has obtained several insurance policies after performing risk assessment analyses. The Convention Center Authority retains risk up to $4,000,000, and has obtained excess insurance for any claims above that amount. These policies provide insurance for property, builder's risk, workers' compensation, automobile, general liability and other exposures. There have been no settlements exceeding insurance coverage since the inception of the Convention Center Authority.

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

C. Federal and State Financial Assistance

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

Prior to the issuance of the Water and Sewer Revenue Refunding Bonds, Series 2010A, on December 16, 2010, the full faith and credit of the Government was pledged for possible deficiencies in the collection of required state sewer user fees established in connection with certain grants received from the State Funding Board (TCA 68-221-202 through 68-221-214). The Department of Water and Sewerage Services acted as a conduit with respect to sewer user fees imposed by the state. These user fees were set at an amount sufficient to recover the project costs, including related interest expense. A portion of the proceeds from the Series 2010A Bonds was used to fully prepay the Tennessee Local Development Authority (TLDA) loans. Subsequent to the issuance of the Bonds, the user fees are considered a general sewer charge and reflected as revenue. The amount of prepayment is $62,870,554 at June 30, 2014 and is reported as other noncurrent assets. The amounts received were recorded as capital grants and contributions by the Department of Water and Sewerage Services.

D. Construction Commitments

Primary Government

At June 30, 2014, the governmental activities of the Government had commitments of $125,068,843 for construction contracts.

At June 30, 2014, the Department of Water and Sewerage Services had commitments of $105,655,495 for construction contracts.

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

Due to the historic floods that occurred in Nashville in May 2010, the Department petitioned EPA and TDEC for a six-month extension for developing the CAP/ER and LTCP and a two year extension for completing the work (final compliance) under the force majeure clause of the consent decree. Approval has been granted for both extensions. The due date for the CAP/ER and LTCP was September 11, 2011, and the due date for all work coming out of those two plans (final compliance) is eleven years after approval of the plans by EPA and TDEC. The Department submitted both plans on Friday, September 9, 2011, and is waiting for feedback from EPA and TDEC. The Department has hired an internal program director as well as an external program management team composed of engineering consultants to manage planning, design and oversight of the program. The Department has also contracted for a construction management team to protect the investment in construction projects. A group of project set designers has been selected to assist with the design of individual projects. A total of

seventeen different design firms were selected for large projects and six additional small business design firms were selected for smaller projects.

The future related capital expenditures are expected to be between $1 billion and $1.5 billion. Continuing to have sewer overflows along with failure to comply with the mandate and meet future established deadlines could result in stipulated penalties of up to $3,000 per occurrence for sanitary sewer overflows, and up to $5,000 per day for failure to implement the improvements on a timely basis. EPA sent a demand letter for $147,000 in stipulated penalties for sanitary overflow on September 9, 2011. This was for a negotiated 147 violations for 2010 and the first quarter of 2011. No penalties have been demanded for any delays in submitting reports and deliverables nor from the failure to timely implement work. Proposed plans to fund capital expenditures for the next few years include internally generated cash and borrowings.

Component Units

At June 30, 2014, the Sports Authority had commitments of $18,337,341 related to the construction of a new minor league baseball park.

At June 30, 2014, the Convention Center Authority had minimal commitments related to construction close out costs for the Music City Center.

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

E. Liquidity

Component Units

The Government has budgeted and legally approved $35.0 million to the Hospital Authority for the year ended June 30, 2015. The Government has also not committed to provide additional funding to the Hospital Authority should such funding become necessary. The financial statements of General Hospital (General) and Bordeaux Long Term Care (Bordeaux) 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. General experienced an operating loss of approximately $25.8 million for the year ended June 30, 2014 and reflected a net deficit of $7.4 million at June 30, 2014. Current liabilities exceeded current assets by approximately $9.7 million at June 30, 2014. General's financial activities resulted in net cash used in operating activities of approximately $26.0 million for the year ended June 30, 2014. While Bordeaux experienced an increase in net position of approximately $4.6 million for the year ended June 30, 2014, financial activities resulted in net cash used in operating activities of approximately $13.2 million for the year ended June 30, 2014. The deficits were funded primarily by the Government in the form of revenue or capital contributions reflected in the financial statements. General and Bordeaux are and will continue to be dependent upon the Government to subsidize current and future operations.

Accordingly, these factors among others indicate that General and Bordeaux may be unable to continue as going concerns for a reasonable period of time. The financial statements for General and Bordeaux 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 and Bordeaux 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 has implemented several strategic initiatives to increase cash flow including implementing several operational efficiencies, which have resulted in an associated material reduction in supply and service costs, as well as renegotiating several material service agreements to enhance quality of services in a more efficient manner. Bordeaux has implemented several strategies to increase cash flow including outsourcing operations.

General continues the ongoing development and implementation of a formal Operational and Strategic Plan that includes the review of current service lines, staffing levels, internal cost controls, professional service agreements, and information technology platform functionality in an effort to establish a sustainable business model in anticipation of the adoption of healthcare reform that is being proposed under the Affordable Healthcare Act. Significant operational improvements are anticipated as General repurposes itself to successfully address the economic and market realities facing the safety net academic medical center under a shifting competitive landscape.

The Hospital Authority is pursuing the sale of Bordeaux to a third-party. However, the Hospital Authority has committed to additional advances from General as necessary to fund the operations of Bordeaux through at least the consummation of a sale or through the fiscal year ending June 30, 2015.

At June 30, 2014, the Hospital Authority had amounts due to the Metropolitan Government of approximately $4.4 million.

F. Financial Pledges

The Government has pledged certain non tax revenues in conjunction with various revenue bonds and other agreements of component units as approved by the Metropolitan Council and in accordance with the Sports Authorities Act of 1993 and the Convention Center Authorities Act of 2009, as applicable, under Title 7 of the Tennessee Code Annotated. The issuers, the Government's pledges, the length of time of the pledges, and the amount of the pledges outstanding at June 30, 2014 (including total future interest of $648,791,358) are as follows:

Component Unit Revenue Bonds or Agreements	Pledged Non-Tax Revenues of:	Date of Final Maturity/Payment	Outstanding at June 30, 2014
Sports Authority Refunding Taxable Revenue Bonds Series 2012B (Refunded 1998 NHL Fee)	GSD General Fund	Jul. 1, 2018	$ 8,152,577
Sports Authority Refunding Series 2013B Taxable Revenue Bonds (Refunded 2004 Revenue Stadium)	GSD General Fund	Jul. 1, 2025	31,466,852
Sports Authority Refunding Series 2004 Bonds (Refunded 1996 Revenue Stadium)	GSD General Fund	Jul. 1, 2026	29,895,635
Sports Authority Taxable Revenue Bonds Series 2013A (Hockey Facility)	GSD General Fund	Jul. 1, 2033	21,663,108
Sports Authority Series 2012A Taxable Revenue Bonds (Upgrade to LP Field)	GSD General Fund	Jul. 1, 2033	34,207,882
Development and Funding Agreement Between Omni Nashville, LLC, and the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County	GSD General Fund	Oct. 31, 2032	240,000,000
Sports Authority Series 2013B Taxable Revenue Bonds (Ballpark)	USD General Fund	Aug. 1, 2043	22,817,940
Sports Authority Series 2013A Revenue Bonds (Ballpark)	USD General Fund	Aug. 1, 2043	104,031,589
Convention Center Authority Tourism Tax Taxable Revenue Bonds Series 2010B	GSD General Fund	Jul. 1, 2043	972,705,775
Total Guarantees Extended			$ 1,464,941,358

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

G. Other Commitments

Primary Government

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 $900,000 for the year ended June 30, 2014.

In April 2013, the Government entered into an economic and community development incentive grant agreement with HCA Health Services of Tennessee, Inc. (HCA), whereby HCA agreed to relocate the headquarters of three of its entities to an office facility to be located in Davidson County and to be developed by West End Summit Development, LLC. The Government agreed to provide economic incentives for the new development. Among the HCA entities that will occupy a portion of the office space as headquarters are Parallon Business Solutions, LLC, and HealthTrust Purchasing Group, LP, both currently headquartered in Williamson County, Tennessee, and Sarah Cannon Research Institute, LLC, currently headquartered in Nashville. Two high-rise office buildings, common areas, multi-deck parking facilities and other improvements are planned for development and construction at the intersection of Charlotte Pike and 11th Avenue (Capital View Project). The grant provides that the Government will

pay HCA through the Industrial Development Board an amount calculated by multiplying the number of incremental company entity positions as of the last day of each grant year by $500 for a period of seven years. HCA anticipates the creation of more than 500 incremental company entity positions during the first five years of the completion of the Capital Hill Project. The grant period cannot commence unless and until a certificate of occupancy has been issued and the HCA sublease has been executed. Accordingly, there is no amount payable to HCA for the year ended June 30, 2014.

In September 2013, the Government entered into an agreement with UBS AG (UBS), whereby UBS agreed to locate a regional headquarters in Davidson County, and the Government agreed to provide economic incentives. The Government will pay UBS through the Industrial Development Board $500 per incremental position each year for a five year period. The amount is uncapped. The first measurement date is expected to be December 31, 2014. Accordingly, there is no amount payable to UBS for the year ended June 30, 2014.

Component Units

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

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

The Nashville District Management Corporation has an agreement with the Government to provide program administration of the Nashville Central Business Improvement District in accordance with Tennessee law. The Corporation's duties and responsibilities under the agreement include but are not limited to providing services for improvement and operation of the District through security enhancement, downtown marketing, and improving downtown beautification, sanitation and maintenance. The 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, 2013, the Corporation recognized expense of $1,425,635 related to the agreement. The agreement expires on December 31, 2017.

The Gulch Business Improvement District, Inc. has an agreement with the Government in accordance with Tennessee law to provide services for improvement and operation of the Gulch Business Improvement District through security enhancement, marketing, and improving beautification, sanitation, and maintenance. The term of the agreement extends to January 1, 2017, and may be terminated upon receipt of written petition filed by either (a) the owners of 75% of the assessed value of the taxable property in the District or (b) 50% of the owners of record within the District.

The Gulch Business Improvement District, Inc. has entered into an agreement with Nashville Downtown Partnership to provide cleaning and safety services for the Gulch Business Improvement District in exchange for a monthly fee. During the year ended December 31, 2013, $25,000 was recognized as expense related to the agreement. The agreement expires March 31, 2015.

On October 19, 2010 the Convention Center Authority (the Authority) entered into a Development and Funding Agreement with Omni Nashville, LLC (Omni) to facilitate the development of a premier headquarters hotel adjacent to the Music City Center. Under the terms of the development and funding agreement, the Authority will pay Omni annual economic development payments and incentives from excess tourism tax revenues collected. These

payments are additionally secured by a pledge of the Government's nontax revenues of the General Fund of the General Services District, subject to prior pledge and application of certain requirements related to bonds issued by the Sports Authority. No payments related to this financial guarantee have been made by the Government. Should any payments be made by the Government in the future, the agreements provide for recovering any such payments from the Authority's revenues after operating expenses are covered and annual principal and interest payments and certain other obligations are met. These payments began after the hotel opened for business, including the renting of rooms. The amount remitted to Omni during the year ended June 30, 2014 was $5,500,000. The schedule of future annual payments is expected to be as follows.

Year Ending June 30	Annual Payment
2015	$ 8,000,000
2016	9,000,000
2017	10,000,000
2018-2026	12,000,000
2027-2033	15,000,000

On August 18, 2011 an order of judgment was entered against the Metropolitan Development and Housing Agency (MDHA) following the trial of an eminent domain case on the issue of compensation for one of the parcels of land condemned for the Music City Center. The Convention Center Authority (the Authority) is contractually responsible for all costs associated with this judgment. The Authority had originally deposited $14,800,000 for the parcel, followed by another $1,300,000 after an earlier court action. The latest judgment was for an additional $14,300,000, plus $3,777,832 interest calculated at 10% interest per annum on the balance of the unpaid judgment through January 2013. The verdict was contested. MDHA filed a motion for a new trial, remittitur and/or a judgment notwithstanding the verdict asking the trial court to set aside the verdict. While these motions were ultimately denied by the trial court, MDHA appealed the jury verdict to the Tennessee Court of Appeals. Oral arguments were heard by the Court of Appeals on July 25, 2012, and the trial court's judgment was affirmed by the Court of Appeals on April 30, 2013. Thereafter on June 28, 2013, MDHA filed a Rule 11 Application for Permission to Appeal to the Tennessee Supreme Court, which was denied on October 16, 2013. The Authority has paid to the court $19,377,832, plus interest of $178,000. Additional post-judgment interest payable was accrued through June 30, 2013. A Satisfaction of Judgment was issued November 14, 2013, resolving the outstanding issues between parties. A final payment of $970,828 was made to the plaintiff's attorneys representing remaining interest and court and discretionary costs.

There is one additional condemnation case related to a parcel of land for which a total of $1,775,000 has been paid. This case is currently not set for trial.

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

NOTE 14 - FUND BALANCES

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

FUND BALANCES

For the Year Ended June 30, 2014

	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
FUND BALANCES (DEFICITS):						
Nonspendable:						
Inventories of supplies	$ 290,295	$ 1,175,288	$ -	$ -	$ -	$ -
Prepaid expenditures	235,635	394,592	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Total nonspendable	525,930	1,569,880	-	-	-	-
Restricted for:						
Public welfare	-	-	-	-	-	-
Convention center and tourism promotion	-	-	-	-	-	-
Education	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public health	-	-	-	-	-	-
Public works, highways and streets	-	-	-	-	-	-
Law enforcement and care of prisoners	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Public library system	-	-	-	-	-	-
Total restricted	-	-	-	-	-	-
Committed for:						
Education	-	43,152,443	-	-	-	-
Debt service	-	-	9,450,642	6,392,039	3,275,429	-
Equipment acquisitions (appropriated)	-	-	-	-	-	-
Equipment acquisitions (unappropriated)	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-
General government	-	-	-	-	-	-
Law enforcement and care of prisoners	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Total committed	-	43,152,443	9,450,642	6,392,039	3,275,429	-
Assigned for:						
Subsequent year budgetary appropriation	32,024,800	38,005,000	-	-	2,436,000	-
Specific projects	2,816,100	-	-	-	-	-
Total assigned	34,840,900	38,005,000	-	-	2,436,000	-
Unassigned	81,650,073	-	-	-	-	(129,800,494)
Total fund balances (deficits)	$ 117,016,903	$ 82,727,323	$ 9,450,642	$ 6,392,039	$ 5,711,429	$ (129,800,494)

FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2014

Education Capital Projects Fund	USD Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,128,619	$ 2,594,202
-	-	238,741	868,968
-	-	185,112	185,112
-	-	1,552,472	3,648,282
-	-	704,244	704,244
-	-	2,913,334	2,913,334
-	-	19,250,567	19,250,567
-	-	562,671	562,671
-	-	552,420	552,420
-	-	3,611,787	3,611,787
-	-	2,541,049	2,541,049
-	-	2,999,130	2,999,130
-	-	5,047,980	5,047,980
-	-	132,910	132,910
-	-	1,049,773	1,049,773
-	-	39,365,865	39,365,865
-	-	-	43,152,443
-	-	-	19,118,110
-	-	41,076,096	41,076,096
-	-	13,840,876	13,840,876
-	-	5,838,450	5,838,450
-	-	1,847,126	1,847,126
-	-	199,884	199,884
-	-	810,437	810,437
-	-	63,612,869	125,883,422
-	-	-	72,465,800
-	-	-	2,816,100
-	-	-	75,281,900
(35,111,726)	(2,876,689)	(21,380,951)	(107,519,787)
$ (35,111,726)	$ (2,876,689)	$ 83,150,255	$ 136,659,682

NOTE 15 – FUEL HEDGING PROGRAM

The Metropolitan Government maintains a fuel hedging program, the objective of which is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of diesel and gasoline fuel. Details of the Metropolitan Government's participation in the fuel hedging program at June 30, 2014 are as follows:

Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
137,443 gallons, diesel	July 1, 2013	June 30, 2014	Pay $2.94 - $3.00 per gallon; Settlement based on Platts USG Ultra Low Sufur Diesel	A3/BBB+
128,000 gallons, gasoline	July 1, 2013	June 30, 2014	Pay $2.75 per gallon; Settlement based on NYMEX NYH RBOB Gasoline	A3/BBB+
68,722 gallons, diesel	July 1, 2014	June 30, 2015	Pay $2.8675 per gallon; Settlement based on Platts USG Ultra Low Sufur Diesel	A3/BBB+
64,000 gallons, gasoline	July 1, 2014	June 30, 2016	Pay $2.69 per gallon; Settlement based on NYMEX NYH RBOB Gasoline	A3/BBB+

The fair value of the fuel hedging instruments was an asset of $145,429 at June 30, 2014, which has been recorded in noncurrent assets in the Statement of Net Position. The fair value was estimated based on the present value of the estimated future cash flows. The fuel hedges were determined to be effective hedges; accordingly, the change in fair value of the hedges is a deferred inflow of resources.

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

During August 2014, the Metropolitan Government entered into additional fuel hedges which are effective September 1, 2014, and terminating June 30, 2015 (diesel) and June 30, 2016 (gasoline). The fuel hedges include 89,446 gallons diesel per month paying $2.888 per gallon with settlement based on Platts USG Ultra Low Sulfur Diesel, and 64,000 gallons gasoline per month paying $2.6865 per gallon with settlement based on NYMEX NYH RBOB Gasoline.

NOTE 16 – SUBSEQUENT EVENTS

Primary Government

In July 2014, the Government entered into agreements with two banks to provide a $500 million Traditional Commercial Paper program, one through a Standby Note Purchase Agreement (SNPA) and one through a Standby Letter of Credit and Reimbursement Agreement (LOC). The SNPA supports $300 million of commercial paper notes. If the commercial paper dealer was ever unable to market notes in the amount needed to pay the maturing notes, the liquidity provider would issue bank notes. The proceeds of the Bank Note would be applied to pay the principal of commercial paper notes on the respective maturity dates. The LOC supports $200 million of commercial paper notes. If the commercial paper dealer was ever unable to market notes in the amount needed to pay the maturing notes, the liquidity provider would make advances against the LOC. The proceeds of the LOC advance would be applied to pay the principal of commercial paper notes on the respective maturity dates. Also, in July 2014, the Government began a $200 million Extendable Commercial Paper (ECP) program. The ECP dealer issues commercial paper notes with original maturity of 1 to 90 days. If the ECP dealer was ever unable to market notes in the amount needed to pay the maturing notes, the Government could extend the original maturity date to 270 days from the original date of issue. During this period long-term financing would be arranged to pay the notes at maturity. The combined programs total $700 million of commercial paper notes available for short term capital financing.

On August 1, 2014, the Government issued commercial paper notes in the amount of $30,000,000 maturing on October 15, 2014 at an interest rate of .09%, and $20,000,000 maturing on November 6, 2014 at an interest rate of .10%. These obligations will be refunded with rollover notes at their maturity dates.

On August 8, 2014, the Government entered into an intergovernmental project agreement with the Metropolitan Development and Housing Agency (MDHA) to provide temporary funding and a pledge of non-tax revenues of the Urban Services District of the General Fund for a downtown parking garage to be constructed and operated by MDHA. The terms of the agreement provide for up to $35.5 million for construction and land and require the Government to provide up to $10.2 million of temporary funding to MDHA to purchase land and begin construction design before MDHA's permanent funding for the parking garage is in place. On October 7, 2014, MDHA requested and the Government provided $7.5 million of temporary funding under the intergovernmental project agreement. On October 21, 2014, the agreement was amended to increase the amount for construction and land to $42 million.

On September 30, 2014, the Government issued commercial paper notes in the amount of $30,000,000 maturing on November 4, 2014 at an interest rate of .06%, and $20,000,000 maturing on February 15, 2015 at an interest rate of .09%. These obligations will be refunded with rollover notes at their maturity dates.

Component Units

On July 29, 2014, the Sports Authority issued $17,390,000 Public Improvement Revenue Refunding Bonds, Series 2014, maturing on July 1, 2026, with interest rates ranging from 4.00% to 5.00%. The Series 2014 Bonds refunded a portion of the Public Improvement Revenue Bonds, Series 2004. By issuing the Series 2014 Bonds, the Sports Authority obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of $2,049,950. The refunding will reduce the Sports Authority's debt service payments over the next thirteen years by an estimated $2,512,339.

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 Fair or Better Condition

Percentage of Lane-Miles in Fair or Better Condition

2014	2013	2012	2011	2010
61.6 %	60.1 %	57.5 %	52.7 %	70.0 %

The condition of road and street pavement is measured using a vehicle called South Dakota Road Profiler and calculated using the Cartegraph Pavement View Plus pavement management system. The condition is determined based on data collected by the laser road surface test located beneath the Profiler (surface condition) and the distresses are collected from roadway images 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 pavement in very poor condition to 100 for a pavement in excellent condition. The condition index is used to classify roads and streets as excellent (100-85), good (84-80), fair (79-70) and below standard (less than 69). Condition assessments are collected on an annual basis. For assessment purposes, the county is divided into 5 groups with groups 1, 3 and 4 assessed together and groups 2 and 5 assessed together. The condition of groups 1, 3 and 4 was assessed in fiscal year 2014. The condition of groups 2 and 5 was assessed and reported in fiscal year 2013. It is the policy of the Government to maintain at least 70 percent of its road and street system at a fair or better condition.

As indicated in the table above, the percentage of lane miles in fair or better condition increased 1.5% in 2014. In the years following the destructive flood of May 2010, the percentage of lane miles in fair or better condition continues a steady recovery through the Government's efforts as evidenced by the current rate of 61.6% as compared to the 2011 rate of 52.7%.

There were 20 lane miles of roads added in 2014, bringing the total to 5,852 lane miles of roads and streets in the transportation network. The majority of the growth is due to additions of 2-lane facilities from new countywide developments, as well as multi-lane facilities additions on the 28th Avenue Connector and the Korean Veterans Boulevard.

Comparison of Needed to Actual Maintenance

Comparison of needed to Actual Maintenance

	2014	2013	2012	2011	2010
Needed/Budgeted	$ 20,000,000	$ 20,000,000	$ 20,000,000	$ 20,000,000	$ 20,000,000
Actual Spent	18,330,337	9,894,464	7,987,836	10,247,615	4,244,056
Difference	$ (1,669,663)	$ (10,105,536)	$ (12,012,164)	$ (9,752,385)	$ (15,755,944)

During fiscal year 2014, the actual amount spent on roadway paving and surface treatment was lower than the needed amount. Maintaining the condition of the roads and streets in accordance with the policy referenced above continues to be a priority as shown by an increase of nearly $8.4 million in spending in fiscal year 2014 as compared to 2013.

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 Fair or Better Condition

Percentage of Deck Area in Fair or Better Condition

2014	2013	2012	2011	2010
97.1 %	98.9 %	98.9 %	98.8 %	98.3 %

Condition assessments are determined by the State every two years. Results are released by the State late in the calendar year. Thus, the most recent assessment results were provided late in calendar year 2013 and reported for fiscal 2014. Due to this timing, condition assessments reported above for each even year are the results provided by the State. The condition for each odd year is reported at the previous year's value unless the Public Works Department of the Government has a basis for recalculation internally. This was the case in fiscal 2011 when two (2) bridge replacement projects were completed. Due to these completions, the condition for 2012 reflected a slight increase as well, while the condition reported for 2013 remained the same. Although the condition reported for 2014 reflects a slight decrease, the condition remains high at a rate of 97.1%.

The condition of bridges and underpasses is measured using the Federal Aid Bridge Inspection System supervised by the Tennessee Department of Transportation (TDOT), which is based on a two-year cycle of inspections of structures designated in two categories: Non-Federal Aid and Federal Aid Urban. The inspection system uses a measurement that classifies the condition as good, fair, poor or critical. The Public Works Department of the Government reviews all findings on all inspections. It is the policy of the Government to maintain at least 75 percent of its bridges and underpasses in fair or better condition.

There are currently 218 Non-Federal Aid and 109 Federal Aid Urban bridges and underpasses in the transportation network determined from the final analysis of the 2013 inspection as compared to 219 Non-Federal Aid and 108 Federal Aid Urban bridges and underpasses from the final analysis of the 2011 inspection. The 2013 TDOT inspection determined the network consists of 1 less Non-Federal Aid bridge and underpass and 1 additional Federal Aid Urban bridge and underpass as compared to the 2011 inspection. The John Seigenthaler Pedestrian Bridge (formerly the Shelby Pedestrian Bridge) was added to the list as a special structure. Total square feet of deck area is estimated to be 1,319,519. Deck area is calculated based on TDOT inspection reports for bridges conveying vehicular traffic only.

Comparison of Needed to Actual Maintenance

Comparison of needed to Actual Maintenance

	2014	2013	2012	2011	2010
Needed/Budgeted	$ 27,426,000	$ 17,595,720	$ 14,900,000	$ 14,862,000	$ 17,352,000
Actual Spent	2,981,757	1,985,619	2,827,816	2,305,765	2,538,480
Difference	$ (24,444,243)	$ (15,610,101)	$ (12,072,184)	$ (12,556,235)	$ (14,813,520)

During fiscal year 2014, the actual amount spent on bridge and underpass repair and maintenance was significantly lower than the needed amount. Maintaining the condition of bridges and underpasses in accordance with the Government's policy referenced above continues to be a priority as reflected in the condition rating. The needed maintenance for 2014 increased from 2013 by $9.8 million of which $6.5 million is for the John Seigenthaler Bridge

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, 2008		$ 1,455,077	$ 14,299,429	$ 12,844,352	10.18 %
July 1, 2009		1,181,871	13,572,334	12,390,463	8.71
July 1, 2010		1,320,421	12,644,049	11,323,628	10.45
July 1, 2011		1,556,601	11,786,135	10,229,534	13.21
July 1, 2012		-	11,177,639	11,177,639	-
July 1, 2013		-	10,052,974	10,052,974	-
Metro Plan					
July 1, 2008		2,119,228,659	2,323,837,472	204,608,813	91.20
July 1, 2009		1,925,305,076	2,275,399,550	350,094,474	84.61
July 1, 2010		2,143,522,150	2,360,892,310	217,370,160	90.80
July 1, 2011		2,188,868,356	2,468,971,488	280,103,132	88.66
July 1, 2012		2,185,046,912	2,580,685,072	395,638,160	84.67
July 1, 2013		2,220,622,176	2,688,495,620	467,873,444	82.60
County Education Plan	(a)				
July 1, 2008		4,936,879	40,178,889	35,242,010	12.29
July 1, 2009		4,452,672	37,633,345	33,180,673	11.83
July 1, 2010		5,014,479	35,188,279	30,173,800	14.25
July 1, 2011		5,929,964	32,509,526	26,579,562	18.24
July 1, 2012		-	30,582,010	30,582,010	-
July 1, 2013		-	32,506,827	32,506,827	-
Metro Education Plan					
July 1, 2008		76,820,678	226,313,635	149,492,957	33.95
July 1, 2009		55,392,133	218,576,035	163,183,902	25.34
July 1, 2010		55,039,822	214,338,291	159,298,469	25.68
July 1, 2011		53,321,056	207,805,403	154,484,347	25.66
July 1, 2012		65,876,231	204,116,802	138,240,571	32.27
July 1, 2013		65,563,054	209,335,000	143,771,946	31.32

(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
$ -	- %
-	-
-	-
-	-
-	-
-	-
555,972,878	36.81
562,015,408	62.29
554,606,279	39.20
571,381,362	49.03
563,356,943	70.23
556,220,289	84.12
73,418	48,001.87
76,707	43,256.38
-	-
-	-
-	-
-	-
384,557	38,874.07
318,242	51,276.67
114,820	138,737.57
116,624	132,463.60
57,957	238,522.65
-	-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - PENSION PLANS (CONTINUED) (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, 2008		$ 6,816,106	$ 68,552,808	$ 61,736,702	9.95 %
July 1, 2009		5,540,723	63,130,366	57,589,643	8.78
July 1, 2010		6,171,083	57,090,961	50,919,878	10.81
July 1, 2011		7,274,892	55,674,185	48,399,293	13.07
July 1, 2012		-	54,198,258	54,198,258	-
July 1, 2013		-	47,300,784	47,300,784	-
City Education Plan	(a)				
July 1, 2008		3,104,280	23,637,839	20,533,559	13.14
July 1, 2009		2,827,904	21,629,242	18,801,338	13.07
July 1, 2010		3,186,479	20,386,265	17,199,786	15.63
July 1, 2011		3,769,032	17,808,829	14,039,797	21.17
July 1, 2012		-	16,076,298	16,076,298	-
July 1, 2013		-	15,576,102	15,576,102	-

(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
$ -	- %
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2014	2013	2012	2011
County Plan				
ADC/ARC (1)	$ 1,413,489	$ 2,666,348	$ 2,130,850	$ 2,094,405
Contributions	1,571,769	1,653,708	1,723,531	1,850,741
Contribution deficiency (excess)	$ (158,280)	$ 1,012,640	$ 407,319	$ 243,664
Covered-employee payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	- %	- %	- %	- %
Metro Plan				
ADC/ARC (1)	$ 103,660,539	$ 96,432,254	$ 91,064,489	$ 81,903,804
Contributions	87,643,045	82,653,128	81,636,995	81,502,645
Contribution deficiency (excess) (2)	$ 16,017,494	$ 13,779,126	$ 9,427,494	$ 401,159
Covered-employee payroll	$ 556,220,289	$ 563,356,943	$ 571,381,362	$ 554,606,279
Contributions as a percentage of covered-employee payroll	15.76 %	14.67 %	14.29 %	14.70 %
County Education Plan				
ADC/ARC (1)	$ 4,570,592	$ 7,375,774	$ 5,536,621	$ 5,580,909
Contributions	3,975,666	4,227,324	4,226,611	5,486,094
Contribution deficiency (excess)	$ 594,926	$ 3,148,450	$ 1,310,010	$ 94,815
Covered-employee payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	- %	- %	- %	- %
Metro Education Plan				
ADC/ARC (1)	$ 14,708,257	$ 14,204,208	$ 15,490,232	$ 15,624,045
Contributions	18,808,832	17,915,670	17,472,574	14,587,819
Contribution deficiency (excess)	$ (4,100,575)	$ (3,711,462)	$ (1,982,342)	$ 1,036,226
Covered-employee payroll	$ -	$ 57,957	$ 116,624	$ 114,820
Contributions as a percentage of covered-employee payroll	- %	30,912.00 %	14,981.97 %	12,704.95 %
City Plan				
ADC/ARC (1)	$ 6,650,683	$ 12,928,617	$ 10,081,751	$ 9,418,080
Contributions	7,223,872	7,680,410	7,966,275	8,321,076
Contribution deficiency (excess)	$ (573,189)	$ 5,248,207	$ 2,115,476	$ 1,097,004
Covered-employee payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	- %	- %	- %	- %
City Education Plan				
ADC/ARC (1)	$ 2,190,063	$ 3,877,284	$ 2,924,541	$ 3,181,252
Contributions	1,932,219	2,043,940	2,131,853	3,283,823
Contribution deficiency (excess)	$ 257,844	$ 1,833,344	$ 792,688	$ (102,571)
Covered-employee payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	- %	- %	- %	- %

(1) For 2014, amounts represent the actuarially determined contribution. For 2013 and prior, amounts represent the annual required contribution.

(2) The Government makes contributions based on the actuarially determined rate, which is applied to salaries paid in the year following. Differences between the actuarially determined contribution amount and the actual contributions made are due to this timing difference and due to employee retirements and terminations occurring during the year, as compared to anticipated staffing levels used for the actuarial studies. The result of this timing difference is that the actual contributions tend to be lower than the actuarially determined contribution for a given year when contribution rates are rising (2010-2014) and higher when rates are falling (2008-2009).

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2010	2009	2008	2007	2006	2005
$ 2,076,270	$ 1,979,968	$ 2,046,891	$ 2,193,202	$ 2,226,235	$ 2,212,493
1,908,324	1,999,602	2,403,602	2,468,413	2,534,304	2,615,960
$ 167,946	$ (19,634)	$ (356,711)	$ (275,211)	$ (308,069)	$ (403,467)
$ -	$ -	$ -	$ -	$ -	$ -
- %	- %	- %	- %	- %	- %
$ 98,164,477	$ 61,635,311	$ 68,265,903	$ 85,874,502	$ 78,948,767	$ 66,773,405
72,253,372	72,561,790	90,922,719	85,427,968	68,674,155	58,894,435
$ 25,911,105	$ (10,926,479)	$ (22,656,816)	$ 446,534	$ 10,274,612	$ 7,878,970
$ 562,015,408	$ 555,972,878	$ 529,100,577	$ 515,500,760	$ 474,531,741	$ 481,881,171
12.86 %	13.05 %	17.18 %	16.57 %	14.47 %	12.22 %
$ 5,560,085	$ 5,432,587	$ 5,504,007	$ 5,708,861	$ 5,894,471	$ 5,908,608
5,869,027	6,133,816	7,356,970	7,505,736	7,590,272	7,521,755
$ (308,942)	$ (701,229)	$ (1,852,963)	$ (1,796,875)	$ (1,695,801)	$ (1,613,147)
$ -	$ -	$ -	$ -	$ -	$ -
- %	- %	- %	- %	- %	- %
$ 15,687,599	$ 14,112,255	$ 13,592,019	$ 13,535,466	$ 13,140,571	$ 11,932,549
13,378,124	12,192,584	7,892,115	7,341,680	7,002,328	6,855,595
$ 2,309,475	$ 1,919,671	$ 5,699,904	$ 6,193,786	$ 6,138,243	$ 5,076,954
$ 318,242	$ 384,557	$ 374,495	$ 622,419	$ 806,833	$ 1,175,623
4,203.76 %	3,170.55 %	2,107.40 %	1,179.54 %	867.88 %	583.15 %
$ 9,650,296	$ 9,516,767	$ 9,885,825	$ 10,118,539	$ 10,198,923	$ 10,395,754
8,764,262	9,391,466	11,374,358	11,558,978	11,627,802	12,009,975
$ 886,034	$ 125,301	$ (1,488,533)	$ (1,440,439)	$ (1,428,879)	$ (1,614,221)
$ -	$ -	$ -	$ -	$ -	$ -
- %	- %	- %	- %	- %	- %
$ 3,150,541	$ 3,165,266	$ 3,216,757	$ 3,462,604	$ 3,664,376	$ 3,601,764
3,599,837	3,796,290	4,480,390	4,611,407	4,719,340	4,515,813
$ (449,296)	$ (631,024)	$ (1,263,633)	$ (1,148,803)	$ (1,054,964)	$ (914,049)
$ -	$ -	$ -	$ -	$ -	$ -
- %	- %	- %	- %	- %	- %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	County Plan (a)	Metro Plan	County Education Plan (a)	Metro Education Plan
Notes to Schedule				
Valuation date:				
Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.				
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	entry age normal	entry age normal	entry age normal	entry age normal
Amortization method	level dollar closed	level dollar open	level dollar closed	level dollar closed
Amortization period	15 years	40 years	15 years	30 years
Remaining amortization period	4 years	6 years	4 years	17 years
Asset valuation method	market	5 year smoothed market	market	5 year smoothed market
Investment rate of return	7.50%	7.50%	7.50%	7.50%
Projected salary increases	N/A	4.00%	N/A	5.00%
Inflation	2.60%	2.60%	2.60%	2.60%
Postretirement benefit increase adjustments	2.50%	2.50% Division A 1.50% Division B	3.00%	3.00%

Other information:

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS

LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

City Plan (a)	City Education Plan (a)
entry age normal	entry age normal
level dollar closed	level dollar closed
15 years	15 years
4 years	4 years
market	market
7.50%	7.50%
N/A	N/A
2.60%	2.60%
2.50%	3.00%

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

CURRENT YEAR (1)

Unaudited - See Accompanying Accountants' Report

		2014	
County Plan			
Total pension liability			
Interest	$	705,016	
Benefit payments, including refunds of member contributions		(1,305,517)	
Net change in total pension liability	$	(600,501)	
Total pension liability - beginning		10,052,974	
Total pension liability - ending (a)	$	9,452,473	
Plan fiduciary net position			
Contributions - employer	$	1,571,769	
Net investment income		(39)	
Benefit payments, including refunds of member contributions		(1,571,730)	
Net change in plan fiduciary net position		-	
Plan fiduciary net position - beginning		-	
Plan fiduciary net position - ending (b)	$	-	
Net pension liability - ending (a) - (b)	$	9,452,473	
Plan fiduciary net position as a percentage of the total pension liability		-	%
Covered-employee payroll		-	
Net pension liability as a percentage of covered-employee payroll		N/A	

(1) Information regarding the change in the net pension liability is only available for the current year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

CURRENT YEAR (CONTINUED) (1)

Unaudited - See Accompanying Accountants' Report

Metro Plan		2014	
Total pension liability			
Service cost	$	50,607,866	
Interest		200,000,040	
Benefit payments, including refunds of member contributions		(144,872,583)	
Net change in total pension liability	$	105,735,323	
Total pension liability - beginning		2,688,495,620	
Total pension liability - ending (a)	$	2,794,230,943	
Plan fiduciary net position			
Contributions - employer	$	87,643,045	
Contributions - members		73,973	
Net investment income		410,309,219	
Transfers in		132,383	
Benefit payments, including refunds of member contributions		(140,187,828)	
Adminstrative expense		(2,888,963)	
Net change in plan fiduciary net position		355,081,829	
Plan fiduciary net position - beginning		2,342,282,282	
Plan fiduciary net position - ending (b)	$	2,697,364,111	
Net pension liability - ending (a) - (b)	$	96,866,832	
Plan fiduciary net position as a percentage of the total pension liability		96.53	%
Covered-employee payroll		556,220,289	
Net pension liability as a percentage of covered-employee payroll		17.42	%

(1) Information regarding the change in the net pension liability is only available for the current year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

CURRENT YEAR (CONTINUED) (1)

Unaudited - See Accompanying Accountants' Report

County Education Plan		2014	
Total pension liability			
Interest	$	2,259,571	
Benefit payments, including refunds of member contributions		(4,758,428)	
Net change in total pension liability	$	(2,498,857)	
Total pension liability - beginning		32,506,827	
Total pension liability - ending (a)	$	30,007,970	
Plan fiduciary net position			
Contributions - employer	$	3,975,666	
Contributions - State of Tennessee		2,983,251	
Net investment income		915	
Benefit payments, including refunds of member contributions		(6,959,832)	
Net change in plan fiduciary net position		-	
Plan fiduciary net position - beginning		-	
Plan fiduciary net position - ending (b)	$	-	
Net pension liability - ending (a) - (b)	$	30,007,970	
Plan fiduciary net position as a percentage of the total pension liability		-	%
Covered-employee payroll		-	
Net pension liability as a percentage of covered-employee payroll		N/A	

(1) Information regarding the change in the net pension liability is only available for the current year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

CURRENT YEAR (CONTINUED) (1)

Unaudited - See Accompanying Accountants' Report

		2014	
Metro Education Plan			
Total pension liability			
Interest	$	14,917,020	
Benefit payments, including refunds of member contributions		(20,882,804)	
Net change in total pension liability	$	(5,965,784)	
Total pension liability - beginning		209,335,000	
Total pension liability - ending (a)	$	203,369,216	
Plan fiduciary net position			
Contributions - employer	$	18,808,832	
Contributions - State of Tennessee		12,635,252	
Net investment income		12,453,816	
Benefit payments, including refunds of member contributions		(34,563,595)	
Administrative expense		(30,318)	
Net change in plan fiduciary net position		9,303,987	
Plan fiduciary net position - beginning		69,977,009	
Plan fiduciary net position - ending (b)	$	79,280,996	
Net pension liability - ending (a) - (b)	$	124,088,220	
Plan fiduciary net position as a percentage of the total pension liability		38.98	%
Covered-employee payroll		-	
Net pension liability as a percentage of covered-employee payroll		N/A	

(1) Information regarding the change in the net pension liability is only available for the current year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

CURRENT YEAR (CONTINUED) (1)

Unaudited - See Accompanying Accountants' Report

City Plan		2014	
Total pension liability			
Interest	$	3,319,446	
Benefit payments, including refunds of member contributions		(6,082,996)	
Net change in total pension liability	$	(2,763,550)	
Total pension liability - beginning		47,300,784	
Total pension liability - ending (a)	$	44,537,234	
hard coded - should be per formula			
Plan fiduciary net position			
Contributions - employer	$	7,223,872	
Net investment income		(186)	
Benefit payments, including refunds of member contributions		(7,223,686)	
Net change in plan fiduciary net position		-	
Plan fiduciary net position - beginning		-	
Plan fiduciary net position - ending (b)	$	-	
Net pension liability - ending (a) - (b)	$	44,537,234	
Plan fiduciary net position as a percentage of the total pension liability		-	%
Covered-employee payroll		-	
Net pension liability as a percentage of covered-employee payroll		N/A	

(1) Information regarding the change in the net pension liability is only available for the current year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLANS

CURRENT YEAR (CONTINUED) (1)

Unaudited - See Accompanying Accountants' Report

City Education Plan		2014	
Total pension liability			
Interest	$	1,073,432	
Benefit payments, including refunds of member contributions		(2,527,346)	
Net change in total pension liability	$	(1,453,914)	
Total pension liability - beginning		15,576,102	
Total pension liability - ending (a)	$	14,122,188	
hard coded - should be per formula			
Plan fiduciary net position			
Contributions - employer	$	1,932,219	
Contributions - State of Tennessee		1,975,167	
Net investment income		656	
Benefit payments, including refunds of member contributions		(3,908,042)	
Net change in plan fiduciary net position		-	
Plan fiduciary net position - beginning		-	
Plan fiduciary net position - ending (b)	$	-	
Net pension liability - ending (a) - (b)	$	14,122,188	
Plan fiduciary net position as a percentage of the total pension liability		-	%
Covered-employee payroll		-	
Net pension liability as a percentage of covered-employee payroll		N/A	

(1) Information regarding the change in the net pension liability is only available for the current year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF INVESTMENT RETURNS - PENSION PLANS

LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	Annual Money-Weighted Rate of Return, Net of Investment Expense
For the year ended June 30,	
2014	17.83 %
2013	13.72
2012	1.07
2011	20.93
2010	15.17
2009	(20.80)
2008	(3.23)
2007	18.95
2006	13.72
2005	9.03

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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, 2009	$ -	$ 2,023,428,000	$ 2,023,428,000	- %
July 1, 2010	-	2,108,602,000	2,108,602,000	-
July 1, 2011	-	1,809,522,000	1,809,522,000	-
July 1, 2012	-	1,888,322,000	1,888,322,000	-
July 1, 2013	-	2,032,364,000	2,032,364,000	
School Professional Employees' Insurance Plan				
July 1, 2009	-	584,937,000	584,937,000	-
July 1, 2010	-	586,069,000	586,069,000	-
July 1, 2011	-	417,610,000	417,610,000	-
July 1, 2012	-	427,916,000	427,916,000	-
July 1, 2013	-	424,865,000	424,865,000	-

(a) The amounts reported in the July 1, 2011 valuation were affected by revisions in other postemployment benefits for employees and retirees of the Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

Unaudited - See Accompanying Accountants' Report

Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
$ 538,151,000	376.00 %
520,121,000	405.41
502,218,000	360.31
502,407,000	375.85
517,831,000	392.48
319,424,000	183.12
318,672,000	183.91
297,328,000	140.45
278,787,000	153.49
306,110,000	138.79

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFIT PLANS (a)

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
Metro Employees' Medical Benefit Plan		
2010	$ 194,683,000	26.65 %
2011	196,414,000	28.32
2012	171,189,000	33.81
2013	175,948,000	35.57
2014	178,819,000	36.45
School Professional Employees' Insurance Plan		
2010	49,879,000	38.19
2011	51,262,000	38.08
2012	36,905,000	53.71
2013	35,832,000	61.77
2014	38,309,000	51.99

(a) The amounts reported for the year ended June 30, 2011 were affected by revisions in other postemployment benefits for employees and retirees of the Government.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2014

	Special Revenue Funds			
	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations	Stormwater Grants
ASSETS:				
Cash and cash equivalents	$ 436,340	$ 53,980,222	$ 7,459,913	$ 617,236
Accounts receivable	1,220,155	-	1,298,427	1,607,109
Accrued interest receivable	11	377	48	6
Due from other funds of the primary government	211,924	3,147,614	74,430	10,133
Inventories of supplies	-	-	-	-
Other assets	412	-	1,470	-
Total assets	$ 1,868,842	$ 57,128,213	$ 8,834,288	$ 2,234,484
LIABILITIES:				
Accounts payable	$ 860,514	$ 1,698,538	$ 1,812,218	$ 74,955
Accrued payroll	340,009	-	124,074	-
Due to other funds of the primary government	62,258	512,703	495,405	-
Due to component units	-	-	-	-
Commercial paper payable	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	1,262,781	2,211,241	2,431,697	74,955
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	-	-	-	1,607,109
Total deferred inflows of resources	-	-	-	1,607,109
FUND BALANCES (DEFICITS):				
Nonspendable	-	-	1,470	-
Restricted for other purposes	606,061	-	562,671	552,420
Committed for:				
Equipment acquisitions (appropriated)	-	41,076,096	-	-
Equipment acquisitions (unappropriated)	-	13,840,876	-	-
Other purposes	-	-	5,838,450	-
Unassigned	-	-	-	-
Total fund balances (deficits)	606,061	54,916,972	6,402,591	552,420
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 1,868,842	$ 57,128,213	$ 8,834,288	$ 2,234,484

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, 2014

Special Revenue Funds					
Flood 2010 Recovery	Education Services	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	CBID Events And Marketing
$ 27,714,974	$ 5,902,234	$ 2,295,354	$ 41,041	$ 1,396,839	$ 160,528
21,055,518	33,742,267	4,946,258	1,327,518	283,210	151,548
403	59	23	3	8	1
30,881	169,735	-	-	-	-
-	850,621	-	-	-	-
-	78,553	500,000	-	-	-
$ 48,801,776	$ 40,743,469	$ 7,741,635	$ 1,368,562	$ 1,680,057	$ 312,077
$ 116,367	$ 2,778,063	$ 1,729,759	$ -	$ 1,122,750	$ -
-	258,962	-	-	-	-
19,029,104	15,496,640	1,537,226	-	-	-
-	-	2,430,700	1,368,562	-	-
30,308,623	-	-	-	-	-
-	-	-	-	-	-
49,454,094	18,533,665	5,697,685	1,368,562	1,122,750	-
20,728,633	2,141,453	-	-	-	-
20,728,633	2,141,453	-	-	-	-
-	929,175	-	-	-	-
-	19,139,176	2,043,950	-	557,307	312,077
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(21,380,951)	-	-	-	-	-
(21,380,951)	20,068,351	2,043,950	-	557,307	312,077
$ 48,801,776	$ 40,743,469	$ 7,741,635	$ 1,368,562	$ 1,680,057	$ 312,077

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, 2014

	Special Revenue Funds	Permanent Funds		
	Other Government Services	General Government	Education	Total Nonmajor Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 14,459,078	$ 202,734	$ 190,508	$ 114,857,001
Accounts receivable	13,662,531	-	-	79,294,541
Accrued interest receivable	126	1	1	1,067
Due from other funds of the primary government	1,850,156	-	-	5,494,873
Inventories of supplies	277,998	-	-	1,128,619
Other assets	15,758	-	-	596,193
Total assets	$ 30,265,647	$ 202,735	$ 190,509	$ 201,372,294
LIABILITIES:				
Accounts payable	$ 7,192,176	$ -	$ -	$ 17,385,340
Accrued payroll	813,631	-	-	1,536,676
Due to other funds of the primary government	1,035,099	-	-	38,168,435
Due to component units	-	-	-	3,799,262
Commercial paper payable	-	-	-	30,308,623
Other liabilities	2,510,346	-	-	2,510,346
Total liabilities	11,551,252	-	-	93,708,682
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	36,162	-	-	24,513,357
Total deferred inflows of resources	36,162	-	-	24,513,357
FUND BALANCES (DEFICITS):				
Nonspendable	436,715	105,994	79,118	1,552,472
Restricted for other purposes	15,384,071	96,741	111,391	39,365,865
Committed for:		.		
Equipment acquisitions (appropriated)	-	-	-	41,076,096
Equipment acquisitions (unappropriated)	-	-	-	13,840,876
Other purposes	2,857,447	-	-	8,695,897
Unassigned	-	-	-	(21,380,951)
Total fund balances (deficits)	18,678,233	202,735	190,509	83,150,255
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 30,265,647	$ 202,735	$ 190,509	$ 201,372,294

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

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, 2014

	Special Revenue Funds			
	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations	Stormwater Grants
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Other taxes, licenses and permits	-	-	-	-
Fines, forfeits and penalties	-	-	-	-
Revenues from the use of money or property	7,595	245,833	43,809	5,403
Revenues from other governmental agencies	18,993,430	-	613,107	2,746,042
Commissions and fees	-	-	-	-
Charges for current services	159,578	-	5,361,374	-
Compensation for loss, sale or damage to property	3,649	-	-	6,642
Contributions and gifts	29,859	-	-	-
Miscellaneous	-	-	135,845	-
Total revenues	19,194,111	245,833	6,154,135	2,758,087
EXPENDITURES:				
Current:				
General government	-	-	-	-
Fiscal administration	-	-	-	-
Administration of justice	-	-	-	-
Law enforcement and care of prisoners	-	-	-	-
Fire prevention and control	-	-	-	-
Regulation and inspection	-	-	-	-
Public welfare	23,508,517	-	-	-
Public health and hospitals	-	-	-	-
Public library system	-	-	-	-
Public works, highways and streets	-	-	21,175,228	-
Recreational and cultural	-	-	-	-
Education	-	-	-	-
Capital outlay	-	15,192,845	-	504,408
Total expenditures	23,508,517	15,192,845	21,175,228	504,408
Excess (deficiency) of revenues over expenditures	(4,314,406)	(14,947,012)	(15,021,093)	2,253,679
OTHER FINANCING SOURCES (USES):				
Transfers in	4,000,000	26,782,337	14,618,400	17,434
Transfers out	(35,774)	(8,700,255)	(636,800)	(2,752,214)
Total other financing sources (uses)	3,964,226	18,082,082	13,981,600	(2,734,780)
Net change in fund balances (deficits)	(350,180)	3,135,070	(1,039,493)	(481,101)
FUND BALANCES (DEFICITS), beginning of year	956,241	51,781,902	7,442,084	1,033,521
FUND BALANCES (DEFICITS), end of year	$ 606,061	$ 54,916,972	$ 6,402,591	$ 552,420

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, 2014

Special Revenue Funds					
Flood 2010 Recovery	Education Services	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	CBID Events And Marketing
$ -	$ -	$ -	$ -	$ -	$ -
-	-	44,924,528	13,919,198	2,945,235	-
-	-	-	-	-	-
284,030	35,929	14,293	1,455	6,742	8
428,398	116,764,787	-	-	-	312,069
-	-	-	-	-	-
-	15,805,686	-	-	-	-
-	68,706	-	-	-	-
-	2,595,057	-	-	-	-
-	-	-	-	-	-
712,428	135,270,165	44,938,821	13,920,653	2,951,977	312,077
-	-	36,613,188	13,920,653	3,332,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	166,339,962	-	-	-	-
6,382,815	1,112,986	-	-	-	-
6,382,815	167,452,948	36,613,188	13,920,653	3,332,500	-
(5,670,387)	(32,182,783)	8,325,633	-	(380,523)	312,077
-	36,931,582	-	-	-	-
-	(4,591,921)	(7,490,888)	-	-	-
-	32,339,661	(7,490,888)	-	-	-
(5,670,387)	156,878	834,745	-	(380,523)	312,077
(15,710,564)	19,911,473	1,209,205	-	937,830	-
$ (21,380,951)	$ 20,068,351	$ 2,043,950	$ -	$ 557,307	$ 312,077

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, 2014

	Special Revenue Funds	Permanent Funds		
	Other Government Services	General Government	Education	Total Nonmajor Governmental Funds
REVENUES:				
Property taxes	$ 1,944,514	$ -	$ -	$ 1,944,514
Other taxes, licenses and permits	200,493	-	-	61,989,454
Fines, forfeits and penalties	4,909,515	-	-	4,909,515
Revenues from the use of money or property	81,359	977	923	728,356
Revenues from other governmental agencies	62,222,924	-	-	202,080,757
Commissions and fees	9,330,306	-	-	9,330,306
Charges for current services	6,020,621	-	-	27,347,259
Compensation for loss, sale or damage to property	18,700	-	-	97,697
Contributions and gifts	2,542,324	-	-	5,167,240
Miscellaneous	342,612	-	-	478,457
Total revenues	87,613,368	977	923	314,073,555
EXPENDITURES:				
Current:				
General government	9,124,039	-	-	62,990,380
Fiscal administration	228,557	-	-	228,557
Administration of justice	13,691,453	-	-	13,691,453
Law enforcement and care of prisoners	23,004,447	-	-	23,004,447
Fire prevention and control	2,308,173	-	-	2,308,173
Regulation and inspection	167,225	-	-	167,225
Public welfare	6,909,065	-	-	30,417,582
Public health and hospitals	23,413,534	-	-	23,413,534
Public library system	923,424	-	-	923,424
Public works, highways and streets	8,711,971	-	-	29,887,199
Recreational and cultural	1,801,619	-	-	1,801,619
Education	-	-	2,942	166,342,904
Capital outlay	1,660,467	-	-	24,853,521
Total expenditures	91,943,974	-	2,942	380,030,018
Excess (deficiency) of revenues over expenditures	(4,330,606)	977	(2,019)	(65,956,463)
OTHER FINANCING SOURCES (USES):				
Transfers in	12,294,770	-	-	94,644,523
Transfers out	(3,974,426)	-	-	(28,182,278)
Total other financing sources (uses)	8,320,344	-	-	66,462,245
Net change in fund balances (deficits)	3,989,738	977	(2,019)	505,782
FUND BALANCES (DEFICITS), beginning of year	14,688,495	201,758	192,528	82,644,473
FUND BALANCES (DEFICITS), end of year	$ 18,678,233	$ 202,735	$ 190,509	$ 83,150,255

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 82,796,000	$ 82,796,000	$ 84,292,496	$ 1,496,496
Local option sales tax	7,370,000	7,370,000	1,769,426	(5,600,574)
Fines, forfeits and penalties	425,000	425,000	534,916	109,916
Revenues from other governmental agencies	2,292,200	2,292,200	2,740,180	447,980
Compensation for loss, sale or damage to property	-	-	650,000	650,000
Bond interest tax credit	-	-	4,837,386	4,837,386
Total revenues	92,883,200	92,883,200	94,824,404	1,941,204
EXPENDITURES:				
Principal retirement	52,004,700	52,004,700	52,004,659	41
Interest	54,699,700	54,699,700	60,370,364	(5,670,664)
Fiscal charges	1,928,600	1,928,600	1,988,306	(59,706)
Total expenditures	108,633,000	108,633,000	114,363,329	(5,730,329)
Excess (deficiency) of revenues over expenditures	(15,749,800)	(15,749,800)	(19,538,925)	(3,789,125)
OTHER FINANCING SOURCES (USES):				
Transfers in	9,782,900	9,782,900	9,767,259	(15,641)
Total other financing sources (uses)	9,782,900	9,782,900	9,767,259	(15,641)
Net change in fund balances	(5,966,900)	(5,966,900)	(9,771,666)	(3,804,766)
FUND BALANCES, beginning of year	19,222,308	19,222,308	19,222,308	-
FUND BALANCES, end of year	$ 13,255,408	$ 13,255,408	$ 9,450,642	$ (3,804,766)

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GSD SCHOOL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 32,857,500	$ 32,857,500	$ 35,895,936	$ 3,038,436
Local option sales taxes	24,438,500	24,438,500	24,454,456	15,956
Revenues from the use of money or property	-	-	452,834	452,834
Revenues from other governmental agencies	-	-	77,054	77,054
Total revenues	57,296,000	57,296,000	60,880,280	3,584,280
EXPENDITURES:				
Principal retirement	33,142,000	33,142,000	36,778,471	(3,636,471)
Interest	35,360,000	35,360,000	32,189,877	3,170,123
Fiscal charges	1,122,400	1,122,400	914,059	208,341
Total expenditures	69,624,400	69,624,400	69,882,407	(258,007)
Excess (deficiency) of revenues over expenditures	(12,328,400)	(12,328,400)	(9,002,127)	3,326,273
OTHER FINANCING SOURCES (USES):				
Transfers in	4,328,400	4,328,400	5,915,043	1,586,643
Total other financing sources (uses)	4,328,400	4,328,400	5,915,043	1,586,643
Net change in fund balances	(8,000,000)	(8,000,000)	(3,087,084)	4,912,916
FUND BALANCE, beginning of year	9,479,123	9,479,123	9,479,123	-
FUND BALANCE, end of year	$ 1,479,123	$ 1,479,123	$ 6,392,039	$ 4,912,916

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
USD GENERAL PURPOSES DEBT SERVICE FUND

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 14,594,200	$ 14,594,200	$ 15,742,837	$ 1,148,637
Revenue from the use of money or property	-	-	9,104	9,104
Total revenues	14,594,200	14,594,200	15,751,941	1,157,741
EXPENDITURES:				
Principal retirement	10,537,900	10,537,900	8,537,214	2,000,686
Interest	10,871,000	10,871,000	8,937,425	1,933,575
Fiscal charges	442,900	442,900	323,670	119,230
Total expenditures	21,851,800	21,851,800	17,798,309	4,053,491
Excess (deficiency) of revenues over expenditures	(7,257,600)	(7,257,600)	(2,046,368)	5,211,232
OTHER FINANCING SOURCES (USES):				
Transfers in	6,102,100	6,102,100	1,973,600	(4,128,500)
Transfers out	(2,844,500)	(2,844,500)	(2,844,500)	-
Total other financing sources (uses)	3,257,600	3,257,600	(870,900)	(4,128,500)
Net change in fund balances	(4,000,000)	(4,000,000)	(2,917,268)	1,082,732
FUND BALANCES, beginning of year	8,628,697	8,628,697	8,628,697	-
FUND BALANCES, end of year	$ 4,628,697	$ 4,628,697	$ 5,711,429	$ 1,082,732

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

METROPOLITAN ACTION COMMISSION FUND

The Metropolitan Action Commission Fund accounts for the various programs of the Commission which provide education, social skills, meals and before and after care assistance to low-income and disadvantaged children, and energy assistance to low-income individuals.

GENERAL FUND 4% RESERVE FUND

The General Fund 4% Reserve Fund accounts for 4% of locally generated revenues deposited in the GSD General Fund. Expenditures from this fund are for capital items and are authorized by resolutions of the Metropolitan Council.

SOLID WASTE OPERATIONS FUND

The Solid Waste Operations Fund accounts for activities of the Department of Public Works involving refuse collection, recycling, chipper service and other miscellaneous activities as well as federal and state funds for enhancing solid waste management in local communities and solid waste special projects approved by the Metropolitan Council.

STORMWATER GRANTS FUND

The Stormwater Grants Fund is under the administrative responsibility of the Department of Water and Sewerage Services and accounts for grant activities related to the Government's stormwater drainage system.

FLOOD 2010 RECOVERY FUND

The Flood 2010 Recovery Fund accounts for expenditures and revenues from insurance, federal, and state reimbursements, and other sources, related to May 2010 flooding.

EDUCATION SERVICES FUND

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

HOTEL OCCUPANCY TAX FUND

The Hotel Occupancy Tax Fund is under the administrative responsibility of the Finance Department and was established to account for hotel occupancy tax receipts first levied in 1976. Currently these tax receipts are utilized two-sixths for direct promotion of tourism, three-sixths for the construction, financing and operation of the new Music City Center, and one-sixth for distribution to the General Fund.

CONVENTION CENTER TAX FUND

The Convention Center Tax Fund is under the administrative responsibility of the Finance Department and was established to account for additional hotel occupancy and other tourist-related tax receipts levied beginning in 2007 to be utilized for the construction, financing and operation of the new Music City Center.

EVENTS AND MARKETING FUND

The Events and Marketing Fund is under the administrative responsibility of the Finance Department and was established to account for additional hotel occupancy and other tourist-related tax receipts levied beginning in 2008 to be utilized to support events or projects which have a positive economic impact on the Government.

CBID EVENTS AND MARKETING FUND

The CBID Events and Marketing Fund is under the administrative responsibility of the Finance Department and was established to account for fees beginning in 2014 on retail sales with the Central Business Improvement District to be utilized to support events or projects which have a positive economic impact on the Government.

OTHER GOVERNMENT SERVICES FUND

The Other Government Services Fund accounts for funds which support various government activities through federal, state and private grants and contributions, proceeds from the sale of seized property used to support various law enforcement programs, and special revenues supporting other governmental operations.

PERMANENT FUNDS

GENERAL GOVERNMENT FUND

The General Government Fund is used to account for restricted trusts under the administrative responsibility of various departments of the general government.

EDUCATION FUND

The Education Fund is used to account for restricted trusts under the administrative responsibility of the Metropolitan Board of Education.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

June 30, 2014

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 2,412,870	$ 1,455,631	$ 352,758
Accounts receivable	298,356	75,876	-
Allowance for doubtful accounts	-	-	-
Accrued interest receivable	12	9	1
Due from other funds of the primary government	243	14,000	-
Due from component units	913	-	-
Other current assets	-	3,026	-
Total current assets	2,712,394	1,548,542	352,759
Noncurrent assets:			
Capital assets:			
Land	6,056,529	175,293	-
Buildings and improvements	52,668,319	8,814,549	3,401,046
Improvements other than buildings	50,220	3,781,300	151,939
Furniture, machinery and equipment	671,531	596,413	393,084
Property under capital lease	-	-	3,645,000
Construction in progress	-	171,631	-
Less accumulated depreciation	(32,050,027)	(9,853,155)	(2,836,853)
Capital assets - net	27,396,572	3,686,031	4,754,216
Total noncurrent assets	27,396,572	3,686,031	4,754,216
Total assets	30,108,966	5,234,573	5,106,975
LIABILITIES:			
Current liabilities:			
Accounts payable	730,820	68,585	149,500
Accrued payroll	3,854	132,342	28,003
Due to other funds of the primary government	1,893	13,252	7,314
Due to component units	-	-	-
Customer deposits	-	190,980	10,190
Unearned revenue	530,682	40,424	-
Current portion of capitalized lease obligations	-	-	245,000
Total current liabilities	1,267,249	445,583	440,007
NET POSITION:			
Net investment in capital assets	27,396,572	3,686,031	4,509,216
Unrestricted	1,445,145	1,102,959	157,752
Total net position	$ 28,841,717	$ 4,788,990	$ 4,666,968

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2014

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
$ 345,320	$ 251,635	$ 440,725	$ 134,175	$ 14,492,545
-	1,203	21,205	-	3,576,190
-	-	-	-	(941,997)
3	1	3	1	10
-	31,653	-	181	822,706
-	-	-	-	760
-	-	1,609	-	77
345,323	284,492	463,542	134,357	17,950,291
-	-	587,400	-	-
-	-	10,095,045	-	-
-	-	84,651	-	-
-	-	818,520	-	-
-	-	-	-	-
-	-	1,340	-	-
-	-	(8,582,982)	-	-
-	-	3,003,974	-	-
-	-	3,003,974	-	-
345,323	284,492	3,467,516	134,357	17,950,291
32,233	23,168	86,484	-	429,006
-	82,062	104,150	-	462,745
313,090	148,929	1,554	-	362,659
-	1,198	-	-	-
-	-	-	-	-
-	-	193,939	-	-
-	-	-	-	-
345,323	255,357	386,127	-	1,254,410
-	-	3,003,974	-	-
-	29,135	77,415	134,357	16,695,881
$ -	$ 29,135	$ 3,081,389	$ 134,357	$ 16,695,881

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2014

	Community Education Commission	Total Nonmajor Enterprise Funds
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 431,268	$ 20,316,927
Accounts receivable	105	3,972,935
Allowance for doubtful accounts	-	(941,997)
Accrued interest receivable	3	43
Due from other funds of the primary government	-	868,783
Due from component units	-	1,673
Other current assets	-	4,712
Total current assets	431,376	24,223,076
Noncurrent assets:		
Capital assets:		
Land	-	6,819,222
Buildings and improvements	-	74,978,959
Improvements other than buildings	-	4,068,110
Furniture, machinery and equipment	-	2,479,548
Property under capital lease	-	3,645,000
Construction in progress	-	172,971
Less accumulated depreciation	-	(53,323,017)
Capital assets - net	-	38,840,793
Total noncurrent assets	-	38,840,793
Total assets	431,376	63,063,869
LIABILITIES:		
Current liabilities:		
Accounts payable	6,261	1,526,057
Accrued payroll	6,065	819,221
Due to other funds of the primary government	122	848,813
Due to component units	-	1,198
Customer deposits	-	201,170
Unearned revenue	1,425	766,470
Current portion of capitalized lease obligations	-	245,000
Total current liabilities	13,873	4,407,929
NET POSITION:		
Net investment in capital assets	-	38,595,793
Unrestricted	417,503	20,060,147
Total net position	$ 417,503	$ 58,655,940

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2014

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
OPERATING REVENUES:			
Charges for services	$ 2,123,510	$ 3,020,551	$ 1,125,291
Total operating revenues	2,123,510	3,020,551	1,125,291
OPERATING EXPENSES:			
Personal services	394,787	1,271,997	278,656
Contractual services	1,439,847	1,181,652	969,133
Supplies and materials	18,039	112,266	18,429
Depreciation	1,426,103	374,813	292,602
Other	164,380	226,621	9,178
Total operating expenses	3,443,156	3,167,349	1,567,998
OPERATING INCOME (LOSS)	(1,319,646)	(146,798)	(442,707)
NONOPERATING REVENUE (EXPENSE):			
Investment income	10,959	5,093	1,260
Interest expense	-	-	(27,075)
Gain (loss) on sale of property	12,568	-	2
Other	(247)	-	-
Total nonoperating revenue (expense)	23,280	5,093	(25,813)
INCOME (LOSS) BEFORE TRANSFERS	(1,296,366)	(141,705)	(468,520)
TRANSFERS IN	-	371,631	554,376
TRANSFERS OUT	(68,500)	(146,004)	(81,600)
CHANGE IN NET POSITION	(1,364,866)	83,922	4,256
NET POSITION, beginning of year	30,206,583	4,705,068	4,662,712
NET POSITION, end of year	$ 28,841,717	$ 4,788,990	$ 4,666,968

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2014

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
$ -	$ 589,233	$ 1,558,775	$ 479,233	$ 14,090,200
-	589,233	1,558,775	479,233	14,090,200
-	477,758	666,741	-	6,236,131
-	257,542	989,376	375,000	3,836,622
-	26,441	45,766	-	613,827
-	-	243,270	-	-
-	15,634	53,185	-	224,345
-	777,375	1,998,338	375,000	10,910,925
-	(188,142)	(439,563)	104,233	3,179,275
2,609	2,312	1,602	72	37,438
-	-	-	-	-
-	-	-	-	-
(189,780)	-	-	-	523,674
(187,171)	2,312	1,602	72	561,112
(187,171)	(185,830)	(437,961)	104,305	3,740,387
-	-	415,000	2,400,000	176,633
(374,884)	(115,800)	(104,604)	-	(2,577,678)
(562,055)	(301,630)	(127,565)	2,504,305	1,339,342
562,055	330,765	3,208,954	(2,369,948)	15,356,539
$ -	$ 29,135	$ 3,081,389	$ 134,357	$ 16,695,881

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2014

	Community Education Commission	Total Nonmajor Enterprise Funds
OPERATING REVENUES:		
Charges for services	$ 57,512	$ 23,044,305
Total operating revenues	57,512	23,044,305
OPERATING EXPENSES:		
Personal services	211,630	9,537,700
Contractual services	90,694	9,139,866
Supplies and materials	9,545	844,313
Depreciation	-	2,336,788
Other	5,554	698,897
Total operating expenses	317,423	22,557,564
OPERATING INCOME (LOSS)	(259,911)	486,741
NONOPERATING REVENUE (EXPENSE):		
Investment income	2,360	63,705
Interest expense	-	(27,075)
Gain (loss) on sale of property	-	12,570
Other	-	333,647
Total nonoperating revenue (expense)	2,360	382,847
INCOME (LOSS) BEFORE TRANSFERS	(257,551)	869,588
TRANSFERS IN	346,500	4,264,140
TRANSFERS OUT	(57,000)	(3,526,070)
CHANGE IN NET POSITION	31,949	1,607,658
NET POSITION, beginning of year	385,554	57,048,282
NET POSITION, end of year	$ 417,503	$ 58,655,940

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2014

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
Cash flows from operating activities:			
Receipts from customers and users	$ 2,363,047	$ 2,976,379	$ 1,127,626
Payments to suppliers	(1,783,577)	(1,473,810)	(1,023,787)
Payments to employees	(798,443)	(1,239,012)	(297,993)
Net cash provided by (used in) operating activities	(218,973)	263,557	(194,154)
Cash flows from noncapital financing activities:			
Transfers in	-	371,631	554,376
Transfers out	(68,500)	(146,004)	(81,600)
Payments to other funds of the primary government	-	-	-
Interest paid	-	-	-
Net cash provided by (used in) noncapital financing activities	(68,500)	225,627	472,776
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(171,630)	(9,375)
Proceeds from the sale of property	12,568	-	2
Principal payments on borrowings	-	-	(230,000)
Interest paid	-	-	(27,075)
Net cash provided by (used in) capital and related financing activities	12,568	(171,630)	(266,448)
Cash flows from investing activities:			
Interest on investments	11,024	5,120	1,273
Net cash provided by (used in) investing activities	11,024	5,120	1,273
Net changes in cash and cash equivalents	(263,881)	322,674	13,447
Cash and cash equivalents at beginning of year	2,676,751	1,132,957	339,311
Cash and cash equivalents at end of year	$ 2,412,870	$ 1,455,631	$ 352,758

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, 2014

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
$ 117,695	$ 457,122	$ 1,530,002	$ 479,052	$ 13,649,660
(96,558)	(280,939)	(1,153,348)	(375,195)	(3,849,388)
(10,085)	(470,131)	(647,198)	-	(6,189,311)
11,052	(293,948)	(270,544)	103,857	3,610,961
-	-	415,000	2,400,000	176,633
(175,000)	(115,800)	(104,604)	-	(2,577,678)
-	-	-	(2,400,000)	-
-	-	-	-	-
(175,000)	(115,800)	310,396	-	(2,401,045)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,623	2,347	1,612	71	37,441
2,623	2,347	1,612	71	37,441
(161,325)	(407,401)	41,464	103,928	1,247,357
506,645	659,036	399,261	30,247	13,245,188
$ 345,320	$ 251,635	$ 440,725	$ 134,175	$ 14,492,545

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, 2014

	Community Education Commission	Total Nonmajor Enterprise Funds
Cash flows from operating activities:		
Receipts from customers and users	$ 58,832	$ 22,759,415
Payments to suppliers	(152,396)	(10,188,998)
Payments to employees	(209,997)	(9,862,170)
Net cash provided by (used in) operating activities	(303,561)	2,708,247
Cash flows from noncapital financing activities:		
Transfers in	346,500	4,264,140
Transfers out	(57,000)	(3,326,186)
Payments to other funds of the primary government	-	(2,400,000)
Interest paid	-	-
Net cash provided by (used in) noncapital financing activities	289,500	(1,462,046)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(181,005)
Proceeds from the sale of property	-	12,570
Principal payments on borrowings	-	(230,000)
Interest paid	-	(27,075)
Net cash provided by (used in) capital and related financing activities	-	(425,510)
Cash flows from investing activities:		
Interest on investments	2,373	63,884
Net cash provided by (used in) investing activities	2,373	63,884
Net changes in cash and cash equivalents	(11,688)	884,575
Cash and cash equivalents at beginning of year	442,956	19,432,352
Cash and cash equivalents at end of year	$ 431,268	$ 20,316,927

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2014

	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)	$ (1,319,646)	$ (146,798)	$ (442,707)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,426,103	374,813	292,602
Other receipts (payments)	(247)	-	-
Changes in assets and liabilities:			
Accounts receivable	123,634	(60,424)	2,335
Due from other funds of the primary government	133,682	(13,158)	-
Due from component units	(913)	-	-
Other current assets	-	41,025	-
Other noncurrent assets	100,000	-	-
Accounts payable	(176,216)	2,694	(31,273)
Accrued payroll	(96,131)	32,985	(19,337)
Due to other funds of the primary government	(3,995)	3,010	4,226
Due to component units	(288,625)	-	-
Customer deposits	(104,969)	25,565	-
Unearned revenue	(11,650)	3,845	-
Total adjustments	1,100,673	410,355	248,553
Net cash provided by (used in) operating activities	$ (218,973)	$ 263,557	$ (194,154)

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, 2014

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
$ -	$ (188,142)	$ (439,563)	$ 104,233	$ 3,179,275
-	-	243,270	-	-
(111,202)	-	-	-	523,674
81,443	(852)	(10,544)	-	318,396
-	(22,757)	-	(181)	(792,876)
-	-	-	-	33,940
-	-	(457)	-	-
-	-	-	-	-
31,020	18,678	(65,113)	(195)	(38,100)
(40,363)	7,627	19,543	-	46,820
50,154	(109,700)	549	-	339,832
-	1,198	-	-	-
-	-	-	-	-
-	-	(18,229)	-	-
11,052	(105,806)	169,019	(376)	431,686
$ 11,052	$ (293,948)	$ (270,544)	$ 103,857	$ 3,610,961

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, 2014

	Community Education Commission	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	$ (259,911)	$ 486,741
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	2,336,788
Other receipts (payments)	-	412,225
Changes in assets and liabilities:		
Accounts receivable	(105)	453,883
Due from other funds of the primary government	-	(695,290)
Due from component units	-	33,027
Other current assets	-	40,568
Other noncurrent assets	-	100,000
Accounts payable	(46,650)	(305,155)
Accrued payroll	1,633	(47,223)
Due to other funds of the primary government	47	284,123
Due to component units	-	(287,427)
Customer deposits	-	(79,404)
Unearned revenue	1,425	(24,609)
Total adjustments	(43,650)	2,221,506
Net cash provided by (used in) operating activities	$ (303,561)	$ 2,708,247

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2014

	Office of Fleet Management	Information Systems	Radio Shop
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 2,881,130	$ 3,986,336	$ 2,582,323
Accounts receivable	14,407	10,595	86,059
Accrued interest receivable	19	29	17
Due from other funds of the primary government	593,281	-	270
Due from component units	-	-	-
Inventories of supplies	1,444,663	-	243,839
Other current assets	398	-	-
Total current assets	4,933,898	3,996,960	2,912,508
Noncurrent assets:			
Capital assets:			
Buildings and improvements	-	-	126,643
Improvements other than buildings	-	-	-
Furniture, machinery and equipment	142,159,662	7,616,800	26,724,355
Construction in progress	-	346,615	1,472,011
Less accumulated depreciation	(115,355,158)	(6,469,087)	(7,616,174)
Capital assets - net	26,804,504	1,494,328	20,706,835
Total assets	31,738,402	5,491,288	23,619,343
LIABILITIES:			
Current liabilities:			
Accounts payable	2,339,314	1,053,619	376,553
Accrued payroll	633,558	1,232,144	103,476
Claims payable	-	-	-
Due to other funds of the primary government	49	4,960	11
Total current liabilities	2,972,921	2,290,723	480,040
Noncurrent liabilities:			
Claims payable	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	2,972,921	2,290,723	480,040
NET POSITION:			
Net investment in capital assets	26,804,504	1,494,329	20,706,835
Unrestricted	1,960,977	1,706,236	2,432,468
Total net position	$ 28,765,481	$ 3,200,565	$ 23,139,303

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2014

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured on Duty
$ 1,921,526	$ 18,112,799	$ 19,006,433	$ 78,123,522	$ 19,820,924
-	-	4,443,197	7,587,421	-
13	126	132	516	146
-	480	314,945	584,250	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,921,539	18,113,405	23,764,707	86,295,709	19,821,070
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,921,539	18,113,405	23,764,707	86,295,709	19,821,070
19,293	112,877	2,873,747	4,655,129	167,610
-	-	18,625	9,703	-
289,685	2,747,001	5,556,551	16,841,000	6,400,000
-	365	3,972	3,776	149,512
308,978	2,860,243	8,452,895	21,509,608	6,717,122
439,368	4,288,819	-	-	-
439,368	4,288,819	-	-	-
748,346	7,149,062	8,452,895	21,509,608	6,717,122
-	-	-	-	-
1,173,193	10,964,343	15,311,812	64,786,101	13,103,948
$ 1,173,193	$ 10,964,343	$ 15,311,812	$ 64,786,101	$ 13,103,948

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2014

	Metro Postal Service	Treasury Management	Technology Revolving	General Services
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 221,319	$ 67,568	$ 1,658,317	$ 3,764,918
Accounts receivable	-	-	-	159,079
Accrued interest receivable	2	-	12	30
Due from other funds of the primary government	40,753	133,152	14,801	37,335
Due from component units	9	-	-	1,528
Inventories of supplies	-	-	-	-
Other current assets	39,283	-	-	-
Total current assets	301,366	200,720	1,673,130	3,962,890
Noncurrent assets:				
Capital assets:				
Buildings and improvements	-	-	-	222,365
Improvements other than buildings	-	-	-	29,031
Furniture, machinery and equipment	-	10,626	-	198,185
Construction in progress	-	-	-	-
Less accumulated depreciation	-	(10,626)	-	(210,447)
Capital assets - net	-	-	-	239,134
Total assets	301,366	200,720	1,673,130	4,202,024
LIABILITIES:				
Current liabilities:				
Accounts payable	112,820	1,485	241,381	2,079,873
Accrued payroll	45,320	73,806	-	414,197
Claims payable	-	-	-	-
Due to other funds of the primary government	-	1,587	-	57,677
Total current liabilities	158,140	76,878	241,381	2,551,747
Noncurrent liabilities:				
Claims payable	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	158,140	76,878	241,381	2,551,747
NET POSITION:				
Net investment in capital assets	-	-	-	239,133
Unrestricted	143,226	123,842	1,431,749	1,411,144
Total net position	$ 143,226	$ 123,842	$ 1,431,749	$ 1,650,277

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2014

School Print Shop	Total Internal Service Funds
$ 373,628	$ 152,520,743
1,500	12,302,258
3	1,045
24,228	1,743,495
-	1,537
-	1,688,502
-	39,681
399,359	168,297,261
-	349,008
-	29,031
276,896	176,986,524
-	1,818,626
(255,650)	(129,917,142)
21,246	49,266,047
420,605	217,563,308
4,805	14,038,506
27,620	2,558,449
-	31,834,237
8,175	230,084
40,600	48,661,276
-	4,728,187
-	4,728,187
40,600	53,389,463
21,246	49,266,047
358,759	114,907,798
$ 380,005	$ 164,173,845

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2014

	Office of Fleet Management	Information Systems	Radio Shop
OPERATING REVENUES:			
Charges for services	$ 19,903,548	$ 14,778,079	$ 2,011,761
Other	-	-	-
Total operating revenues	19,903,548	14,778,079	2,011,761
OPERATING EXPENSES:			
Personal services	4,915,739	8,312,091	729,646
Contractual services	2,127,894	4,641,997	1,334,057
Supplies and materials	13,080,201	50,477	863,966
Depreciation	11,698,005	968,758	3,380,995
Compensation for damages to property	-	-	-
Medical and insurance benefits	-	-	-
Other	228,721	2,004,090	56,141
Total operating expenses	32,050,560	15,977,413	6,364,805
OPERATING INCOME (LOSS)	(12,147,012)	(1,199,334)	(4,353,044)
NONOPERATING REVENUE (EXPENSE):			
Investment income	7,816	15,674	13,362
Gain (loss) on sale of property	169,969	-	3,139
Other	200,333	-	-
Total nonoperating revenue (expense)	378,118	15,674	16,501
INCOME (LOSS) BEFORE TRANSFERS	(11,768,894)	(1,183,660)	(4,336,543)
TRANSFERS IN	7,397,030	6,521	468,584
TRANSFERS OUT	-	-	-
CHANGE IN NET POSITION	(4,371,864)	(1,177,139)	(3,867,959)
NET POSITION, beginning of year	33,137,345	4,377,704	27,007,262
NET POSITION, end of year	$ 28,765,481	$ 3,200,565	$ 23,139,303

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2014

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty
$ -	$ 7,791,527	$ 101,461,671	$ 202,718,021	$ 4,404,300
-	-	-	11,912,591	270,411
-	7,791,527	101,461,671	214,630,612	4,674,711
60,185	507,517	104,088	409,820	-
330,983	426,767	5,304,898	8,029,357	1,350,556
-	-	467	-	-
-	-	-	-	-
289,133	2,516,760	-	-	-
-	-	81,484,965	186,645,221	16,083,067
4,204	2,886,680	-	12,600	73,202
684,505	6,337,724	86,894,418	195,096,998	17,506,825
(684,505)	1,453,803	14,567,253	19,533,614	(12,832,114)
9,823	88,065	44,782	328,798	91,277
-	-	-	-	-
39,884	267,680	-	-	-
49,707	355,745	44,782	328,798	91,277
(634,798)	1,809,548	14,612,035	19,862,412	(12,740,837)
1,250,000	204,945	-	2,095,823	23,251,200
-	(1,937,800)	-	-	-
615,202	76,693	14,612,035	21,958,235	10,510,363
557,991	10,887,650	699,777	42,827,866	2,593,585
$ 1,173,193	$ 10,964,343	$ 15,311,812	$ 64,786,101	$ 13,103,948

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2014

	Metro Postal Service	Treasury Management	Technology Revolving	General Services
OPERATING REVENUES:				
Charges for services	$ 770,305	$ 767,759	$ 344,250	$ 20,069,255
Other	-	-	-	474
Total operating revenues	770,305	767,759	344,250	20,069,729
OPERATING EXPENSES:				
Personal services	250,439	682,876	-	2,425,687
Contractual services	551,496	78,198	318,594	16,994,130
Supplies and materials	4,607	3,847	2,119,248	304,502
Depreciation	-	-	-	36,378
Compensation for damages to property	-	-	-	-
Medical and insurance benefits	-	-	-	-
Other	18,763	3,986	-	308,108
Total operating expenses	825,305	768,907	2,437,842	20,068,805
OPERATING INCOME (LOSS)	(55,000)	(1,148)	(2,093,592)	924
NONOPERATING REVENUE (EXPENSE):				
Investment income	1,120	287	6,399	14,193
Gain (loss) on sale of property	-	-	-	-
Other	-	-	-	-
Total nonoperating revenue (expense)	1,120	287	6,399	14,193
INCOME (LOSS) BEFORE TRANSFERS	(53,880)	(861)	(2,087,193)	15,117
TRANSFERS IN	-	-	2,600,000	-
TRANSFERS OUT	-	-	-	-
CHANGE IN NET POSITION	(53,880)	(861)	512,807	15,117
NET POSITION, beginning of year	197,106	124,703	918,942	1,635,160
NET POSITION, end of year	$ 143,226	$ 123,842	$ 1,431,749	$ 1,650,277

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2014

School Print Shop	Total Internal Service Funds
$ 396,683	$ 375,417,159
-	12,183,476
396,683	387,600,635
223,984	18,622,072
8,961	41,497,888
209,263	16,636,578
10,046	16,094,182
-	2,805,893
-	284,213,253
6,042	5,602,537
458,296	385,472,403
(61,613)	2,128,232
2,054	623,650
(247)	172,861
-	507,897
1,807	1,304,408
(59,806)	3,432,640
-	37,274,103
-	(1,937,800)
(59,806)	38,768,943
439,811	125,404,902
$ 380,005	$ 164,173,845

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, 2014

	Office of Fleet Management	Information Systems	Radio Shop
Cash flows from operating activities:			
Receipts from customers and users	$ 20,381,695	$ 14,788,227	$ 1,959,486
Payments to suppliers	(15,021,907)	(5,885,496)	(2,408,883)
Payments to employees	(4,835,541)	(8,182,406)	(720,173)
Other receipts	200,333	-	-
Net cash provided by (used in) operating activities	724,580	720,325	(1,169,570)
Cash flows from noncapital financing activities:			
Transfers in	7,397,030	6,521	468,584
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	7,397,030	6,521	468,584
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(7,397,030)	(6,521)	(481,390)
Proceeds from the sale of property	276,412	-	3,139
Net cash provided by (used in) capital and related financing activities	(7,120,618)	(6,521)	(478,251)
Cash flows from investing activities:			
Interest on investments	7,882	15,777	13,475
Net cash provided by (used in) investing activities	7,882	15,777	13,475
Net changes in cash and cash equivalents	1,008,874	736,102	(1,165,762)
Cash and cash equivalents at beginning of year	1,872,256	3,250,234	3,748,085
Cash and cash equivalents at end of year	$ 2,881,130	$ 3,986,336	$ 2,582,323

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, 2014

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty
$ -	$ 7,802,141	$ 99,884,760	$ 214,487,156	$ 4,674,724
(1,338,194)	(7,633,875)	(88,122,136)	(201,444,078)	(19,116,296)
-	-	(104,088)	(407,342)	-
39,884	267,680	-	-	-
(1,298,310)	435,946	11,658,536	12,635,736	(14,441,572)
1,250,000	204,945	-	2,095,823	23,251,200
-	(1,937,800)	-	-	-
1,250,000	(1,732,855)	-	2,095,823	23,251,200
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,879	88,628	44,934	330,377	91,561
9,879	88,628	44,934	330,377	91,561
(38,431)	(1,208,281)	11,703,470	15,061,936	8,901,189
1,959,957	19,321,080	7,302,963	63,061,586	10,919,735
$ 1,921,526	$ 18,112,799	$ 19,006,433	$ 78,123,522	$ 19,820,924

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, 2014

	Metro Postal Service	Treasury Management	Technology Revolving	General Services
Cash flows from operating activities:				
Receipts from customers and users	$ 729,992	$ 752,889	$ 362,054	$ 20,034,389
Payments to suppliers	(524,259)	(83,697)	(2,301,399)	(17,190,783)
Payments to employees	(246,643)	(678,400)	-	(2,354,385)
Other receipts	-	-	-	-
Net cash provided by (used in) operating activities	(40,910)	(9,208)	(1,939,345)	489,221
Cash flows from noncapital financing activities:				
Transfers in	-	-	2,600,000	-
Transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	2,600,000	-
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	1,128	290	6,425	14,292
Net cash provided by (used in) investing activities	1,128	290	6,425	14,292
Net changes in cash and cash equivalents	(39,782)	(8,918)	667,080	503,513
Cash and cash equivalents at beginning of year	261,101	76,486	991,237	3,261,405
Cash and cash equivalents at end of year	$ 221,319	$ 67,568	$ 1,658,317	$ 3,764,918

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, 2014

School Print Shop	Total Internal Service Funds
$ 409,489	$ 386,267,002
(234,284)	(361,305,287)
(241,807)	(17,770,785)
-	507,897
(66,602)	7,698,827
-	37,274,103
-	(1,937,800)
-	35,336,303
-	(7,884,941)
2,196	281,747
2,196	(7,603,194)
2,066	626,714
2,066	626,714
(62,340)	36,058,650
435,968	116,462,093
$ 373,628	$ 152,520,743

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, 2014

	Office of Fleet Management	Information Systems	Radio Shop
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (12,147,012)	$ (1,199,334)	$ (4,353,044)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	11,698,005	968,758	3,380,995
Other receipts (payments)	200,333	-	-
Changes in assets and liabilities:			
Accounts receivable	(3,011)	1,783	(52,124)
Due from other funds of the primary government	481,158	6,873	(151)
Due from component units	-	1,492	-
Inventories of supplies	(14,756)	-	6
Other current assets	(398)	245,945	-
Accounts payable	430,034	560,180	(154,707)
Accrued payroll	80,198	129,685	9,473
Claims payable	-	-	-
Due to other funds of the primary government	29	4,943	(18)
Total adjustments	12,871,592	1,919,659	3,183,474
Net cash provided by (used in) operating activities	$ 724,580	$ 720,325	$ (1,169,570)

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, 2014

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty
$ (684,505)	$ 1,453,803	$ 14,567,253	$ 19,533,614	$ (12,832,114)
-	-	-	-	-
39,884	267,680	-	-	-
-	-	(1,322,498)	(7,587,421)	13
-	62	(254,413)	(143,456)	-
-	10,552	-	-	-
-	-	-	-	-
-	-	-	-	-
(175,824)	(102,767)	(746,993)	619,711	(104,251)
-	-	-	2,478	-
(477,850)	(1,193,689)	(584,845)	210,000	(1,494,500)
(15)	305	32	810	(10,720)
(613,805)	(1,017,857)	(2,908,717)	(6,897,878)	(1,609,458)
$ (1,298,310)	$ 435,946	$ 11,658,536	$ 12,635,736	$ (14,441,572)

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, 2014

	Metro Postal Service	Treasury Management	Technology Revolving	General Services
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (55,000)	$ (1,148)	$ (2,093,592)	$ 924
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	-	36,378
Other receipts (payments)	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	18	-	384	(83,407)
Due from other funds of the primary government	(40,334)	(14,870)	13,859	49,595
Due from component units	3	-	3,561	(1,528)
Inventories of supplies	-	-	-	-
Other current assets	(5,676)	-	-	-
Accounts payable	56,283	869	136,443	408,483
Accrued payroll	3,796	4,476	-	71,302
Claims payable	-	-	-	-
Due to other funds of the primary government	-	1,465	-	7,474
Total adjustments	14,090	(8,060)	154,247	488,297
Net cash provided by (used in) operating activities	$ (40,910)	$ (9,208)	$ (1,939,345)	$ 489,221

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, 2014

School Print Shop	Total Internal Service Funds
$ (61,613)	$ 2,128,232
10,046	16,094,182
-	507,897
(1,035)	(9,047,298)
13,841	112,164
-	14,080
-	(14,750)
3,735	243,606
(9,830)	917,631
(17,823)	283,585
-	(3,540,884)
(3,923)	382
(4,989)	5,570,595
$ (66,602)	$ 7,698,827

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

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 assets of the Nashville Convention Center are under the Finance Department and its management is under the Convention Center Authority, a component unit, which also manages the Music City Center.

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 coordinated 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 were collected from the requesting agency or private entity to cover the cost of these services. This function was moved to the General Fund in the 2014 fiscal year.

SURPLUS PROPERTY AUCTION

The Surplus Property Auction was created to sell used capital assets, excess inventory and confiscated property of the Government. Revenues are derived from the proceeds received from individuals and entities that purchase the items through an on-line auction.

MUNICIPAL AUDITORIUM

The Municipal Auditorium provides space primarily for entertainment and sports events on a user charge basis.

POLICE IMPOUND

Police Impound provides storage for impounded vehicles. Revenues are derived from user fees paid for vehicle retrieval.

STORMWATER OPERATIONS

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

COMMUNITY EDUCATION COMMISSION

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

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.

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.

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.

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.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2014

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
ASSETS:				
Cash and cash equivalents	$ -	$ 65,622,353	$ -	$ -
Investments, at fair value:				
U.S. government agencies	-	53,606,139	-	1,619,475
Non U.S. government bonds	-	39,092,822	-	1,181,018
Common collective trust	-	40,306,770	-	1,217,692
Commercial mortgage backed securities	-	28,137,864	-	850,062
Collateralized mortgage obligations - government	-	13,043,900	-	394,064
Bank loans	-	7,541,448	-	227,832
Asset backed securities	-	9,681,824	-	292,494
Government mortgage backed securities	-	935,017	-	28,247
Corporate bonds and notes	-	207,805,231	-	6,277,925
High yield bonds	-	2,438,495	-	73,668
Inflation protected bonds	-	14,982,993	-	452,645
Common stock	-	1,062,295,536	-	29,450,479
Preferred stock	-	1,904,877	-	57,547
Municipals	-	2,753,478	-	83,184
Credit default swaps	-	120,562,130	-	3,642,256
Commingled funds U.S. debt	-	15,288,136	-	461,864
Venture capital and partnerships	-	1,145,932,950	-	34,619,343
Cash collateral received - securities lending program	-	41,217,719	-	-
Accounts receivable	-	96,233,330	-	2,695,299
Accrued interest receivable	-	4,498,050	1	126,081
Due from other funds of the primary government	2	65,877	242,948	2,601,043
Total assets	2	2,973,946,939	242,949	86,352,218
LIABILITIES:				
Accounts payable	2	114,464,467	-	3,335,489
Due to brokers	-	118,948,924	-	3,333,992
Payable for collateral received - securities lending program	-	41,217,719	-	-
Due to other funds of the primary government	-	1,951,718	242,949	401,741
Total liabilities	2	276,582,828	242,949	7,071,222
NET POSITION:				
Held in trust for pension benefits	-	2,697,364,111	-	79,280,996
Held in trust for other employee benefits	-	-	-	-
Total net position	$ -	$ 2,697,364,111	$ -	$ 79,280,996

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2014

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
$ -	$ -	$ 1,569,803	$ 237,083	$ 67,429,239
-	-	-	-	55,225,614
-				40,273,840
-	-	-	-	41,524,462
-	-	-	-	28,987,926
-	-	-	-	13,437,964
-	-	-	-	7,769,280
-	-	-	-	9,974,318
-	-	-	-	963,264
-	-	-	-	214,083,156
-	-	-	-	2,512,163
-	-	-	-	15,435,638
-	-	-	-	1,091,746,015
-	-	-	-	1,962,424
-	-	-	-	2,836,662
-	-	-	-	124,204,386
-	-	-	-	15,750,000
-	-	-	-	1,180,552,293
-	-	-	-	41,217,719
-	-	88,760	-	99,017,389
-	1	10	2	4,624,145
10	158,793	589	-	3,069,262
10	158,794	1,659,162	237,085	3,062,597,159
10	-	19,990	16,532	117,836,490
-	-	-	-	122,282,916
-	-	-	-	41,217,719
-	158,794	-	-	2,755,202
10	158,794	19,990	16,532	284,092,327
-	-	-	-	2,776,645,107
-	-	1,639,172	220,553	1,859,725
$ -	$ -	$ 1,639,172	$ 220,553	$ 2,778,504,832

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AGENCY FUNDS

June 30, 2014

	Richard R. Rooker, Circuit Court Clerk	Cristi Scott, Clerk and Master	Brenda Wynn, County Clerk	Howard Gentry, Criminal Court Clerk	Bill Garrett, County Register
ASSETS:					
Cash and cash equivalents	$ 14,291,249	$ 5,991,371	$ 1,182,998	$ 10,420,492	$ 4,940,298
Investments:					
Mortgages and real estate	-	-	-	1,291,100	-
Mutual funds	-	15,865	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other funds of the primary government	-	-	-	-	-
Other assets	-	-	-	-	57,145
Total assets	$ 14,291,249	$ 6,007,236	$ 1,182,998	$ 11,711,592	$ 4,997,443
LIABILITIES:					
Funds held in custody for others	$ 8,547,172	$ 5,999,530	$ -	$ 10,235,128	$ -
Other liabilities	5,744,077	7,706	1,182,998	1,476,464	4,997,443
Total liabilities	$ 14,291,249	$ 6,007,236	$ 1,182,998	$ 11,711,592	$ 4,997,443

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2014

David Smith, Juvenile Court Clerk	Sold Property Tax Receivables	Sheriff Work Release and Inmate Trust	Planning Performance Bonds	Total Agency Funds
$ 1,938,679	$ 33,562	$ 365,931	$ 1,704,048	$ 40,868,628
-	-	-	-	1,291,100
-	-	-	-	15,865
-	11	-	-	11
-	1,845,517	-	-	1,845,517
-	-	-	-	57,145
$ 1,938,679	$ 1,879,090	$ 365,931	$ 1,704,048	$ 44,078,266
$ 1,688,804	$ 1,879,090	$ 365,931	$ 1,704,048	$ 30,419,703
249,875	-	-	-	13,658,563
$ 1,938,679	$ 1,879,090	$ 365,931	$ 1,704,048	$ 44,078,266

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

For the Year Ended June 30, 2014

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
ADDITIONS:				
Investment income:				
Interest and dividend income	$ -	$ 64,433,124	$ 926	$ 1,929,089
Net appreciation (depreciation) of investments	-	355,278,587	-	10,523,772
Miscellaneous	-	132,001	-	955
Net increase (decrease) in fair value of investments	-	419,843,712	926	12,453,816
Net income earned on securities lending transactions:				
Securities lending income	-	576,080	-	-
Securities lending expense	-	(115,197)	-	-
Net income earned on securities lending transactions	-	460,883	-	-
Less investment expenses	(39)	(9,995,376)	(11)	-
Net investment income (loss)	(39)	410,309,219	915	12,453,816
Contributions:				
Employee contributions	-	73,973	-	-
Employer contributions	1,571,769	87,643,045	3,975,666	18,808,832
Transfers in	-	132,383	-	-
Contributions from the State of Tennessee	-	-	2,983,251	12,635,252
Miscellaneous	-	-	-	-
Total contributions	1,571,769	87,849,401	6,958,917	31,444,084
Total additions	1,571,730	498,158,620	6,959,832	43,897,900
DEDUCTIONS:				
Pension and other employee benefits	1,571,730	140,181,320	6,959,832	34,563,595
Refunds of contributions	-	6,508	-	-
Administrative expenses	-	2,888,963	-	30,318
Transfers out	-	-	-	-
Total deductions	1,571,730	143,076,791	6,959,832	34,593,913
Change in net position	-	355,081,829	-	9,303,987
NET POSITION, beginning of year	-	2,342,282,282	-	69,977,009
NET POSITION, end of year	$ -	$ 2,697,364,111	$ -	$ 79,280,996

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (CONTINUED)

For the Year Ended June 30, 2014

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
$ -	$ 656	$ 11,589	$ 705	$ 66,376,089
-	-	-	-	365,802,359
-	-	-	-	132,956
-	656	11,589	705	432,311,404
-	-	-	-	576,080
-	-	-	-	(115,197)
-	-	-	-	460,883
(186)	-	-	-	(9,995,612)
(186)	656	11,589	705	422,776,675
-	-	1,114,819	1,042,992	2,231,784
7,223,872	1,932,219	-	-	121,155,403
-	-	-	-	132,383
-	1,975,167	-	-	17,593,670
-	-	2,199,441	-	2,199,441
7,223,872	3,907,386	3,314,260	1,042,992	143,312,681
7,223,686	3,908,042	3,325,849	1,043,697	566,089,356
7,223,686	3,908,042	1,207,592	976,714	196,592,511
-	-	-	-	6,508
-	-	-	-	2,919,281
-	-	2,095,823	-	2,095,823
7,223,686	3,908,042	3,303,415	976,714	201,614,123
-	-	22,434	66,983	364,475,233
-	-	1,616,738	153,570	2,414,029,599
$ -	$ -	$ 1,639,172	$ 220,553	$ 2,778,504,832

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AGENCY FUNDS

For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Richard R. Rooker, Circuit Court Clerk				
ASSETS:				
Cash and cash equivalents	$ 37,896,096	$ 82,829,545	$ 106,434,392	$ 14,291,249
LIABILITIES:				
Funds held in custody for others	$ 29,717,047	$ 2,935,631	$ 24,105,506	$ 8,547,172
Other liabilities	8,179,049	79,893,914	82,328,886	5,744,077
Total liabilities	$ 37,896,096	$ 82,829,545	$ 106,434,392	$ 14,291,249
Cristi Scott, Clerk and Master				
ASSETS:				
Cash and cash equivalents	$ 5,056,684	$ 20,305,862	$ 19,371,175	$ 5,991,371
Mutual funds	13,965	2,023	123	15,865
Total assets	$ 5,070,649	$ 20,307,885	$ 19,371,298	$ 6,007,236
LIABILITIES:				
Funds held in custody for others	$ 5,062,998	$ 19,069,182	$ 18,132,650	$ 5,999,530
Other liabilities	7,651	1,238,703	1,238,648	7,706
Total liabilities	$ 5,070,649	$ 20,307,885	$ 19,371,298	$ 6,007,236
Brenda Wynn, County Clerk				
ASSETS:				
Cash and cash equivalents	$ 1,073,288	$ 66,947,314	$ 66,837,604	$ 1,182,998
LIABILITIES:				
Other liabilities	$ 1,073,288	$ 66,947,314	$ 66,837,604	$ 1,182,998
Howard Gentry, Criminal Court Clerk				
ASSETS:				
Cash and cash equivalents	$ 9,603,503	$ 14,943,214	$ 14,126,225	$ 10,420,492
Mortgages and real estate	1,423,200	-	132,100	1,291,100
Total assets	$ 11,026,703	$ 14,943,214	$ 14,258,325	$ 11,711,592
LIABILITIES:				
Funds held in custody for others	$ 9,764,228	$ 795,000	$ 324,100	$ 10,235,128
Other liabilities	1,262,475	14,148,214	13,934,225	1,476,464
Total liabilities	$ 11,026,703	$ 14,943,214	$ 14,258,325	$ 11,711,592

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AGENCY FUNDS (CONTINUED)

For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Bill Garrett, County Register				
ASSETS:				
Cash and cash equivalents	$ 4,138,460	$ 33,775,284	$ 32,973,446	$ 4,940,298
Other assets	25,737	7,195,873	7,164,465	57,145
Total assets	$ 4,164,197	$ 40,971,157	$ 40,137,911	$ 4,997,443
LIABILITIES:				
Other liabilities	$ 4,164,197	$ 40,971,157	$ 40,137,911	$ 4,997,443
David Smith, Juvenile Court Clerk				
ASSETS:				
Cash and cash equivalents	$ 2,083,022	$ 796,347	$ 940,690	$ 1,938,679
LIABILITIES:				
Funds held in custody for others	$ 1,793,857	$ 116,699	$ 221,752	$ 1,688,804
Other liabilities	289,165	679,648	718,938	249,875
Total liabilities	$ 2,083,022	$ 796,347	$ 940,690	$ 1,938,679
Sold Property Tax Receivables				
ASSETS:				
Cash and cash equivalents	$ 179,334	$ 32,310,500	$ 32,456,272	$ 33,562
Accounts receivable	34,721	-	34,721	-
Accrued interest receivable	53	2,781	2,823	11
Due from other funds of the primary government	3,167,603	1,845,517	3,167,603	1,845,517
Total assets	$ 3,381,711	$ 34,158,798	$ 35,661,419	$ 1,879,090
LIABILITIES:				
Funds held in custody for others	$ 3,381,711	$ 34,158,798	$ 35,661,419	$ 1,879,090
Sheriff Work Release and Inmate Trust				
ASSETS:				
Cash and cash equivalents	$ 367,330	$ 2,797,183	$ 2,798,582	$ 365,931
LIABILITIES:				
Funds held in custody for others	$ 367,330	$ 2,797,183	$ 2,798,582	$ 365,931
Planning Performance Bonds				
ASSETS:				
Cash and cash equivalents	$ 2,305,661	$ 154,134	$ 755,747	$ 1,704,048
LIABILITIES:				
Funds held in custody for others	$ 2,305,661	$ 154,134	$ 755,747	$ 1,704,048

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AGENCY FUNDS (CONTINUED)

For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Totals - All Agency Funds				
ASSETS:				
Cash and cash equivalents	$ 62,703,378	$ 254,859,383	$ 276,694,133	$ 40,868,628
Investments:				
Mortgages and real estate	1,423,200	-	132,100	1,291,100
Mutual funds	13,965	2,023	123	15,865
Accounts receivable	34,721	-	34,721	-
Accrued interest receivable	53	2,781	2,823	11
Due from other funds of the primary government	3,167,603	1,845,517	3,167,603	1,845,517
Other assets	25,737	7,195,873	7,164,465	57,145
Total assets	$ 67,368,657	$ 263,905,577	$ 287,195,968	$ 44,078,266
LIABILITIES:				
Funds held in custody for others	$ 52,392,832	$ 60,026,627	$ 81,999,756	$ 30,419,703
Other liabilities	14,975,825	203,878,950	205,196,212	13,658,563
Total liabilities	$ 67,368,657	$ 263,905,577	$ 287,195,968	$ 44,078,266

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF FIDUCIARY FUNDS

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

DAVIDSON COUNTY EMPLOYEES' RETIREMENT FUND

The Davidson County Employees' Retirement Fund covers certain employees of the former Davidson County and was closed to new members in 1963. Benefits are funded by contributions from the Government.

METROPOLITAN EMPLOYEES' BENEFIT TRUST FUND

Established in 1963, the Metropolitan Employees' Benefit Trust Fund covers substantially all employees who are not members of any other plan and is used to account for Divisions A & B of the Metro Plan. Division B of the Metro Plan is the only plan open to new members. This Plan is funded by the Government. Under the administrative responsibility of the Employee Benefit Board, this fund provides for the accumulation of assets for the payment of disability and retirement benefits for employees covered under this plan.

EMPLOYEES' PENSION AND INSURANCE FUND

The Employees' Pension and Insurance Fund covers teachers and classified employees of the Metropolitan Nashville Public Schools of the former Davidson County. The plan is closed to new members and is funded by contributions from the Government, employees and the State of Tennessee.

TEACHERS' RETIREMENT PLAN FUND

The Teachers' Retirement Plan Fund is funded by contributions from the Metropolitan Nashville Public Schools, employees and the State of Tennessee. The plan was closed to new members on July 1, 1969.

CLOSED CITY PLAN FUND

This fund accounts for two closed plans.

The Civil Service Employees' Pension Fund covers certain employees of the former City of Nashville and was closed to new members in 1963. Benefits are funded by contributions from the Government.

The Police and Fireman Pension Fund covers certain employees of the former City of Nashville and was closed to new members in 1963. Benefits are funded by contributions from the Government.

TEACHERS' CIVIL SERVICE AND PENSION FUND

The Teachers' Civil Service and Pension Fund covers eligible employees who were teachers of the former City of Nashville. Benefits are funded by contributions from the Government and the State of Tennessee.

METROPOLITAN EMPLOYEES' FLEXIBLE BENEFITS PLAN FUND

The Metropolitan Employees' Flexible Benefits Plan Fund was established to account for the pre-tax deductions withheld from compensation to employees of the Government for medical and dependent care reimbursement.

EDUCATION FLEXIBLE BENEFITS PLAN FUND

The Education Flexible Benefits Plan Fund was established to account for the pre-tax deductions withheld from compensation to employees of the Metropolitan Nashville Public School System for medical and dependent care reimbursement.

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
Brenda Wynn, County Clerk
Howard Gentry, Criminal Court Clerk
Bill Garrett, County Register
David Smith, Juvenile Court Clerk

SOLD PROPERTY TAX RECEIVABLES FUND

The Sold Property Tax Receivables Fund accounts for property tax funds collected by the Government on behalf of the buyers of certain property tax receivable balances.

SHERIFF WORK RELEASE AND INMATE TRUST FUND

The Sheriff Work Release and Inmate Trust Fund administers and accounts for the receipt and usage of individual inmates' personal funds through the Commissary and Work Release accounts.

PLANNING PERFORMANCE BONDS FUND

The Planning Performance Bonds Fund accounts for performance bond funds received from contractors held until the completion of infrastructure development projects.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET
SPORTS AUTHORITY FUND

June 30, 2014

ASSETS:		
Cash and cash equivalents	$	42,589,887
Investments		2,354,626
Accounts receivable		2,577,927
Accrued interest receivable		272
Notes receivable		28,683,006
Due from the primary government		11,499,871
Due from component units		7,724,493
Total assets	$	95,430,082
LIABILITIES:		
Accounts payable	$	9,299,544
Accrued payroll		4,830
Due to the primary government		1,637
Total liabilities		9,306,011
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - tax increment financing		28,000,000
Total deferred inflows of resources		28,000,000
FUND BALANCES:		
Restricted for capital projects		37,186,847
Restricted for debt service		13,250,722
Unassigned		7,686,502
Total fund balances		58,124,071
Total liabilities, deferred inflows of resources, and fund balances	$	95,430,082

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SPORTS AUTHORITY

June 30, 2014

Fund balances	$	58,124,071
Amounts reported in the Statement of Net Position are different because:		
Capital assets of governmental component units are not financial resources and therefore not reported in the Balance Sheet. However, they are reported in the Statement of Net Position. This amount represents the net book value of capital assets at year-end.		368,569,917
Long-term liabilities, including revenue bonds payable, are not due and payable in the current period and therefore are not reported by governmental component units in the Balance Sheet. However, they are reported in the Statement of Net Position. Additionally, related interest is accrued when incurred in the Statement of Net Position.		
Bonds payable		(157,060,000)
Line of credit		(4,845,012)
Less deferred charge on refunding		4,105,816
Add net bond premium/discount		(2,512,137)
Accrued interest payable		(2,888,171)
Compensated absences		(3,424)
Net position	$	263,491,060

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, 2014

REVENUES:	
Local option sales tax	$ 1,661,272
Other taxes, licenses and permits	4,752,549
Revenues from the use of money or property	871,435
Revenues from other governmental agencies	37,030,454
Charges for current services	3,981,300
Compensation for loss, sale or damage to property	694,528
Total revenues	48,991,538
EXPENDITURES:	
Personal services	200,475
Contractual services	25,627,523
Supplies and materials	684,690
Other costs	479,229
Capital outlay	49,572,033
Debt service:	
Principal retirement	6,303,842
Interest	3,964,078
Debt issue costs	1,291,708
Total expenditures	88,123,578
Excess (deficiency) of revenues over expenditures	(39,132,040)
OTHER FINANCING SOURCES (USES):	
Issuance of new debt	81,910,000
Issuance of refunding debt	25,925,000
Issue premium	1,986,297
Payments to refunded bond escrow agent	(25,653,149)
Total other financing sources (uses)	84,168,148
Net change in fund balances	45,036,108
FUND BALANCES, beginning of year	13,087,963
FUND BALANCES, end of year	$ 58,124,071

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, 2014

Net change in fund balances	$	45,036,108
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		49,572,033
Depreciation expense		(12,150,140)
The issuance of debt provides current financial resources to governmental component unit funds, but the issuance of debt increases long-term liabilities for governmental component unit activities. Repayment of principal is an expenditure in the governmental component unit funds but reduces long-term liabilities for governmental component unit activities. Also, governmental component unit funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental component unit activities.		
Issuance of debt		(107,835,000)
Principal repayments		6,303,842
Payments to refunded bond escrow agent		25,653,149
Amortization of deferred charge on refunding		(361,065)
Bond premium/discount		(1,781,052)
Amortization of premium/discount		110,512
Change in accrued interest		(1,199,599)
Compensated absences reported for governmental activities do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds.		(3,424)
Change in net position	$	3,345,364

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, 2014

ASSETS:		
Cash and cash equivalents	$	1,401,546
Accrued interest receivable		8
Total assets	$	1,401,554
LIABILITIES:		
Accounts payable	$	805,436
Total liabilities		805,436
FUND BALANCES:		
Unassigned		596,118
Total fund balances		596,118
Total liabilities and fund balances	$	1,401,554

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, 2014

REVENUES:		
Fines, forfeits and penalities	$	3,600
Revenue from the use of money or property		2,756
Revenue from other governmental agencies		1,450,879
Charges for current services		4,100
Total revenues		1,461,335
EXPENDITURES:		
Contractual services		427
Supplies and materials		393
Other costs		1,450,879
Total expenditures		1,451,699
Net change in fund balances		9,636
FUND BALANCES, beginning of year		586,482
FUND BALANCES, end of year	$	596,118

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

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF COMBINING BALANCE SHEETS
GENERAL FUND

June 30, 2014

	General Services District	Urban Services District	Total General Fund
ASSETS:			
Cash and cash equivalents	$ 81,348,531	$ 19,053,858	$ 100,402,389
Sales tax receivable	18,254,002	-	18,254,002
Accounts receivable	50,988,741	2,824,360	53,813,101
Accrued interest receivable	-	97	97
Property taxes receivable	382,645,812	82,096,121	464,741,933
Allowance for doubtful accounts	(13,961,782)	(1,161,995)	(15,123,777)
Due from other funds of the primary government	3,605,525	106,194	3,711,719
Due from component units	4,427,337	-	4,427,337
Inventories of supplies	290,295	-	290,295
Other assets	300,622	-	300,622
Total assets	$ 527,899,083	$ 102,918,635	$ 630,817,718
LIABILITIES:			
Accounts payable	$ 12,408,052	$ 661,692	$ 13,069,744
Accrued payroll	17,006,959	2,611,398	19,618,357
Due to other funds of the primary government	7,161,570	353,821	7,515,391
Due to component units	66,042	-	66,042
Other liabilities	1,729,535	-	1,729,535
Total liabilities	38,372,158	3,626,911	41,999,069
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	380,472,828	80,742,805	461,215,633
Unavailable revenue - other revenues	9,396,644	1,189,469	10,586,113
Total deferred inflow of resources	389,869,472	81,932,274	471,801,746
FUND BALANCES:			
Nonspendable	525,930	-	525,930
Assigned for subsequent year budgetary appropriations	26,627,700	5,397,100	32,024,800
Assigned for specific projects	2,408,900	407,200	2,816,100
Unassigned	70,094,923	11,555,150	81,650,073
Total fund balances	99,657,453	17,359,450	117,016,903
Total liabilities,deferred inflows of resources, and fund balances	$ 527,899,083	$ 102,918,635	$ 630,817,718

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND

For the Year Ended June 30, 2014

	General Services District	Urban Services District	Total General Fund
REVENUES:			
Property taxes	$ 395,485,643	$ 96,162,244	$ 491,647,887
Local option sales tax	102,395,435	-	102,395,435
Other taxes, licenses and permits	113,300,986	7,326,133	120,627,119
Fines, forfeits and penalties	12,780,838	-	12,780,838
Revenues from the use of money or property	179,418	19,485	198,903
Revenues from other governmental agencies	85,513,640	1,899,000	87,412,640
Commissions and fees	14,790,053	-	14,790,053
Charges for current services	29,253,934	1,742,231	30,996,165
Compensation for loss, sale or damage to property	1,193,663	-	1,193,663
Contributions and gifts	359,992	-	359,992
Miscellaneous	1,567,356	-	1,567,356
Total revenues	756,820,958	107,149,093	863,970,051
EXPENDITURES:			
General government	25,903,721	-	25,903,721
Fiscal administration	21,517,557	-	21,517,557
Administration of justice	56,599,410	-	56,599,410
Law enforcement and care of prisoners	240,770,156	-	240,770,156
Fire prevention and control	46,502,993	62,708,958	109,211,951
Regulation and inspection	7,615,499	-	7,615,499
Conservation of natural resources	357,658	-	357,658
Public welfare	7,944,408	-	7,944,408
Public health and hospitals	62,670,990	-	62,670,990
Public library system	21,426,128	-	21,426,128
Public works, highways and streets	22,024,608	9,905,670	31,930,278
Recreational and cultural	34,535,016	-	34,535,016
Employee benefits	58,456,376	20,587,116	79,043,492
Miscellaneous	85,910,341	1,799,593	87,709,934
Total expenditures	692,234,861	95,001,337	787,236,198
Excess of revenues over expenditures	64,586,097	12,147,756	76,733,853
OTHER FINANCING SOURCES (USES):			
Transfers in	20,174,668	-	20,174,668
Transfers out	(71,084,583)	(9,345,300)	(80,429,883)
Total other financing sources (uses)	(50,909,915)	(9,345,300)	(60,255,215)
Net change in fund balances	13,676,182	2,802,456	16,478,638
FUND BALANCES, beginning of year	85,981,271	14,556,994	100,538,265
FUND BALANCES, end of year	$ 99,657,453	$ 17,359,450	$ 117,016,903

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

	General Services District			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 397,941,100	$ 397,941,100	$ 395,485,643	$ (2,455,457)
Local option sales tax	105,588,000	105,588,000	102,395,435	(3,192,565)
Other taxes, licenses and permits	101,196,600	101,196,600	113,300,986	12,104,386
Fines, forfeits and penalties	11,102,000	11,102,000	12,780,838	1,678,838
Revenues from the use of money or property	-	-	179,418	179,418
Revenues from other governmental agencies	76,291,200	76,291,200	85,513,640	9,222,440
Commissions and fees	12,949,500	12,949,500	14,790,053	1,840,553
Charges for current services	31,597,000	31,597,000	29,253,934	(2,343,066)
Compensation for loss, sale or damage to property	412,100	412,100	1,193,663	781,563
Contributions and gifts	355,300	355,300	359,992	4,692
Miscellaneous	1,539,000	1,539,000	1,567,356	28,356
Total revenues	738,971,800	738,971,800	756,820,958	17,849,158
EXPENDITURES:				
General government	26,161,400	26,850,400	25,903,721	946,679
Fiscal administration	23,296,600	23,466,400	21,517,557	1,948,843
Administration of justice	57,926,800	58,162,300	56,599,410	1,562,890
Law enforcement and care of prisoners	238,233,300	244,538,700	240,770,156	3,768,544
Fire prevention and control	48,434,900	48,806,100	46,502,993	2,303,107
Regulation and inspection	8,680,100	8,556,100	7,615,499	940,601
Conservation of natural resources	385,200	387,500	357,658	29,842
Public welfare	8,260,000	8,372,300	7,944,408	427,892
Public health and hospitals	57,386,000	62,780,700	62,670,990	109,710
Public library system	21,988,500	22,095,200	21,426,128	669,072
Public works, highways and streets	22,588,400	22,531,300	22,024,608	506,692
Recreational and cultural	35,631,700	35,440,500	34,535,016	905,484
Employee benefits	57,517,000	57,517,000	58,456,376	(939,376)
Miscellaneous	95,219,900	89,727,400	85,910,341	3,817,059
Total expenditures	701,709,800	709,231,900	692,234,861	16,997,039
Excess (deficiency) of revenues over expenditures	37,262,000	29,739,900	64,586,097	34,846,197
OTHER FINANCING SOURCES (USES):				
Transfers in	18,696,300	18,696,300	20,174,668	1,478,368
Transfers out	(65,771,400)	(71,428,800)	(71,084,583)	344,217
Total other financing sources (uses)	(47,075,100)	(52,732,500)	(50,909,915)	1,822,585
Net change in fund balances	(9,813,100)	(22,992,600)	13,676,182	36,668,782
FUND BALANCES, beginning of year	85,981,271	85,981,271	85,981,271	-
FUND BALANCES, end of year	$ 76,168,171	$ 62,988,671	$ 99,657,453	$ 36,668,782

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)

For the Year Ended June 30, 2014

Urban Services District				Total General Fund			
Budgeted Amounts		Actual	Variance with Final Budget - Positive	Budgeted Amounts		Actual	Variance with Final Budget - Positive
Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
$ 94,557,200	$ 94,557,200	$ 96,162,244	$ 1,605,044	$ 492,498,300	$ 492,498,300	$ 491,647,887	$ (850,413)
-	-	-	-	105,588,000	105,588,000	102,395,435	(3,192,565)
4,572,500	4,572,500	7,326,133	2,753,633	105,769,100	105,769,100	120,627,119	14,858,019
-	-	-	-	11,102,000	11,102,000	12,780,838	1,678,838
-	-	19,485	19,485	-	-	198,903	198,903
1,914,000	1,914,000	1,899,000	(15,000)	78,205,200	78,205,200	87,412,640	9,207,440
-	-	-	-	12,949,500	12,949,500	14,790,053	1,840,553
1,315,800	1,315,800	1,742,231	426,431	32,912,800	32,912,800	30,996,165	(1,916,635)
100,000	100,000	-	(100,000)	512,100	512,100	1,193,663	681,563
-	-	-	-	355,300	355,300	359,992	4,692
-	-	-	-	1,539,000	1,539,000	1,567,356	28,356
102,459,500	102,459,500	107,149,093	4,689,593	841,431,300	841,431,300	863,970,051	22,538,751
-	-	-	-	26,161,400	26,850,400	25,903,721	946,679
-	-	-	-	23,296,600	23,466,400	21,517,557	1,948,843
-	-	-	-	57,926,800	58,162,300	56,599,410	1,562,890
-	-	-	-	238,233,300	244,538,700	240,770,156	3,768,544
63,333,700	64,038,500	62,708,958	1,329,542	111,768,600	112,844,600	109,211,951	3,632,649
-	-	-	-	8,680,100	8,556,100	7,615,499	940,601
-	-	-	-	385,200	387,500	357,658	29,842
-	-	-	-	8,260,000	8,372,300	7,944,408	427,892
-	-	-	-	57,386,000	62,780,700	62,670,990	109,710
-	-	-	-	21,988,500	22,095,200	21,426,128	669,072
9,888,300	9,913,200	9,905,670	7,530	32,476,700	32,444,500	31,930,278	514,222
-	-	-	-	35,631,700	35,440,500	34,535,016	905,484
20,989,700	20,989,700	20,587,116	402,584	78,506,700	78,506,700	79,043,492	(536,792)
4,164,700	3,435,000	1,799,593	1,635,407	99,384,600	93,162,400	87,709,934	5,452,466
98,376,400	98,376,400	95,001,337	3,375,063	800,086,200	807,608,300	787,236,198	20,372,102
4,083,100	4,083,100	12,147,756	8,064,656	41,345,100	33,823,000	76,733,853	42,910,853
-	-	-	-	18,696,300	18,696,300	20,174,668	1,478,368
(9,345,300)	(9,345,300)	(9,345,300)	-	(75,116,700)	(80,774,100)	(80,429,883)	344,217
(9,345,300)	(9,345,300)	(9,345,300)	-	(56,420,400)	(62,077,800)	(60,255,215)	1,822,585
(5,262,200)	(5,262,200)	2,802,456	8,064,656	(15,075,300)	(28,254,800)	16,478,638	44,733,438
14,556,994	14,556,994	14,556,994	-	100,538,265	100,538,265	100,538,265	-
$ 9,294,794	$ 9,294,794	$ 17,359,450	$ 8,064,656	$ 85,462,965	$ 72,283,465	$ 117,016,903	$ 44,733,438

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND - GENERAL SERVICES DISTRICT

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
GENERAL GOVERNMENT:				
Legislative (Office of Clerk and Council)	$ 2,738,100	$ 2,795,600	$ 2,717,089	$ 78,511
Executive (Office of the Mayor)	3,091,200	3,105,500	2,980,221	125,279
Election Commission	2,828,200	3,165,100	3,065,034	100,066
Department of Law	5,234,600	5,383,100	5,314,417	68,683
Planning Commission	4,069,600	4,113,000	3,979,210	133,790
Human Resources	4,182,500	4,208,000	3,915,097	292,903
County Register of Deeds	348,700	348,700	348,438	262
General Services	1,190,800	1,196,800	1,064,687	132,113
Historical Commission	706,100	720,500	716,025	4,475
Telecommunications	1,771,600	1,814,100	1,803,503	10,597
Total General Government	26,161,400	26,850,400	25,903,721	946,679
FISCAL ADMINISTRATION:				
Department of Finance	7,955,600	8,047,900	7,473,186	574,714
Assessor of Property	7,408,300	7,439,700	6,613,692	826,008
Metropolitan Trustee	2,360,100	2,380,300	2,263,619	116,681
County Clerk	4,399,800	4,419,200	4,093,291	325,909
Internal Audit	1,172,800	1,179,300	1,073,769	105,531
Total Fiscal Administration	23,296,600	23,466,400	21,517,557	1,948,843
ADMINISTRATION OF JUSTICE:				
District Attorney	5,460,800	5,492,900	5,492,553	347
Public Defender	6,580,500	6,616,500	6,158,954	457,546
Juvenile Court Clerk	1,571,900	1,585,200	1,578,030	7,170
Circuit Court Clerk	3,814,500	3,852,500	3,581,927	270,573
Criminal Court Clerk	5,355,700	5,488,700	5,378,487	110,213
Clerk and Master	1,576,100	1,584,300	1,437,376	146,924
Juvenile Court	12,429,600	12,095,300	11,667,570	427,730
General Sessions Court	10,578,500	10,775,100	10,666,288	108,812
State Trial Courts	7,973,700	8,017,900	8,006,729	11,171
Justice Information System	2,167,400	2,214,200	2,199,568	14,632
Criminal Justice Planning	418,100	439,700	431,928	7,772
Total Administration of Justice	57,926,800	58,162,300	56,599,410	1,562,890
LAW ENFORCEMENT AND CARE OF PRISONERS:				
Sheriff	61,452,300	62,866,500	62,822,445	44,055
Police Department	163,725,200	168,374,500	165,064,433	3,310,067
Emergency Communication Center	13,055,800	13,297,700	12,883,278	414,422
Total Law Enforcement and Care of Prisoners	238,233,300	244,538,700	240,770,156	3,768,544
FIRE PREVENTION AND CONTROL:				
Fire Department	48,434,900	48,806,100	46,502,993	2,303,107
REGULATION AND INSPECTION:				
Department of Codes Administration	8,313,800	8,187,500	7,269,369	918,131
Beer Board	366,300	368,600	346,130	22,470
Total Regulation and Inspection	8,680,100	8,556,100	7,615,499	940,601

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND - GENERAL SERVICES DISTRICT (CONTINUED)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
CONSERVATION OF NATURAL RESOURCES:				
Agricultural Extension Service	$ 300,700	$ 302,500	$ 275,688	$ 26,812
Soil and Water Conservation	84,500	85,000	81,970	3,030
Total Conservation of Natural Resources	385,200	387,500	357,658	29,842
PUBLIC WELFARE:				
Social Services Commission	7,825,700	7,936,200	7,528,805	407,395
Human Relations Commission	434,300	436,100	415,603	20,497
Total Public Welfare	8,260,000	8,372,300	7,944,408	427,892
PUBLIC HEALTH AND HOSPITALS:				
Board of Health	18,695,300	18,862,900	18,753,190	109,710
Hospital Authority	38,690,700	43,917,800	43,917,800	-
Total Public Health and Hospitals	57,386,000	62,780,700	62,670,990	109,710
PUBLIC LIBRARY SYSTEM:				
Public Library	21,988,500	22,095,200	21,426,128	669,072
PUBLIC WORKS, HIGHWAYS AND STREETS:				
Public Works	22,588,400	22,531,300	22,024,608	506,692
RECREATIONAL AND CULTURAL:				
Parks and Recreation	32,355,700	32,152,200	31,258,450	893,750
Arts Commission	2,601,900	2,612,800	2,602,466	10,334
Sports Authority	674,100	675,500	674,100	1,400
Total Recreational and Cultural	35,631,700	35,440,500	34,535,016	905,484
EMPLOYEE BENEFITS:				
Contribution to Closed Pension Plans	10,402,300	10,402,300	10,402,300	-
Employer's Contribution for Group Health Insurance	44,617,000	44,617,000	46,106,688	(1,489,688)
Unemployment Compensation	561,200	561,200	152,268	408,932
Employer's Contribution for Group Life Insurance	1,936,500	1,936,500	1,795,120	141,380
Total Employee Benefits	57,517,000	57,517,000	58,456,376	(939,376)

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND - GENERAL SERVICES DISTRICT (CONTINUED)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
MISCELLANEOUS:				
Contributions and Community Support	$ 19,372,400	$ 20,005,800	$ 17,998,717	$ 2,007,083
Subsidies	40,098,300	40,098,300	40,311,522	(213,222)
Administration and Internal Support	35,749,200	29,623,300	27,600,102	2,023,198
Total Miscellaneous	95,219,900	89,727,400	85,910,341	3,817,059
Total Expenditures	$ 701,709,800	$ 709,231,900	$ 692,234,861	$ 16,997,039
TRANSFERS IN:				
USD General Fund	$ 481,000	$ 481,000	$ 481,000	$ -
General Purpose School Fund	192,000	192,000	192,000	-
GSD Capital Projects Fund	30,000	30,000	30,000	-
Nonmajor Governmental Funds	9,634,500	9,634,500	11,469,360	1,834,860
District Energy System	48,200	48,200	3,600	(44,600)
Water and Sewerage Services	5,815,600	5,815,600	5,487,400	(328,200)
Nonmajor Enterprise Funds	557,200	557,200	573,508	16,308
Internal Service Funds	1,937,800	1,937,800	1,937,800	-
Total Transfers In	18,696,300	18,696,300	20,174,668	1,478,368
TRANSFERS OUT:				
GSD General Purpose Debt Service Fund	(3,200,000)	(3,521,300)	(3,521,300)	-
Nonmajor Governmental Funds	(38,664,800)	(43,192,200)	(42,866,512)	325,688
District Energy System	(1,958,300)	(1,958,300)	(1,958,300)	-
Nonmajor Enterprise Funds	(806,100)	(1,506,500)	(1,506,500)	-
Internal Service Funds	(21,142,200)	(21,175,500)	(21,154,783)	20,717
Fiduciary Funds	-	(75,000)	(77,188)	(2,188)
Total Transfers Out	(65,771,400)	(71,428,800)	(71,084,583)	344,217
Total Other Financing Sources (Uses)	$ (47,075,100)	$ (52,732,500)	$ (50,909,915)	$ 1,822,585

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND - URBAN SERVICES DISTRICT

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
FIRE PREVENTION AND CONTROL:				
Fire Department	$ 63,333,700	$ 64,038,500	$ 62,708,958	$ 1,329,542
PUBLIC WORKS, HIGHWAYS AND STREETS:				
Public Works	9,888,300	9,913,200	9,905,670	7,530
EMPLOYEE BENEFITS:				
Contribution to Closed Pension Plans	18,890,100	18,890,100	18,890,100	-
Employer's Contribution for Group Health Insurance	2,021,100	2,021,100	1,648,146	372,954
Employer's Contribution for Group Life Insurance	78,500	78,500	48,870	29,630
Total Employee Benefits	20,989,700	20,989,700	20,587,116	402,584
MISCELLANEOUS:				
Administration and Internal Support	4,164,700	3,435,000	1,799,593	1,635,407
Total Miscellaneous	4,164,700	3,435,000	1,799,593	1,635,407
Total Expenditures	$ 98,376,400	$ 98,376,400	$ 95,001,337	$ 3,375,063
TRANSFERS OUT:				
GSD General Fund	$ (481,000)	$ (481,000)	$ (481,000)	$ -
Nonmajor Governmental Funds	(6,555,300)	(6,555,300)	(6,555,300)	-
Internal Service Funds	(2,309,000)	(2,309,000)	(2,309,000)	-
Total Transfers Out	(9,345,300)	(9,345,300)	(9,345,300)	-
Total Other Financing Sources (Uses)	$ (9,345,300)	$ (9,345,300)	$ (9,345,300)	$ -

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND

June 30, 2014

	Total Delinquent Property Taxes Receivable	General Services District				
		Total	General Fund	School Fund	Debt Service Fund	School Debt Service Fund
2013 Realty	$ 2,985,321	$ 2,647,092	$ 1,264,372	$ 969,751	$ 289,693	$ 123,276
2013 Personalty	1,310,608	1,158,004	552,834	424,430	126,788	53,952
2013 Public Utility	41,405	35,293	16,760	12,998	3,883	1,652
Total 2012 Property Taxes	4,337,334	3,840,389	1,833,966	1,407,179	420,364	178,880
2012 Realty	637,510	587,686	282,178	205,627	63,158	36,723
2012 Personalty	356,618	315,633	150,716	111,001	34,093	19,823
2012 Public Utility	135,080	114,798	54,501	40,585	12,465	7,247
Total 2011 Property Taxes	1,129,208	1,018,117	487,395	357,213	109,716	63,793
2011 & Prior - Realty	1,000,795	890,466	370,051	349,784	124,823	45,808
2011 & Prior - Personalty	5,617,196	4,897,237	2,464,690	1,628,179	594,015	210,353
2011 & Prior - Public Utility	1,211,030	1,026,186	511,513	344,621	122,505	47,547
Total 2010 & Prior Property Taxes	7,829,021	6,813,889	3,346,254	2,322,584	841,343	303,708
Total Delinquent Property Taxes Receivable *	$ 13,295,563	$ 11,672,395	$ 5,667,615	$ 4,086,976	$ 1,371,423	$ 546,381

* Excludes 2014 Property Tax Levy

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND (CONTINUED)

June 30, 2014

	Urban Services District	
Total	General Fund	Debt Service Fund
$ 338,229	$ 281,857	$ 56,372
152,604	127,169	25,435
6,112	5,093	1,019
496,945	414,119	82,826
49,824	41,994	7,830
40,985	34,544	6,441
20,282	17,095	3,187
111,091	93,633	17,458
110,329	93,099	17,230
719,959	616,225	103,734
184,844	160,193	24,651
1,015,132	869,517	145,615
$ 1,623,168	$ 1,377,269	$ 245,899

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY TYPE

June 30, 2014

	Year of Levy	Realty	Personalty	Public Utility	Total
General Services District	2013	$ 2,647,092	$ 1,158,004	$ 35,293	$ 3,840,389
	2012	587,686	315,633	114,798	1,018,117
	2011	345,359	357,055	50,195	752,609
	2010	173,629	503,852	8,526	686,007
	2009	97,306	600,931	148,486	846,723
	2008	75,555	721,934	26,808	824,297
	2007	134,547	1,036,463	325,585	1,496,595
	2006	6,629	627,027	53,418	687,074
	2005	(8,978)	425,930	68,858	485,810
	2004	5,585	316,340	89,811	411,736
	2003	60,834	307,705	254,499	623,038
Total General Services District		4,125,244	6,370,874	1,176,277	11,672,395
Urban Services District	2013	338,229	152,604	6,112	496,945
	2012	49,824	40,985	20,282	111,091
	2011	25,194	50,387	9,168	84,749
	2010	22,569	69,723	1,368	93,660
	2009	19,861	81,583	24,357	125,801
	2008	9,031	100,908	3,284	113,223
	2007	16,498	151,302	58,089	225,889
	2006	4,532	95,495	8,726	108,753
	2005	11,306	67,261	9,174	87,741
	2004	5,489	57,156	19,878	82,523
	2003	(4,151)	46,144	50,800	92,793
Total Urban Services District		498,382	913,548	211,238	1,623,168
Total Delinquent Property Taxes Receivable *		$ 4,623,626	$ 7,284,422	$ 1,387,515	$ 13,295,563

* Excludes 2014 Property Tax Levy

See accompanying auditors' report.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE
GENERAL SERVICES DISTRICT

June 30, 2014

Description	Interest Rate	Date of Issue
GENERAL OBLIGATION BONDS PAYABLE		
For General Purposes:		
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	March 15, 2008
GSD G.O. Improvement and Refunding Bonds, Series 2010A	2.75 - 5.00	June 10, 2010
GSD G.O. Improvement Bonds Federally Taxable (BAB's), Series 2010B	5.71	June 10, 2010
GSD G.O. Refunding Bonds Federally Taxable (BAB's), Series 2010C	2.21 - 3.23	June 10, 2010
GSD G.O. Refunding Bonds, Series 2010D	1.50 - 5.00	Sept. 21, 2010
GSD G.O. Refunding Bonds, Series 2011	2.00 - 5.00	Sept. 29, 2011
GSD G.O. Refunding Bonds, Series 2012	2.00 - 5.00	Feb. 2, 2012
GSD G.O. Improvement Bonds (QECB), Series 2012	3.367	Aug. 15, 2012
GSD G.O. Refunding Bonds, Series 2012B	.320 - 2.767	Aug. 15, 2012
GSD G.O. Refunding Bonds, Series 2013	2.00 - 5.00	Feb. 21, 2013
GSD G.O. Improvement Bonds, Series 2013A	3.00 - 5.00	May 9, 2013
Total General Obligation Bonds Payable For General Purposes		
For School Purposes:		
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	March 15, 2008
GSD G.O. Improvement and Refunding Bonds, Series 2010A	2.75 - 5.00	June 10, 2010
GSD G.O. Improvement Bonds Federally Taxable (BAB's), Series 2010B	5.71	June 10, 2010
GSD G.O. Refunding Bonds Federally Taxable (BAB's), Series 2010C	2.21 - 3.23	June 10, 2010
GSD G.O. Refunding Bonds, Series 2010D	1.50 - 5.00	Sept. 21, 2010
GSD G.O. Refunding Bonds, Series 2011	2.00 - 5.00	Sept. 29, 2011
GSD G.O. Refunding Bonds, Series 2012	2.00 - 5.00	Feb. 2, 2012
GSD G.O. Refunding Bonds, Series 2012B	.320 - 2.767	Aug. 15, 2012
GSD G.O. Refunding Bonds, Series 2013	2.00 - 5.00	Feb. 21, 2013
GSD G.O. Improvement Bonds, Series 2013A	3.00 - 5.00	May 9, 2013
Total General Obligation Bonds Payable for School Purposes		
Total General Obligation Bonds Payable - General Services District		
Total Bonds Payable - General Services District		

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE (CONTINUED)
GENERAL SERVICES DISTRICT

June 30, 2014

Date of Final Maturity	Amount of Issue	Principal Amount Outstanding June 30, 2014	Interest to Maturity as of June 30, 2014
Nov. 14, 2016	$ 48,367,055	$ 19,327,038	$ 1,481,559
Jan. 1, 2025	49,817,419	4,714,056	356,425
Jan. 1, 2020	108,212,477	28,597,458	2,300,950
Feb. 1, 2026	150,292,131	6,703,450	335,172
Feb. 1, 2026	113,783,394	15,331,363	1,040,258
May 15, 2030	125,908,003	79,791,515	30,659,528
Jan. 1, 2028	174,880,073	11,787,370	2,357,475
July 1, 2026	159,008,728	159,008,728	49,136,730
July 1, 2034	138,046,756	138,046,756	133,383,629
July 1, 2015	25,653,536	21,102,239	517,686
July 1, 2024	144,150,016	126,316,793	32,564,801
July 1, 2023	49,712,377	44,124,812	13,667,400
July 1, 2025	154,956,701	154,956,701	58,450,719
Aug. 1, 2027	6,440,000	6,440,000	2,927,270
July 1, 2024	67,480,283	65,932,052	9,911,496
July 1, 2027	138,755,487	138,755,487	69,396,551
Jan. 1, 2033	253,070,885	253,070,885	175,326,657
	1,908,535,321	1,274,006,703	583,814,306
Nov. 14, 2016	2,972,945	1,187,962	91,066
Jan. 1, 2025	79,503,345	7,523,136	568,815
Jan. 1, 2020	76,238,996	19,902,645	1,599,008
Feb. 1, 2026	43,740,078	1,950,931	97,550
Feb. 1, 2026	69,160,188	9,318,759	632,365
May 15, 2030	58,421,307	36,976,352	14,002,008
Jan. 1, 2028	95,095,340	6,409,673	1,281,935
July 1, 2026	114,567,598	114,567,598	34,283,819
July 1, 2034	70,516,649	70,516,649	68,134,643
July 1, 2015	20,052,863	16,495,203	404,664
July 1, 2024	120,126,326	105,265,147	27,137,630
July 1, 2023	32,574,740	29,517,305	8,559,911
July 1, 2025	53,280,200	53,280,200	20,097,654
July 1, 2024	62,161,564	60,735,363	9,130,284
July 1, 2027	82,814,365	82,814,365	41,418,408
Jan. 1, 2033	84,932,213	84,932,213	58,840,751
	1,066,158,717	701,393,501	286,280,511
	2,974,694,038	1,975,400,204	870,094,817
	$ 2,974,694,038	$ 1,975,400,204	$ 870,094,817

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE (CONTINUED)
URBAN SERVICES DISTRICT

June 30, 2014

Description	Interest Rate	Date of Issue
GENERAL OBLIGATION BONDS PAYABLE		
USD G.O. (Tax Exempt) Thermal Refunding Bonds, 2002	4.25 - 5.25	April 1, 2002
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	March 15, 2008
USD G.O. Improvement and Refunding Bonds, Series 2010A	2.75 - 5.00	June 10, 2010
USD G.O. Improvement Bonds Federally Taxable (BAB's), Series 2010B	5.71	June 10, 2010
USD G.O. Refunding Bonds Federally Taxable (BAB's), Series 2010C	2.21 - 3.23	June 10, 2010
USD G.O. Refunding Bonds, Series 2010D	1.50 - 5.00	Sept. 21, 2010
USD G.O. Refunding Bonds, Series 2011	2.00 - 5.00	Sept. 29, 2011
USD G.O. Refunding Bonds, Series 2012	2.00 - 5.00	Feb. 2, 2012
USD G.O. Refunding Bonds, Series 2012B	.320 - 2.767	Aug. 15, 2012
USD G.O. Refunding Bonds, Series 2013	2.00 - 5.00	Feb. 21, 2013
USD G.O. Improvement Bonds, Series 2013A	3.00 - 5.00	May 9, 2013
Total General Obligation Bonds Payable (governmental activities)		
USD G.O. Multi-purpose Bonds, Series 2005A (1)	4.25 - 5.25	May 1, 2005
USD G.O. Improvement and Refunding Bonds, Series 2010A (1)	2.21 - 5.71	June 10, 2010
USD G.O. Refunding Bonds Federally Taxable (BAB's), Series 2010C (1)	2.21 - 3.23	June 10, 2010
USD G.O. Refunding Bonds, Series 2010D (1)	1.50 - 5.00	Sept. 21, 2010
USD G.O. Refunding Bonds, Series 2011 (1)	2.00 - 5.00	Sept. 29, 2011
District Energy System Revenue Refunding Bonds, Series 2012A	2.00 - 5.00	Aug. 15, 2012
USD G.O. Refunding Bonds, Series 2012B (1)	.320 - 2.767	Aug. 15, 2012
USD G.O. Improvement Bonds, Series 2013A (1)	3.00 - 5.00	May 9, 2013
Total General Obligation Bonds Payable (business-type activities)		
Total General Obligation Bonds Payable - Urban Services District		
REVENUE BONDS PAYABLE		
Dept. of Water and Sewerage Revenue Refunding Bonds, Series 2007	4.25 - 5.00	July 15, 2007
Dept. of Water and Sewerage Revenue Refunding Bonds, Series 2008A	3.25 - 5.25	Feb. 15, 2008
Dept. of Water and Sewerage Revenue Refunding Bonds, Series 2010A	3.00 - 5.00	Dec. 9, 2010
Dept. of Water and Sewerage Revenue Bonds Federally Taxable (BAB's), Series 2010B	6.393 - 6.568	Dec. 9, 2010
Dept. of Water and Sewerage Revenue Bonds Federally Taxable, Series 2010C	6.693	Dec. 9, 2010
Dept. of Water and Sewerage Revenue Refunding Bonds Federally Taxable, Series 2010D	4.255 - 4.791	Dec. 9, 2010
Dept. of Water and Sewerage Revenue Refunding Bonds, Series 2012	1.00 - 5.00	Feb. 2, 2012
Dept. of Water and Sewerage Revenue Bonds, Series 2013	3.00 - 5.00	Apr. 25, 2013
Total Revenue Bonds Payable - Department of Water and Sewerage		
Total Revenue Bonds Payable - Urban Services District		
Total Bonds Payable - Urban Services District		

(1) Portions of these USD G.O. Bonds are directly related to the District Energy System, a proprietary fund, and intended to be repaid from resources of the District Energy System. Therefore, the liability is reported in business-type activities.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE (CONTINUED)
URBAN SERVICES DISTRICT

June 30, 2014

Date of Final Maturity	Amount of Issue	Principal Amount Outstanding June 30, 2014	Interest to Maturity as of June 30, 2014
July 1, 2014	$ 31,065,000	$ 2,645,000	$ 69,430
Jan. 1, 2025	13,979,236	1,322,808	100,016
Jan. 1, 2020	6,008,527	1,579,897	127,042
Feb. 1, 2026	19,967,791	890,619	44,528
Feb. 1, 2026	20,371,418	2,744,878	186,252
May 15, 2030	2,560,690	1,622,133	620,438
Jan. 1, 2028	38,024,587	2,562,957	512,591
July 1, 2026	22,899,473	22,899,473	5,796,507
July 1, 2034	43,441,595	43,441,595	41,974,166
July 1, 2015	5,488,045	4,514,389	110,749
July 1, 2024	25,925,413	22,718,105	5,856,787
July 1, 2023	6,688,796	6,688,796	2,306,315
July 1, 2025	18,873,099	18,873,099	7,119,061
July 1, 2024	7,471,610	7,300,185	1,097,429
July 1, 2027	23,915,148	23,915,148	11,960,816
Jan. 1, 2033	30,135,613	30,135,613	20,877,851
	316,816,041	193,854,695	98,759,978
Jan. 1, 2025	7,695,000	765,000	57,745
July 1, 2034	274,201	274,201	51,982
July 1, 2015	290,556	273,169	7,983
July 1, 2024	1,158,245	1,014,955	261,657
July 1, 2023	504,087	504,087	219,951
Oct. 1, 2033	47,450,000	45,960,000	23,106,575
July 1, 2024	3,231,543	3,157,400	474,649
Jan. 1, 2033	6,526,289	6,526,289	4,521,392
	67,129,921	58,475,101	28,701,934
	383,945,962	252,329,796	127,461,912
Jan. 1, 2016	36,240,000	12,870,000	729,600
Jan. 1, 2022	122,530,000	101,720,000	25,702,762
July 1, 2027	104,050,000	104,050,000	34,388,875
July 1, 2037	135,000,000	135,000,000	165,819,423
July 1, 2041	75,000,000	75,000,000	129,833,156
July 1, 2018	7,610,000	7,610,000	1,199,322
July 1, 2023	129,625,000	122,505,000	34,382,875
July 1, 2033	237,930,000	237,930,000	231,739,475
	847,985,000	796,685,000	623,795,488
	847,985,000	796,685,000	623,795,488
	$ 1,231,930,962	$ 1,049,014,796	$ 751,257,400

See accompanying auditors' 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, 2014

Year Ending June 30	Total Bonded Debt			General Obligation Bonds Total General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	$ 99,320,725	$ 91,264,008	$ 190,584,733	$ 99,320,725	$ 91,264,008	$ 190,584,733
2016	102,766,654	87,027,492	189,794,146	102,766,654	87,027,492	189,794,146
2017	111,436,743	81,585,714	193,022,457	111,436,743	81,585,714	193,022,457
2018	111,232,661	77,403,596	188,636,257	111,232,661	77,403,596	188,636,257
2019	117,097,046	72,308,858	189,405,904	117,097,046	72,308,858	189,405,904
2020	116,763,142	67,427,984	184,191,126	116,763,142	67,427,984	184,191,126
2021	122,010,975	62,143,126	184,154,101	122,010,975	62,143,126	184,154,101
2022	124,368,545	56,187,068	180,555,613	124,368,545	56,187,068	180,555,613
2023	131,360,533	50,066,566	181,427,099	131,360,533	50,066,566	181,427,099
2024	139,615,618	43,748,139	183,363,757	139,615,618	43,748,139	183,363,757
2025	137,683,109	37,850,797	175,533,906	137,683,109	37,850,797	175,533,906
2026	118,192,470	32,124,604	150,317,074	118,192,470	32,124,604	150,317,074
2027	100,678,786	26,770,542	127,449,328	100,678,786	26,770,542	127,449,328
2028	95,981,725	21,848,612	117,830,337	95,981,725	21,848,612	117,830,337
2029	56,021,026	17,903,957	73,924,983	56,021,026	17,903,957	73,924,983
2030	58,526,812	14,941,795	73,468,607	58,526,812	14,941,795	73,468,607
2031	56,590,613	11,848,316	68,438,929	56,590,613	11,848,316	68,438,929
2032	59,128,994	8,822,624	67,951,618	59,128,994	8,822,624	67,951,618
2033	61,790,322	5,662,483	67,452,805	61,790,322	5,662,483	67,452,805
2034	26,905,801	2,361,602	29,267,403	26,905,801	2,361,602	29,267,403
2035	27,927,904	796,934	28,724,838	27,927,904	796,934	28,724,838
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
	$ 1,975,400,204	$ 870,094,817	$ 2,845,495,021	$ 1,975,400,204	$ 870,094,817	$ 2,845,495,021

See accompanying auditors' 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, 2014

General Obligation Bonds					
For General Purposes			For School Purposes		
Principal	Interest	Total	Principal	Interest	Total
$ 60,734,952	$ 59,551,388	$ 120,286,340	$ 38,585,773	$ 31,712,620	$ 70,298,393
61,761,556	56,923,078	118,684,634	41,005,098	30,104,414	71,109,512
65,638,948	53,697,989	119,336,937	45,797,795	27,887,725	73,685,520
64,572,980	51,242,824	115,815,804	46,659,681	26,160,772	72,820,453
68,622,521	48,220,135	116,842,656	48,474,525	24,088,723	72,563,248
74,723,046	45,205,784	119,928,830	42,040,096	22,222,200	64,262,296
78,342,845	41,796,535	120,139,380	43,668,130	20,346,591	64,014,721
79,336,274	37,943,232	117,279,506	45,032,271	18,243,836	63,276,107
87,720,343	33,919,041	121,639,384	43,640,190	16,147,525	59,787,715
88,284,878	29,757,990	118,042,868	51,330,740	13,990,149	65,320,889
88,792,309	25,934,965	114,727,274	48,890,800	11,915,832	60,806,632
77,504,463	22,183,524	99,687,987	40,688,007	9,941,080	50,629,087
66,862,789	18,652,278	85,515,067	33,815,997	8,118,264	41,934,261
67,149,701	15,317,465	82,467,166	28,832,024	6,531,147	35,363,171
39,737,905	12,567,951	52,305,856	16,283,121	5,336,006	21,619,127
41,528,714	10,474,543	52,003,257	16,998,098	4,467,252	21,465,350
40,282,057	8,287,610	48,569,667	16,308,556	3,560,706	19,869,262
42,103,195	6,143,670	48,246,865	17,025,799	2,678,954	19,704,753
44,013,153	3,903,687	47,916,840	17,777,169	1,758,796	19,535,965
17,808,774	1,563,129	19,371,903	9,097,027	798,473	9,895,500
18,485,300	527,488	19,012,788	9,442,604	269,446	9,712,050
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 1,274,006,703	$ 583,814,306	$ 1,857,821,009	$ 701,393,501	$ 286,280,511	$ 987,674,012

See accompanying auditors' 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, 2014

Year Ending June 30	Total Bonded Debt			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	$ 43,964,275	$ 53,033,290	$ 96,997,565	$ 12,464,275	$ 11,666,057	$ 24,130,332
2016	29,628,346	51,402,251	81,030,597	9,353,346	11,226,793	20,580,139
2017	40,338,257	49,796,308	90,134,565	11,543,257	10,767,500	22,310,757
2018	51,027,339	47,792,237	98,819,576	13,552,339	10,316,207	23,868,546
2019	51,512,954	45,339,533	96,852,487	13,287,954	9,685,009	22,972,963
2020	50,756,858	42,914,624	93,671,482	11,636,858	9,170,990	20,807,848
2021	52,374,025	40,473,961	92,847,986	12,194,025	8,650,465	20,844,490
2022	53,376,455	37,861,781	91,238,236	12,391,455	8,049,760	20,441,215
2023	44,904,467	35,107,836	80,012,303	13,124,467	7,444,327	20,568,794
2024	37,044,382	33,271,117	70,315,499	14,809,382	6,822,733	21,632,115
2025	30,621,891	31,717,642	62,339,533	14,676,891	6,178,633	20,855,524
2026	29,887,530	30,276,841	60,164,371	13,167,530	5,529,057	18,696,587
2027	31,716,215	28,768,682	60,484,897	14,171,215	4,867,248	19,038,463
2028	32,178,275	27,124,615	59,302,890	13,748,275	4,179,008	17,927,283
2029	29,783,973	25,512,484	55,296,457	10,598,973	3,567,206	14,166,179
2030	31,038,190	23,907,643	54,945,833	11,048,190	3,024,331	14,072,521
2031	32,354,387	22,158,114	54,512,501	11,449,387	2,458,661	13,908,048
2032	33,791,005	20,323,477	54,114,482	11,931,005	1,872,133	13,803,138
2033	35,324,677	18,380,542	53,705,219	12,444,677	1,245,031	13,689,708
2034	32,859,199	16,334,022	49,193,221	8,919,199	574,772	9,493,971
2035	30,872,096	14,485,824	45,357,920	5,817,096	165,991	5,983,087
2036	26,220,000	12,814,244	39,034,244	-	-	-
2037	27,445,000	11,239,340	38,684,340	-	-	-
2038	28,720,000	9,588,611	38,308,611	-	-	-
2039	30,025,000	7,852,927	37,877,927	-	-	-
2040	31,330,000	6,034,798	37,364,798	-	-	-
2041	32,680,000	4,145,639	36,825,639	-	-	-
2042	34,015,000	2,256,719	36,271,719	-	-	-
2043	16,280,000	1,003,400	17,283,400	-	-	-
2044	16,945,000	338,898	17,283,898	-	-	-
	$ 1,049,014,796	$ 751,257,400	$ 1,800,272,196	$ 252,329,796	$ 127,461,912	$ 379,791,708

See accompanying auditors' 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, 2014

Revenue Bonds		
Department of Water and Sewerage Services		
Principal	Interest	Total
$ 31,500,000	$ 41,367,233	$ 72,867,233
20,275,000	40,175,458	60,450,458
28,795,000	39,028,808	67,823,808
37,475,000	37,476,030	74,951,030
38,225,000	35,654,524	73,879,524
39,120,000	33,743,634	72,863,634
40,180,000	31,823,496	72,003,496
40,985,000	29,812,021	70,797,021
31,780,000	27,663,509	59,443,509
22,235,000	26,448,384	48,683,384
15,945,000	25,539,009	41,484,009
16,720,000	24,747,784	41,467,784
17,545,000	23,901,434	41,446,434
18,430,000	22,945,607	41,375,607
19,185,000	21,945,278	41,130,278
19,990,000	20,883,312	40,873,312
20,905,000	19,699,453	40,604,453
21,860,000	18,451,344	40,311,344
22,880,000	17,135,511	40,015,511
23,940,000	15,759,250	39,699,250
25,055,000	14,319,833	39,374,833
26,220,000	12,814,244	39,034,244
27,445,000	11,239,340	38,684,340
28,720,000	9,588,611	38,308,611
30,025,000	7,852,927	37,877,927
31,330,000	6,034,798	37,364,798
32,680,000	4,145,639	36,825,639
34,015,000	2,256,719	36,271,719
16,280,000	1,003,400	17,283,400
16,945,000	338,898	17,283,898
$ 796,685,000	$ 623,795,488	$ 1,420,480,488

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF ESTIMATED REVENUES AND FUND BALANCES
TO SUPPORT APPROPRIATIONS*

GENERAL SERVICES DISTRICT

For the Year July 1, 2014 Through June 30, 2015
(Unaudited)

SOURCE OF REVENUE:	General Fund	Debt Service Fund	School Debt Service Fund	School Funds	Total
Property Taxes - Current Year	$ 376,200,600	$ 86,088,900	$ 36,633,500	$ 288,184,000	$ 787,107,000
Property Taxes - Non Current Year	28,029,300	239,400	79,700	3,142,300	31,490,700
Local Option Sales Tax	121,738,100	2,110,300	19,392,900	182,083,300	325,324,600
Other Taxes, Licenses and Permits	108,119,200	-	-	5,955,000	114,074,200
Fines, Forfeits, and Penalties	11,279,100	377,000	-	6,200	11,662,300
Other Agencies - Federal Direct	1,258,000	-	-	150,000	1,408,000
Other Agencies - Federal Through State	735,300	-	-	180,000	915,300
Other Agencies - Other Pass-Through	4,705,400	-	-	-	4,705,400
Other Agencies - State Direct	66,207,800	2,380,500	-	266,641,900	335,230,200
Other Agencies - Other Governments	6,756,700	-	-	5,000	6,761,700
Commissions and Fees	13,948,000	-	-	-	13,948,000
Charges for Current Services	32,132,100	-	-	570,000	32,702,100
Compensation from Property	1,208,500	-	-	1,103,000	2,311,500
Contributions and Gifts	274,800	-	-	300,000	574,800
Miscellaneous	1,564,000	-	-	45,000	1,609,000
Subtotal	774,156,900	91,196,100	56,106,100	748,365,700	1,669,824,800
Operating Transfers In	12,179,400	29,801,200	20,249,900	3,696,800	65,927,300
Non-Operating Transfers In	7,877,700	-	-	-	7,877,700
Subtotal	20,057,100	29,801,200	20,249,900	3,696,800	73,805,000
Appropriated Unreserved Fund Balances	26,627,700	-	-	38,005,000	64,632,700
Total Available for GSD Appropriations	$ 820,841,700	$ 120,997,300	$ 76,356,000	$ 790,067,500	$ 1,808,262,500

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2014-774 for the 2014-2015 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF ESTIMATED REVENUES AND FUND BALANCES
TO SUPPORT APPROPRIATIONS* (CONTINUED)

URBAN SERVICES DISTRICT

For the Year July 1, 2014 Through June 30, 2015
(Unaudited)

	General Fund	Debt Service Fund	Total
SOURCE OF REVENUE:			
Property Taxes - Current Year	$ 80,214,000	$ 16,042,800	$ 96,256,800
Property Taxes - Non Current Year	17,899,000	67,300	17,966,300
Other Taxes, Licenses, and Permits	5,480,100	-	5,480,100
Other Agencies - State Direct	1,900,000	-	1,900,000
Charges for Current Services	112,700	-	112,700
Compensation from Property	100,000	-	100,000
Operating Transfers In	-	1,940,600	1,940,600
Subtotal	105,705,800	18,050,700	123,756,500
Appropriated Unreserved Fund Balances	5,397,100	2,436,000	7,833,100
Total Available for USD Appropriations	$ 111,102,900	$ 20,486,700	$ 131,589,600

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2014-774 for the 2014-2015 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF APPROPRIATIONS BY FUNCTION AND/OR FUNDS *

For the Year July 1, 2014 Through June 30, 2015
(Unaudited)

GENERAL FUND	General Services District	Urban Services District	Duplicated By Interdistrict Interfund Transfers	Appropriation By Function And/Or Fund
General Government	$ 196,197,700	$ 25,188,800	$ -	$ 221,386,500
Fiscal Administration	21,853,800	-	-	21,853,800
Administration of Justice	56,490,200	-	-	56,490,200
Law Enforcement and Care of Prisoners	230,802,200	481,000	481,000	230,802,200
Fire Prevention and Control	47,904,000	64,148,600	-	112,052,600
Regulation, Inspection, & Economic Development	27,781,200	2,206,600	-	29,987,800
Conservation of Natural Resources	512,800	-	-	512,800
Public Welfare	8,153,900	-	-	8,153,900
Public Health	70,232,200	-	-	70,232,200
Public Library System	24,180,900	-	-	24,180,900
Recreational, Cultural, & Community Support	48,443,300	300,000	-	48,743,300
Public Works, Highways and Streets	64,917,400	18,777,900	-	83,695,300
Transfers	23,372,100	-	-	23,372,100
Total General Funds	820,841,700	111,102,900	481,000	931,463,600
DEBT SERVICE FUNDS				
(See detail on succeeding pages)	197,353,300	20,486,700	-	217,840,000
SCHOOL FUNDS				
(See detail on succeeding pages)	790,067,500	-	-	790,067,500
Total Appropriations By District	1,808,262,500	131,589,600	481,000	1,939,371,100
LESS GSD INTERFUND TRANSFER:				
GSD General to GSD Debt	(26,893,400)	-	-	(26,893,400)
Schools to GSD Debt	(388,800)	-	-	(388,800)
Schools to GSD General	(192,000)	-	-	(192,000)
Schools to School Debt	(20,249,900)	-	-	(20,249,900)
Net Appropriation by District	$ 1,760,538,400	$ 131,589,600	$ 481,000	$ 1,891,647,000

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2014-774 for the 2014-2015 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF REQUIREMENTS OF THE DEBT SERVICE FUNDS BY FUNCTION *

DEBT SERVICE FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2014 Through June 30, 2015
(Unaudited)

	Principal/Interest	Other	Total
SCHOOL DEBT SERVICE FUND			
Outstanding General Obligation Bonds	$ 70,298,400	$ -	$ 70,298,400
Redemption, Cremation and Management Fees	-	57,000	57,000
Internal Service Fees	-	75,900	75,900
Qualified Zone Academy Bonds, 2005	-	319,500	319,500
Quallified School Construction Bonds, 2009	-	1,637,800	1,637,800
Quallified School Construction Bonds, 2010	-	3,942,300	3,942,300
IRS Subsidy for 2010 QSCB (Reduces loan payment)	-	(1,599,600)	(1,599,600)
Tax Increment Payment - MDHA	-	935,000	935,000
Commercial Paper (Bonds Anticipation Loans)	-	689,700	689,700
Total GSD School Purposes Debt Service Fund	$ 70,298,400	$ 6,057,600	$ 76,356,000
GENERAL PURPOSES DEBT SERVICE FUND			
Outstanding General Obligation Bonds	$ 120,286,400	$ -	$ 120,286,400
IRS BABs Subsidy	(4,843,400)	-	(4,843,400)
Subtotal Outstanding General Obligation Bonds	115,443,000	-	115,443,000
Redemption, Cremation and Management Fees	-	119,000	119,000
Internal Service Fees	-	151,700	151,700
Swap Agreement	2,445,100	-	2,445,100
Tax Increment Payment - MDHA	-	1,608,200	1,608,200
Commercial Paper (Bonds Anticipation Loans)	-	1,230,300	1,230,300
Subtotal	2,445,100	3,109,200	5,554,300
Total GSD General Purposes Debt Service Fund	$ 117,888,100	$ 3,109,200	$ 120,997,300

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2014-774 for the 2014-2015 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF REQUIREMENTS OF THE DEBT SERVICE FUNDS BY FUNCTION *

DEBT SERVICE FUNDS - URBAN SERVICES DISTRICT

For the Year July 1, 2014 Through June 30, 2015
(Unaudited)

URBAN SERVICES DISTRICT DEBT SERVICE FUND	Principal/Interest	Other	Total
Outstanding General Obligation Bonds:	$ 24,130,400	$ -	$ 24,130,400
Subtotal Outstanding General Obligation Bonds	24,130,400	-	24,130,400
Redemption, Cremation and Management Fees	-	8,000	8,000
Internal Service Fees	-	25,300	25,300
Tax Increment Payment - MDHA	-	411,400	411,400
Commercial Paper (Bonds Anticipation Loans)	-	180,000	180,000
Debt Service Paid Directly by DES	-	(4,268,400)	(4,268,400)
Subtotal	-	(3,643,700)	(3,643,700)
Total USD General Purposes Debt Service Fund	$ 24,130,400	$ (3,643,700)	$ 20,486,700

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2014-774 for the 2014-2015 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF APPROPRIATIONS*

SCHOOL FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2014 Through June 30, 2015
(Unaudited)

GENERAL PURPOSE SCHOOL FUND: (1)

General Purpose School Fund:	
Operational	$ 768,684,300
Property Tax Increment	5,236,000
Subtotal	773,920,300
General Purpose School Fund Transfer to School Debt Service Fund	16,147,200
Total General Purpose School Fund	$ 790,067,500

(1) From the funds appropriated to the Metropolitan Board of Public Education, there is appropriated the sum of $4,285,000 for the purpose of funding the actuarial contribution to the Metro Teachers Pension Plan.

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2014-774 for the 2014-2015 fiscal year.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SUMMARY OF SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

June 30, 2014

NAME OF OFFICIAL	TITLE	ANNUAL SALARY	AMOUNT OF SURETY BOND	
Karl Dean	Mayor	$ 136,500	$ 50,000	
Richard M. Riebeling	Director of Finance	155,295	250,000	
Lannie B. Holland	Treasurer	115,538	2,000,000	
Jeff Gossage	Purchasing Agent	104,293	-	(1)
Kim McDoniel	Chief Accountant	117,577	-	(1)
Veronica Frazier	Human Resources Director	127,325	-	(1)
Richard R. Rooker	Circuit Court Clerk	132,986	50,000	
Richard R. Rooker	Probate Clerk	-	250,000	
William B. Garrett, Jr.	Register of Deeds	121,624	25,000	
Charles E. Cardwell	Trustee	121,624	14,000,000	
Brenda P. Wynn	County Clerk	121,624	500,000	
Howard C. Gentry, Jr.	Criminal Court Clerk	132,986	150,000	
J. Daron Hall	Sheriff	147,085	50,000	
George L. Rooker, Jr.	Assessor of Property	121,624	10,000	
Cristi Scott	Clerk & Master	121,624	50,000	
David A. Smith	Juvenile Court Clerk	125,453	50,000	
Peggy Duncan Mathes	Public Administrator	-	100,000	
Michael M. Castellarin	Public Trustee	-	200,000	
Richard R. Rooker	Commissioner & Receiver	-	5,000	
Richard R. Rooker	Official Revenue	-	25,000	
Thomas W. Compton, Jr.	Executive Director Sports Authority	96,425	50,000	
Chris Henson	MNPS Assistant Superintendent of Business, Facility and Services	139,182	1,000,000	

(1) A $250,000 blanket surety bond is in place for these officials rather than separate bonds.

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF UTILITY RATES
DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2014

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

The Department had the following rate structure in effect at June 30, 2014:

	Water				Sewer			
METER:								
Meter Size	Residential	Small Commercial	Intermediate Commercial	Large Commercial	Residential	Small Commercial	Intermediate Commercial	Large Commercial
5/8"	$ 3.13	$ 3.98	$ 13.85	$ 597.23	$ 7.62	$ 8.51	$ 27.89	$ 1,076.37
3/4"	10.62	11.32	19.64	603.59	21.63	24.22	39.55	1,088.01
1"	12.77	13.63	21.51	605.80	26.05	29.17	43.33	1,091.79
1 1/2"	18.77	20.03	26.71	611.60	38.29	42.89	53.81	1,102.25
2"	25.29	26.97	32.63	618.22	51.59	57.75	65.73	1,114.18
3"	33.38	35.61	40.84	624.04	68.04	76.21	82.26	1,124.65
4"	54.41	58.03	64.65	650.65	110.88	124.18	130.22	1,172.65
6"	85.42	91.12	99.81	689.96	174.12	195.01	201.05	1,243.48
8"	133.59	142.50	155.38	755.41	272.29	304.96	312.96	1,361.43
10"	133.59	142.50	155.38	755.41	272.29	304.96	312.96	1,361.43
VOLUME:								
	Water usage charges per 100 cubic feet (For usage over 200 cubic feet)				Sewer usage charges per 100 cubic feet (For usage over 200 cubic feet)			
	$ 2.33	$ 2.48	$ 2.14	$ 1.81	$ 4.74	$ 5.30	$ 4.32	$ 3.26

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF NUMBER OF CUSTOMERS
DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2014

	Residential	Commercial	Total
Water Customers	170,754	19,941	190,695
Sewer Customers	180,511	17,591	198,102
Total Customers	351,265	37,532	388,797

See accompanying auditors' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF UNACCOUNTED FOR WATER
DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2014

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0

American Water Works Association.
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? Click to access definition
+ Click to add a comment

Water Audit Report for: Nashville MWS
Reporting Year: 14 7/2013 - 6/2014

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<---------- Enter grading in column 'E' and 'J' ---------->

Master Meter and Supply Error Adjustments

WATER SUPPLIED

								Pcnt:		Value:	
Volume from own sources:	+	?	8	31,301.033	MG/Yr	+	?				MG/Yr
Water imported:	+	?	n/a		MG/Yr	+	?				MG/Yr
Water exported:	+	?	n/a	0.000	MG/Yr	+	?				MG/Yr
WATER SUPPLIED:				**31,301.033**	MG/Yr						

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

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

								Pcnt:		Value:	
Billed metered:	+	?	7	21,918.521	MG/Yr						
Billed unmetered:	+	?	n/a	0.000	MG/Yr						
Unbilled metered:	+	?	9	55.545	MG/Yr						
Unbilled unmetered:	+	?	8	155.274	MG/Yr			1.25%		155.274	MG/Yr
AUTHORIZED CONSUMPTION:		?		**22,129.340**	MG/Yr						

Use buttons to select percentage of water supplied **OR** value

WATER LOSSES (Water Supplied - Authorized Consumption) **9,171.693** MG/Yr

Apparent Losses

								Pcnt:		Value:	
Unauthorized consumption:	+	?	7	62.396	MG/Yr			0.25%		62.396	MG/Yr
Customer metering inaccuracies:	+	?	7	559.847	MG/Yr					559.847	MG/Yr
Systematic data handling errors:	+	?	8	4.306	MG/Yr			0.25%		4.306	MG/Yr
Apparent Losses:		?		**626.549**	MG/Yr						

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? **8,545.144** MG/Yr

WATER LOSSES: **9,171.693** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? **9,382.512** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+	?	9	3,043.7	miles
Number of active AND inactive service connections:	+	?	9	188,021	
Service connection density:		?		62	conn./mile main
Are customer meters typically located at the curbstop or property line?				No	
Average length of customer service line:	+	?	9	12.0	ft
Average operating pressure:	+	?	8	84.0	psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

COST DATA

Total annual cost of operating water system:	+	?	9	$35,766,780	$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	7	$7.69	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	10	$268.45	$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 80 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Billed metered
3: Customer metering inaccuracies

See accompanying auditors' report.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

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.

Numbers	Page
FINANCIAL TRENDS	H - 2
These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	
REVENUE CAPACITY	H - 16
These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	
DEBT CAPACITY	H - 24
These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	H - 32
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Government's financial activities take place.	
OPERATING INFORMATION	H - 34
These schedules contain service and infrastructure data to help the reader understand how the information in the Government's financial report relates to the services the Government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	$ 1,018,806	$ 1,030,056	$ 1,042,013	$ 1,044,125
Restricted	97,629	67,840	63,371	47,527
Unrestricted (1)	157,809	136,229	159,368	86,741
Total governmental activities net position	1,274,244	1,234,125	1,264,752	1,178,393
Business-type activities				
Net investment in capital assets	993,216	1,010,626	1,061,440	1,160,088
Restricted	69,305	70,023	73,134	29,090
Unrestricted	29,484	21,221	22,439	28,682
Total business-type activities net position	1,092,005	1,101,870	1,157,013	1,217,860
Primary government				
Net investment in capital assets	2,012,022	2,040,682	2,103,453	2,204,213
Restricted	166,934	137,863	136,505	76,617
Unrestricted	187,293	157,450	181,807	115,423
Total primary government net position	$ 2,366,249	$ 2,335,995	$ 2,421,765	$ 2,396,253

(1) Beginning in 2008, the Government began recording its liability for other post employment benefits.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
$ 1,083,097	$ 1,099,333	$ 1,010,874	$ 924,393	$ 857,598	$ 955,256
22,917	31,994	42,860	31,771	35,802	39,551
(97,423)	(383,624)	(564,405)	(637,147)	(683,464)	(907,694)
1,008,591	747,703	489,329	319,017	209,936	87,113
1,196,149	1,217,101	1,220,912	1,259,241	1,236,765	1,232,187
22,587	21,481	46,256	49,700	56,720	64,253
14,840	26,925	38,908	32,057	27,268	37,930
1,233,576	1,265,507	1,306,076	1,340,998	1,320,753	1,334,370
2,279,246	2,316,434	2,231,786	2,183,634	2,094,363	2,187,443
45,504	53,475	89,116	81,471	92,522	103,804
(82,583)	(356,699)	(525,497)	(605,090)	(656,196)	(869,764)
$ 2,242,167	$ 2,013,210	$ 1,795,405	$ 1,660,015	$ 1,530,689	$ 1,421,483

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2005	2006	2007	2008
Expenses				
Governmental activities				
General government	$ 80,425	$ 64,844	$ 57,026	$ 69,053
Fiscal administration	31,182	44,110	33,876	24,837
Administration of justice	66,879	73,025	75,705	86,417
Law enforcement and care of prisoners	231,516	241,487	258,824	289,629
Fire prevention and control	120,679	130,416	128,067	148,089
Regulation and inspection	8,711	8,770	9,002	7,971
Conservation of natural resources	396	457	447	502
Public welfare	51,636	47,150	58,709	55,272
Public health and hospitals	76,115	151,706	111,396	130,293
Public library system	26,165	26,757	27,818	28,231
Public works, highways and streets	93,785	128,171	130,081	143,076
Recreational and cultural	51,336	67,284	72,024	72,547
Education	640,655	654,801	684,711	780,706
Interest and other debt related costs	60,294	64,028	75,581	77,559
Total governmental activities	1,539,774	1,703,006	1,723,267	1,914,182
Business-type activities				
Department of Water and Sewerage Services	149,710	155,311	157,581	165,833
District Energy System	18,558	19,198	21,018	19,428
Nashville Convention Center	7,131	7,068	7,246	7,601
Board of Fair Commissioners	3,580	4,110	4,116	4,360
Farmers Market	1,216	1,136	1,156	1,161
Police Secondary Employment	1,153	1,063	1,248	944
Surplus Property Auction	2,554	788	983	961
Municipal Auditorium	-	1,885	1,979	2,052
Police Impound	-	1,919	2,177	1,882
School Community Education	-	912	915	1,193
Stormwater Operations	-	-	-	-
Community Education Commission	-	-	-	-
Total business-type activities	183,902	193,390	198,419	205,415
Total primary government	$ 1,723,676	$ 1,896,396	$ 1,921,686	$ 2,119,597
Program Revenues				
Governmental activities				
Charges for services:				
General government	$ 10,132	$ 7,367	$ 7,808	$ 9,552
Fiscal administration	4,640	3,994	4,675	4,533
Administration of justice	28,589	30,664	35,213	39,554
Law enforcement and care of prisoners	25,213	26,572	26,787	29,806
Fire prevention and control	11,710	11,401	14,199	13,619
Regulation and inspection	10,535	11,933	12,093	10,587
Public welfare	1,523	1,257	1,291	1,166
Public health and hospitals	9,429	9,646	9,775	13,436
Public library system	684	705	665	634
Public works, highways and streets	8,682	7,717	9,673	10,184
Recreational and cultural	11,087	8,471	8,872	9,246
Education	18,551	19,253	17,946	17,203
Operating grants and contributions (1)	291,220	299,203	314,334	338,746
Capital grants and contributions (1)	25,954	16,268	42,275	48,808
Total governmental activities	457,949	454,451	505,606	547,074

(1) Operating and capital grants and contributions primarily represent amounts received from other governments to fund specific programs and projects and the value of roads and other infrastructure donated to the Government. The amounts vary based on the availability and timing of Federal and State funding and the timing and amount of road and infrastructure development within the metropolitan area.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
$ 83,668	$ 85,444	$ 122,913	$ 117,669	$ 118,107	$ 134,592
34,264	35,358	33,613	31,802	32,675	31,357
85,723	89,601	87,374	89,564	92,752	93,224
304,917	321,175	322,782	335,162	371,438	359,502
143,912	150,117	149,619	158,763	170,843	149,551
9,910	10,170	10,248	11,717	10,751	11,231
491	471	445	439	542	519
51,362	60,159	59,386	56,504	57,172	56,449
131,677	170,662	132,993	114,145	119,695	119,828
29,754	28,742	30,033	30,676	33,034	35,739
125,490	130,469	144,012	152,201	169,521	180,008
76,290	68,667	59,421	61,259	68,515	76,759
808,285	839,760	869,449	867,599	903,998	924,418
85,651	80,460	102,859	86,223	77,525	96,842
1,971,394	2,071,255	2,125,147	2,113,723	2,226,568	2,270,019
177,291	173,215	189,521	185,385	205,278	208,945
20,206	17,853	17,837	18,102	17,573	18,774
7,572	7,134	7,539	7,147	7,427	3,591
4,428	4,195	2,814	2,945	3,074	3,140
1,215	1,080	1,193	1,265	1,788	1,605
881	1,545	855	832	1,131	190
806	735	734	713	735	790
1,738	1,654	1,801	1,808	1,787	2,001
1,882	1,687	1,320	967	376	375
1,050	192	-	-	-	-
-	10,598	10,669	10,426	10,717	11,073
-	358	302	297	352	324
217,069	220,246	234,585	229,887	250,238	250,808
$ 2,188,463	$ 2,291,501	$ 2,359,732	$ 2,343,610	$ 2,476,806	$ 2,520,827
$ 7,292	$ 6,550	$ 6,908	$ 9,134	$ 8,329	$ 10,805
4,591	4,176	5,286	5,181	6,768	6,237
34,567	34,344	33,745	32,772	33,232	32,929
31,053	31,282	30,637	33,172	32,210	30,281
14,358	10,939	16,395	12,759	13,431	15,502
7,060	7,552	8,858	10,846	12,368	14,252
1,313	1,367	1,352	1,208	1,098	1,162
12,788	8,943	9,902	8,796	9,159	9,847
579	494	484	474	450	438
9,295	9,343	11,191	12,594	12,066	12,573
9,111	8,618	9,068	9,755	10,130	10,702
16,216	18,225	17,838	18,485	19,502	18,740
351,066	390,732	432,938	436,073	435,077	438,515
56,163	41,648	38,595	58,447	55,267	58,286
555,452	574,213	623,197	649,696	649,087	660,269

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2005	2006	2007	2008
Program Revenues (Continued)				
Business-type activities				
Charges for services:				
Department of Water and Sewerage Services	$ 151,971	$ 155,827	$ 164,900	$ 173,121
District Energy System	15,347	17,298	18,795	17,892
Nashville Convention Center	4,680	4,551	5,248	5,996
Board of Fair Commissioners	3,619	3,728	3,880	3,601
Farmers Market	994	997	866	863
Police Secondary Employment	1,643	1,424	1,654	1,162
Surplus Property Auction	2,518	703	994	1,121
Municipal Auditorium	-	1,062	1,176	1,278
Police Impound	-	1,729	2,873	2,611
School Community Education	-	176	156	243
Stormwater Operations	-	-	-	-
Community Education Commission	-	-	-	-
Capital grants and contributions	22,155	25,610	53,318	58,761
Total business-type activities	202,927	213,105	253,860	266,649
Total primary government	$ 660,876	$ 667,556	$ 759,466	$ 813,723
Net (Expense) Revenue				
Governmental activities	$ (1,081,825)	$ (1,248,555)	$ (1,217,661)	$ (1,367,108)
Business-type activities	19,025	19,715	55,441	61,234
Total primary government	$ (1,062,800)	$ (1,228,840)	$ (1,162,220)	$ (1,305,874)
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	$ 612,734	$ 725,199	$ 741,901	$ 759,131
Local option sales taxes	249,610	271,119	285,078	285,484
Other taxes	97,807	116,664	121,459	141,112
Revenue from the use of money or property	10,060	15,097	19,801	14,792
Revenue from other governmental agencies	54,542	60,220	68,620	70,072
Compensation for loss, sale or damage to property	1,297	3,476	1,786	1,541
Transfers	18,862	16,661	9,643	8,617
Special and extraordinary items (2)	-	-	-	-
Total governmental activities	1,044,912	1,208,436	1,248,288	1,280,749
Business-type activities				
Revenue from the use of money or property	4,544	6,530	9,213	8,086
Compensation for loss, sale or damage to property	133	281	132	144
Transfers	(18,862)	(16,661)	(9,643)	(8,617)
Special and extraordinary items (2)	-	-	-	-
Total business-type activities	(14,185)	(9,850)	(298)	(387)
Total primary government	$ 1,030,727	$ 1,198,586	$ 1,247,990	$ 1,280,362
Change in Net Position				
Governmental activities	$ (36,913)	$ (40,119)	$ 30,627	$ (86,359)
Business-type activities	4,840	9,865	55,143	60,847
Total primary government	$ (32,073)	$ (30,254)	$ 85,770	$ (25,512)

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
$ 169,672	$ 171,520	$ 195,790	$ 201,060	$ 208,830	$ 211,372
17,812	15,562	15,486	15,962	16,713	18,526
5,675	5,366	5,404	5,490	5,746	2,124
3,438	3,393	2,109	2,658	2,786	3,021
899	983	745	961	1,292	1,125
1,094	2,437	1,103	935	1,285	-
958	1,094	1,081	1,298	795	589
1,107	1,364	1,370	1,607	1,188	1,558
2,182	1,583	1,271	1,584	492	479
141	31	-	-	-	-
-	13,635	14,198	13,883	14,199	14,613
-	22	18	36	45	58
27,463	41,302	39,467	25,307	11,890	16,478
230,441	258,292	278,042	270,781	265,261	269,943
$ 785,893	$ 832,505	$ 901,239	$ 920,477	$ 914,348	$ 930,212
$ (1,415,942)	$ (1,497,042)	$ (1,501,950)	$ (1,464,027)	$ (1,577,481)	$ (1,609,750)
13,372	38,046	43,457	40,894	15,023	19,135
$ (1,402,570)	$ (1,458,996)	$ (1,458,493)	$ (1,423,133)	$ (1,562,458)	$ (1,590,615)
$ 773,659	$ 793,293	$ 782,192	$ 787,882	$ 895,919	$ 911,661
264,573	256,178	258,107	281,294	301,430	315,479
135,213	126,878	137,141	150,856	160,802	174,556
6,109	1,445	1,095	1,121	1,195	3,244
65,026	58,160	61,262	62,929	66,572	66,010
1,022	1,747	3,290	3,385	7,043	4,296
538	(323)	3,400	6,248	35,439	11,681
-	(1,224)	(2,911)	-	-	-
1,246,140	1,236,154	1,243,576	1,293,715	1,468,400	1,486,927
2,790	391	230	119	111	1,655
92	171	282	157	60	196
(538)	323	(3,400)	(6,248)	(35,439)	(11,681)
-	(7,000)	-	-	-	-
2,344	(6,115)	(2,888)	(5,972)	(35,268)	(9,830)
$ 1,248,484	$ 1,230,039	$ 1,240,688	$ 1,287,743	$ 1,433,132	$ 1,477,097
$ (169,802)	$ (260,888)	$ (258,374)	$ (170,312)	$ (109,081)	$ (122,823)
15,716	31,931	40,569	34,922	(20,245)	9,305
$ (154,086)	$ (228,957)	$ (217,805)	$ (135,390)	$ (129,326)	$ (113,518)

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

	2005	2006	2007	2008	2009
General fund					
Nonspendable	$ 391,550	$ 326,428	$ 13,186,701	$ 29,247,551	$ 32,222,128
Assigned	783,377	2,434,347	7,412,327	200,000	-
Unassigned	36,101,900	44,173,303	39,986,966	33,670,422	47,504,389
Total general fund	37,276,827	46,934,078	60,585,994	63,117,973	79,726,517
All other governmental funds					
Nonspendable	65,332,348	1,785,017	1,878,413	2,137,679	1,854,877
Restricted	49,892,386	117,824,941	62,324,858	85,667,575	64,715,883
Committed	136,328,646	158,442,851	178,616,288	149,862,699	106,177,301
Assigned	14,835,200	18,583,800	10,118,900	31,394,900	35,996,400
Unassigned	(107,707,565)	(3,528,668)	(140,012,364)	(66,950,708)	(182,094,246)
Total all other governmental funds	158,681,015	293,107,941	112,926,095	202,112,145	26,650,215
Total governmental funds	$ 195,957,842	$ 340,042,019	$ 173,512,089	$ 265,230,118	$ 106,376,732

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

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

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

	2005	2006	2007	2008	2009
General fund					
GSD					
Nonspendable	$ 391,550	$ 326,428	$ 13,186,701	$ 29,247,551	$ 32,222,128
Assigned	783,377	2,434,347	7,194,227	200,000	-
Unassigned	27,328,600	31,926,643	24,038,394	20,156,790	25,320,424
Total GSD	28,503,527	34,687,418	44,419,322	49,604,341	57,542,552
USD					
Assigned	-	-	218,100	-	-
Unassigned	8,773,300	12,246,660	15,948,572	13,513,632	22,183,965
Total USD	8,773,300	12,246,660	16,166,672	13,513,632	22,183,965
Total general fund	37,276,827	46,934,078	60,585,994	63,117,973	79,726,517
General purpose school fund					
Nonspendable	872,462	674,972	795,274	902,765	738,993
Committed	17,570,266	37,756,811	67,566,890	52,557,390	27,356,958
Assigned	-	-	-	19,264,100	12,431,400
Total general purpose school fund	18,442,728	38,431,783	68,362,164	72,724,255	40,527,351
GSD general purposes debt service fund					
Nonspendable	26,260,235	-	-	-	-
Committed	20,893,839	4,506,155	7,631,372	1,761,254	1,107,591
Assigned	612,600	-	372,800	1,408,800	-
Total GSD general purposes debt service fund	47,766,674	4,506,155	8,004,172	3,170,054	1,107,591
GSD school purposes debt service fund					
Nonspendable	-	-	-	-	-
Committed	65,059,510	56,056,896	51,971,417	40,690,069	14,991,134
Assigned	10,271,300	10,035,900	8,566,400	10,722,000	23,565,000
Total GSD school purposes debt service fund	75,330,810	66,092,796	60,537,817	51,412,069	38,556,134
USD general purposes debt service fund					
Nonspendable	895,071	-	-	-	-
Committed	9,246,360	4,538,711	1,247,752	2,221,176	4,298,707
Assigned	3,951,300	8,457,900	1,179,700	-	-
Total USD general purposes debt service fund	14,092,731	12,996,611	2,427,452	2,221,176	4,298,707
Total budgeted governmental funds	$ 192,909,770	$ 168,961,423	$ 199,917,599	$ 192,645,527	$ 164,216,300

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

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

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

	2005	2006	2007	2008
Revenues				
Property taxes (1)	$ 609,091,452	$ 719,820,461	$ 762,416,897	$ 757,993,487
Local option sales tax	249,701,966	271,311,435	285,258,498	285,483,688
Other taxes, licenses and permits	107,541,797	126,826,832	130,176,283	152,575,721
Fines, forfeits and penalties	16,280,190	19,733,750	19,254,517	19,869,757
Revenues from the use of money or property	6,512,905	9,470,818	14,047,969	10,496,414
Revenues from other governmental agencies	383,725,517	391,034,345	417,169,806	447,314,552
Commissions and fees	21,072,982	21,261,179	26,156,439	29,070,315
Charges for current services	48,990,928	47,396,269	51,607,253	53,939,317
Compensation for loss, sale or damage to property	1,315,393	3,490,427	1,708,877	1,597,492
Contributions and gifts	7,544,472	10,900,634	9,917,112	11,995,898
Bond interest tax credit	-	-	-	-
Miscellaneous	1,248,953	1,744,055	2,141,108	3,263,508
Total revenues	1,453,026,555	1,622,990,205	1,719,854,759	1,773,600,149
Expenditures				
Current:				
General government (2)	35,758,167	37,827,855	40,641,319	46,904,452
Fiscal administration	14,180,153	14,578,459	15,777,516	16,472,712
Administration of justice	53,751,204	58,621,082	63,883,484	65,699,378
Law enforcement and care of prisoners	206,160,524	218,067,847	237,925,605	250,849,440
Fire prevention and control	95,045,746	100,684,959	112,717,674	119,648,604
Regulation and inspection	7,412,089	7,971,413	8,449,218	8,697,029
Conservation of natural resources	352,566	421,822	444,857	456,284
Public welfare	37,500,087	34,663,341	38,037,156	36,967,197
Public health and hospitals (3)	71,221,790	142,543,147	100,408,354	104,398,769
Public library system	19,400,262	21,644,954	21,712,959	22,644,664
Public works, highways and streets	63,519,894	60,613,315	65,518,756	70,954,215
Recreational and cultural	32,993,788	34,736,137	38,633,072	40,513,021
Education	611,766,944	622,926,552	636,140,631	683,222,289
Employee benefits	55,012,329	56,369,642	59,012,395	61,100,542
Miscellaneous	43,964,605	62,900,107	51,967,639	44,480,259

Note: Certain amounts have been reclassified for comparability. Unless otherwise noted, significant variances in expenditures primarily relate to salaries and associated costs. Significant variances in revenues primarily relate to increases in property tax and sales tax rates.

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
$ 775,403,870	$ 792,882,229	$ 782,238,201	$ 790,774,878	$ 892,398,894	$ 914,121,619
264,572,950	256,178,237	258,106,909	281,294,520	301,430,612	315,478,742
143,696,309	136,182,711	147,382,286	162,804,251	174,702,273	190,370,587
17,962,587	18,915,362	18,574,592	16,253,081	18,652,738	18,225,785
3,785,674	494,777	321,354	362,910	489,242	1,895,305
453,448,063	488,535,713	559,516,608	576,547,108	559,780,403	556,743,508
25,049,552	22,002,060	23,460,446	24,002,476	24,211,549	24,120,359
51,137,029	50,686,861	56,593,344	56,309,437	58,600,398	59,783,530
2,144,252	1,712,551	2,016,432	4,109,532	5,231,290	5,265,788
10,645,368	5,469,908	3,783,798	14,418,670	8,948,728	10,160,516
-	-	5,327,305	5,895,527	4,900,351	4,837,386
4,603,664	2,706,377	2,718,741	2,269,697	2,081,927	2,200,931
1,752,449,318	1,775,766,786	1,860,040,016	1,935,042,087	2,051,428,405	2,103,204,056
60,035,388	88,954,555	121,146,642	95,085,871	81,829,427	88,894,101
24,112,437	22,499,859	23,760,394	21,912,507	22,316,247	21,746,114
56,871,162	54,590,759	55,407,798	53,575,166	68,479,472	70,290,863
239,436,458	239,014,459	249,724,844	255,276,886	259,384,359	263,774,603
107,034,837	104,214,957	109,108,267	108,609,078	113,452,154	111,520,124
8,095,128	7,492,864	7,867,410	7,760,963	8,057,406	7,782,724
407,442	352,001	340,296	333,713	398,931	357,658
37,924,764	42,946,288	41,385,895	39,169,144	40,056,346	38,361,990
101,575,884	114,094,878	86,019,317	85,975,912	89,757,405	86,084,524
20,564,850	19,016,993	20,542,242	21,178,142	22,328,538	22,349,552
63,204,089	51,039,081	58,151,723	51,792,795	58,251,129	61,817,477
37,312,292	33,235,850	33,630,118	34,454,492	36,110,497	36,336,635
720,909,041	740,550,178	777,009,413	797,821,937	832,361,152	856,362,684
62,420,127	64,637,576	69,327,218	72,920,868	76,165,493	79,043,492
40,260,803	55,652,301	71,067,149	75,985,530	80,080,144	87,709,934

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

	2005	2006	2007	2008
Expenditures (Continued)				
Debt service:				
Principal retirement (1)	$ 86,315,000	$ 99,000,000	$ 95,569,567	$ 94,819,566
Interest	57,783,125	65,621,896	72,522,916	79,323,719
Fiscal charges	1,520,826	973,475	2,818,981	3,730,505
Debt issue costs	1,024,215	1,859,351	587,900	323,288
Arbitrage rebate	-	272,023	-	-
Capital outlay - capitalized (2)	183,396,697	204,299,918	124,229,635	155,498,310
Capital outlay - noncapitalized	3,676,054	80,000,497	98,191,337	93,929,184
Total expenditures	1,681,756,065	1,926,597,792	1,885,190,971	2,000,633,427
Excess of revenue over (under) expenditures	(228,729,510)	(303,607,587)	(165,336,212)	(227,033,278)
Other Financing Sources (Uses)				
Issuance of new debt	209,055,000	423,533,000	-	308,000,000
Issuance of refunding debt	241,800,000	60,805,000	186,890,000	-
Debt issue premium (discount)	34,513,827	20,310,047	12,632,569	7,867,112
Payments to refunded bond escrow agent	(262,859,309)	(60,463,650)	(198,934,669)	-
Commercial paper proceeds	150,000,000	-	-	-
Commercial paper redeemed	(218,000,000)	-	-	-
Insurance recovery (3)	-	-	-	-
Transfers in	100,801,076	195,467,499	137,154,461	160,349,393
Transfers out	(103,638,072)	(191,960,632)	(138,936,079)	(157,465,198)
Total other financing sources (uses)	151,672,522	447,691,264	(1,193,718)	318,751,307
Net change in fund balances	$ (77,056,988)	$ 144,083,677	$ (166,529,930)	$ 91,718,029
Debt service as a percentage of noncapitalized expenditures (4)	9.62 %	9.56 %	9.55 %	9.44 %

(1) As the result of a bond refunding in June 2010, principal payments for the years ended June 30, 2011 through 2013 were significantly reduced.

(2) Only a portion of capital outlay expenditures qualify for capitalization under the Government's capitalization policy. For the years prior to the implementation of GASB 34, all capital outlay costs are assumed to be capitalized.

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

(4) For purposes of calculating debt service as a percentage of noncapital expenditures, debt service includes principal retirement and interest. Noncapitalized expenditures equals total expenditures less capital outlay - capitalized.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
$ 85,914,567	$ 85,889,567	$ 3,397,777	$ 12,943,203	$ 44,743,407	$ 97,320,344
83,169,612	80,611,709	85,123,862	93,879,521	93,272,037	101,497,666
3,604,978	906,832	3,406,148	3,257,031	3,716,622	3,226,035
240,000	4,347,663	1,925,066	2,207,494	2,704,649	-
-	-	-	-	-	-
83,576,267	92,640,446	100,682,804	133,571,317	110,878,249	202,968,322
66,712,095	79,800,124	112,034,900	63,091,834	110,821,632	131,042,781
1,903,382,221	1,982,488,940	2,031,059,283	2,030,803,404	2,155,165,296	2,368,487,623
(150,932,903)	(206,722,154)	(171,019,267)	(95,761,317)	(103,736,891)	(265,283,567)
59,140,000	430,900,000	35,555,000	-	374,874,554	-
-	189,895,243	290,201,755	316,085,913	382,598,457	-
-	36,559,565	43,480,488	67,444,362	131,109,907	-
(58,900,000)	(206,868,923)	(331,757,177)	(383,595,322)	(433,836,850)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	15,000,000	37,000,000	-	-	-
98,879,725	109,679,961	214,988,824	180,292,626	199,600,840	183,807,020
(107,040,208)	(136,553,615)	(246,991,267)	(212,907,693)	(208,258,842)	(205,498,680)
(7,920,483)	438,612,231	42,477,623	(32,680,114)	446,088,066	(21,691,660)
$ (158,853,386)	$ 231,890,077	$ (128,541,644)	$ (128,441,431)	$ 342,351,175	$ (286,975,227)
9.29 %	8.81 %	4.59 %	5.63 %	6.75 %	9.18 %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF GENERAL SERVICES DISTRICT TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Realty	Personalty	Public Utility	Total GSD Taxable Assessed Value
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	14,249,283,812	1,026,510,506	622,162,501	15,897,956,819
2007-08	14,562,824,424	1,004,636,613	585,267,521	16,152,728,558
2008-09	14,949,650,247	1,003,474,654	601,229,146	16,554,354,047
2009-10	17,452,127,001	1,118,966,031	651,277,995	19,222,371,027
2010-11	17,447,570,422	1,128,934,816	632,009,935	19,208,515,173
2011-12	17,366,226,070	1,098,349,735	639,688,011	19,104,263,816
2012-13	17,404,334,210	1,115,387,381	640,800,994	19,160,522,585
2013-14	18,313,859,433	1,231,932,155	663,744,930	20,209,536,518

Assessment date: January 1 (Pick-up assessments and cancellations for each year in minor amounts are not reflected in above figures).

Tax levy: General Services District tax is levied on the entire Metropolitan area. Urban Services District tax is an additional tax levied on properties within the Urban Services District. Personalty and public utility taxes are levied on September 1st of each year, based upon assessed valuation at January 1st of that year. Real property taxes are levied on September 1st of each year, based upon assessed valuation through January 1st of that year. In addition, for the period January 1st through September 1st, supplemental assessments are made and related taxes are levied for improved, demolished or damaged property during such period, in accordance with T.C.A. Section 67-607.

Ratio of assessed value to appraised value:
Commercial and industrial properties - 40% for real property and 30% for tangible personal property
Farm and residential properties - 25%
Public utilities - 55%

Note: The State mandates a reappraisal valuation of property within Davidson County every four years.

(1) All properties within the General Services District are taxed at the GSD tax rate. Only those properties within the Urban Services District are taxed the additional USD tax rate. See schedule on page H-18.

(2) Source: Tax Aggregate Reports for Tennessee State Board of Equalization

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF GENERAL SERVICES DISTRICT TAXABLE PROPERTY
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

Total GSD Tax Rate (1)	Total Estimated Actual Property Value (2)	Assessed Value as a Percentage of Actual Value
$ 3.840	$ 45,746,447,359	29.36 %
4.040	50,477,218,642	30.77
4.040	51,736,469,429	30.73
4.040	60,386,015,276	26.75
4.040	61,881,138,204	26.75
3.560	63,157,226,914	30.44
3.560	63,280,838,469	30.35
3.560	63,127,519,037	30.26
4.040	63,259,449,113	30.29
3.924	65,810,054,890	30.71

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

Fiscal Year	Realty	Personalty	Public Utility	Total USD Taxable Assessed Value	Total USD Tax Rate
2004-05	$ 7,996,403,388	$ 699,060,182	$ 472,283,935	$ 9,167,747,505	$ 0.740
2005-06	9,293,334,373	736,566,609	484,073,719	10,513,974,701	0.650
2006-07	9,609,860,911	812,794,594	497,183,632	10,919,839,137	0.650
2007-08	9,775,778,452	800,146,680	476,649,480	11,052,574,612	0.650
2008-09	10,034,679,742	804,965,057	469,223,447	11,308,868,246	0.650
2009-10	11,845,833,807	899,198,794	507,695,082	13,252,727,683	0.570
2010-11	11,819,864,666	919,181,529	481,388,729	13,220,434,924	0.570
2011-12	11,847,282,828	915,167,902	482,396,101	13,244,846,831	0.570
2012-13	11,877,136,516	928,784,082	477,220,794	13,283,141,392	0.620
2013-14	12,743,560,657	1,042,522,606	500,973,282	14,287,056,545	0.592

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

		General Services District					Urban Services District			
Fiscal Year		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	Total Direct Tax Rate
2004-05		$ 1.940	$ 1.270	$ 0.430	$ 0.200	$ 3.840	$ 0.640	$ 0.100	$ 0.740	$ 4.580
2005-06	(2)	2.000	1.330	0.540	0.170	4.040	0.560	0.090	0.650	4.690
2006-07	(3)	2.070	1.330	0.470	0.170	4.040	0.560	0.090	0.650	4.690
2007-08	(3)	2.060	1.330	0.480	0.170	4.040	0.560	0.090	0.650	4.690
2008-09	(3)	2.060	1.330	0.480	0.170	4.040	0.530	0.120	0.650	4.690
2009-10	(4)	1.820	1.170	0.420	0.150	3.560	0.460	0.110	0.570	4.130
2010-11		1.820	1.170	0.420	0.150	3.560	0.460	0.110	0.570	4.130
2011-12		1.820	1.170	0.420	0.150	3.560	0.460	0.110	0.570	4.130
2012-13	(5)	1.960	1.400	0.430	0.250	4.040	0.510	0.110	0.620	4.660
2013-14	(4)	1.905	1.416	0.423	0.180	3.924	0.480	0.112	0.592	4.516

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

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

(1) A portion of the revenue of the GSD General Fund generated from the tax levy collected for the area of the USD is recorded in the USD General Fund. Referred to as the levy for fire protection service, this amount of the levy has ranged from $.12 to $.07 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.

(4) The State mandates a reappraisal valuation of property within Davidson County every four years resulting in a reduction of the combined GSD-USD tax rate. Also, the combined GSD-USD tax rate was reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the reappraisal valuation and the reallocation by the Metropolitan Council.

(5) In this year, the combined GSD-USD tax rate was increased by the Metropolitan Council and reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the increase and reallocation by the Metropolitan Council.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

	December 31, 2013				December 31, 2004			
Taxpayer	2013 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy	2004 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy
Electric Power Board (1)	$ N/A	$ 25,427,819	1	2.90 %	$ N/A	$ 20,030,567	1	3.43 %
RHP Hotels Inc./ Gaylord (3)	243,923,741	10,978,235	2	1.25	231,983,690	10,624,853	2	1.82
Columbia/HCA	261,865,701	10,575,070	3	1.20	125,217,930	5,826,627	4	1.00
Piedmont Natural Gas	95,451,319	4,195,603	4	0.48	88,634,534	3,829,263	6	0.66
Opry Mills Co.	91,202,000	4,118,691	5	0.47	71,260,110	3,263,713	7	0.56
The Mall at Green Hills	89,326,230	4,033,973	6	0.46	-	-	(2)	-
AT&T Telephone/ BellSouth (3)	75,220,120	3,396,940	7	0.39	170,336,493	7,500,238	3	1.29
100 Oaks Plaza	41,558,143	1,876,766	8	0.21	-	-	(2)	-
Vanderbilt	41,245,998	1,862,668	9	0.21	55,017,640	2,519,808	9	0.43
PREFCO XIV LTD	34,243,993	1,795,751	10	0.20	58,415,390	2,763,048	8	0.47
CBL & Associates	-	-	(2)	-	104,438,830	4,466,340	5	0.77
E. I. Dupont	-	-	(2)	-	50,739,759	1,948,407	10	0.33
	$ 974,037,245	$ 68,261,516		7.77 %	$ 956,044,376	$ 62,772,864		10.76 %

Source: Tax Assessor's Office, Trustee's Office

(1) The amount of tax for the Electric Power Board represents a payment in lieu of taxes and is not based on an assessed valuation.

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

(3) Certain properties have changed ownership between December 31, 2004 and December 31, 2013. For comparability purposes, the current and prior owners are shown jointly.

METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

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	Collections Within the Fiscal Year of the Levy: Percent of Levy
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 (1)	643,729,137	80,683,950	724,413,087	717,920,126	99.10
2008-09 (1)	659,755,545	82,555,463	742,311,008	732,021,054	98.61
2009-10 (1)	675,043,791	84,818,421	759,862,212	748,828,597	98.55
2010-11 (1)	674,573,125	84,611,716	759,184,841	741,791,912	97.71
2011-12 (1)	670,841,793	84,767,649	755,609,442	745,445,734	98.65
2012-13 (1)	763,462,757	92,982,763	856,445,520	845,378,327	98.71
2013-14 (1)	781,593,235	96,009,026	877,602,261	863,883,378	98.44

Source: Metropolitan Trustee's Office

(1) In June of each year, the Government sold to an outside party the majority of the real property taxes outstanding that had become delinquent the prior March 1. In June 2007, the Government also sold the majority of the real property taxes outstandng from the 2005-2006 year. The sales generated property tax revenues and reductions of the property tax receivable balances which are reflected in collections as follows:

	Current Year	Subsequent Year
2005-06	$ -	$ 2,418,959
2006-07	23,025,457	-
2007-08	24,448,736	-
2008-09	21,544,115	-
2009-10	26,509,998	-
2010-11	26,178,622	-
2011-12	20,843,656	-
2012-13	21,437,137	-
2013-14	22,238,850	

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		
$ (2,810,678)	$ 580,820,634	$ 14,879,910	$ 580,326,375	99.91 %	$ 494,259	0.09 %
(8,911,051)	686,992,073	14,649,792	686,418,522	99.92	573,551	0.08
(5,420,165)	707,836,598	1,795,989	707,040,771	99.89	795,827	0.11
(3,093,257)	721,319,830	1,677,220	719,597,346	99.76	1,722,484	0.24
(4,506,260)	737,804,748	4,846,174	736,867,228	99.87	937,520	0.13
(12,121,531)	747,740,681	(2,060,440)	746,768,157	99.87	972,524	0.13
(14,611,661)	744,573,180	2,001,601	743,793,513	99.90	779,667	0.10
(9,407,244)	746,202,198	(80,894)	745,364,840	99.89	837,358	0.11
(8,274,329)	848,171,191	1,663,656	847,041,983	99.87	1,129,208	0.13
(9,381,549)	868,220,712	-	863,883,378	99.50	4,337,334	0.50

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

	Governmental Activities						Business-type Activities	
Fiscal Year	General Obligation Bonds and Notes	Limited Obligation Revenue Bonds	Qualified Zone Academy Bond Notes	Tennessee Municipal Bond Fund Loan	Qualified School Construction Bond Loan	Total Governmental Activities	Revenue Bonds	General Obligation Bonds
2004-05	$ 1,323,909	$ 12,536	$ -	$ -	$ -	$ 1,336,445	$ 534,905	$ 8,231
2005-06	1,661,934	10,957	6,069	-	-	1,678,960	507,643	8,204
2006-07	1,572,720	9,313	5,666	-	-	1,587,699	478,937	7,916
2007-08	1,791,289	7,609	5,261	-	-	1,804,159	446,188	7,624
2008-09	1,646,023	5,825	4,857	56,930	-	1,713,635	412,643	7,316
2009-10	2,003,576	3,956	4,452	52,650	21,120	2,085,754	376,913	6,997
2010-11	1,022,593	1,997	4,048	52,650	55,577	1,136,865	640,249	6,913
2011-12	2,105,210	-	3,643	-	52,410	2,161,263	752,158	7,074
2012-13	2,564,208	-	3,238	-	48,874	2,616,320	884,874	69,097
2013-14	2,446,867	-	2,835	-	45,337	2,495,039	847,596	66,913

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedules of Demographic and Economic Statistics on page H-32 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Per Capita Personal Income statistics for the most recent calendar year were not available at the reporting date.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (CONTINUED)
(amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Business-type Activities (Continued)					
State Loans	Capitalized Lease Obligations	Total Business-type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
$ 47,404	$ 1,930	$ 592,470	$ 1,928,915	8.23 %	$ 3,323.11
62,638	1,780	580,265	2,259,225	9.29	3,919.67
126,836	1,620	615,309	2,203,008	8.53	3,806.84
155,648	1,455	610,915	2,415,074	8.97	3,897.63
159,000	1,270	580,229	2,293,864	8.26	3,663.48
165,331	1,095	550,336	2,636,090	9.54	4,146.69
159,681	900	807,743	1,944,608	6.74	3,103.03
197	695	760,124	2,921,387	9.72	4,597.17
150	475	954,596	3,570,916	10.69	5,508.17
101	245	914,855	3,409,894	N/A (2)	5,177.47

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
GENERAL AND URBAN SERVICES DISTRICTS
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Obligation Bonds and Notes	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2004-05	$ 1,287,630	$ 136,955	$ 1,150,675	2.52 %	$ 1,982.37
2005-06	1,608,390	83,596	1,524,794	3.02	2,645.46
2006-07	1,510,825	70,969	1,439,856	2.78	2,488.10
2007-08	1,725,785	56,803	1,668,982	2.76	2,693.53
2008-09	1,585,025	43,962	1,541,063	2.49	2,461.20
2009-10	1,910,500	25,950	1,884,550	2.98	2,964.48
2010-11	1,895,530	37,955	1,857,575	2.94	2,964.15
2011-12	1,923,680	29,168	1,894,512	3.00	2,981.25
2012-13	2,323,100	37,330	2,285,770	3.61	3,525.82
2013-14	2,227,730	21,554	2,206,176	3.35	3,349.79

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages H-16 and H-17 for property value data.

(2) See the Schedules of Demographic and Economic Statistics on page H-32 for personal income and population data. This ratio is calculated using population for the prior calendar year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
URBAN SERVICES DISTRICT
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Obligation Bonds and Notes	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
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
2009-10	157,592	2,985	154,607	N/A	N/A
2010-11	156,260	6,160	150,100	N/A	N/A
2011-12	181,076	7,325	173,751	N/A	N/A
2012-13	196,077	8,629	187,448	N/A	N/A
2013-14	193,855	5,711	188,144	N/A	N/A

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

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Debt Limit	Total Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Amount of Debt Applicable to Debt Limit as a Percentage of Debt Limit
2004-05	$ 1,375,162	$ 100,469	$ 1,274,693	7.31 %
2005-06	1,577,096	121,736	1,455,360	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
2009-10	1,993,317	154,607	1,838,710	7.76
2010-11	1,983,065	150,100	1,832,965	7.57
2011-12	1,986,727	173,751	1,812,976	8.75
2012-13	1,992,471	187,448	1,805,023	9.41
2013-14	2,143,058	188,143	1,954,915	8.78

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, 2014

Unaudited - See Accompanying Accountants' Report

Assessed valuation of taxable property - Urban Services District		$ 14,287,056,545
Debt limit - 15 percent of assessed valuation		$ 2,143,058,482
Amount of debt applicable to debt limit:		
Total bonded debt	$ 193,854,695	
Less:		
Amounts available in debt service funds	5,711,429	
Total amount of debt applicable to debt limit		188,143,266
Legal debt margin		$ 1,954,915,216

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

Fiscal Year		Principal	Interest and Fiscal Charges (2)	Total Debt Service	Total General Expenditures (1)	Percentage of Debt Service to Total General Expenditures
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
2009-10		81,600	80,876	162,476	1,844,374	8.8
2010-11	(3)	-	82,682	82,682	1,863,923	4.4
2011-12	(3)	7,377	90,065	97,442	1,881,454	5.2
2012-13	(3)	40,792	88,396	129,188	1,964,390	6.6
2013-14		93,369	96,285	189,654	2,059,327	9.2

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) Includes General, Special Revenue and Debt Service Funds.

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

(3) As the result of a bond refunding in June 2010, principal payments for the years ended June 30, 2011 through 2013 were significantly reduced.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PLEDGED REVENUE COVERAGE
DEPARTMENT OF WATER AND SEWERAGE SERVICES REVENUE BONDS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Gross Revenue (1)	Direct Operating Expense (2)	Net Revenue Available For Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
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
2009-10	171,966	88,603	83,363	35,525	16,526	52,051	1.60
2010-11	196,268	94,478	101,790	37,830	26,998	64,828	1.57
2011-12	201,263	102,485	98,778	42,410	29,386	71,796	1.38
2012-13	209,110	103,423	105,687	30,765	34,189	64,954	1.63
2013-14	213,055	101,703	111,352	31,500	41,367	72,867	1.53

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

Calendar Year		Population (1)	Per Capita Personal Income (2)	Personal Income (amounts expressed in thousands) (2)	Unemployment Rate (3)
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		626,144	44,228	27,784,064	5.5
2009		635,710	43,457	27,626,360	9.3
2010		626,681	45,913	28,835,836	9.0
2011		635,475	47,318	30,069,470	8.5
2012		648,295	51,526	33,403,945	7.2
2013	(5)	658,602	N/A	N/A	7.1

(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 Hurricanes Katrina and Rita.

(5) Personal income statistics for calendar year 2013 were not available at the reporting date.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

	June 30, 2014			June 30, 2005		
Employer	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Vanderbilt University and Medical Center	23,021	1	2.90 %	17,158	3	2.33 %
Metro Nashville-Davidson Co. Government and Public Schools	18,508	2	2.33	19,188	2	2.61
State of Tennessee	18,200	3	2.30	20,029	1	2.72
U.S. Government	12,177	4	1.54	11,146	4	1.51
Nissan North America Inc.	8,500	5	1.07	8,100	6	1.10
HCA (including Tri-Star Health System) (1)	7,000	6	0.88	9,657	5	1.31
Saint Thomas Health Services	6,500	7	0.82	6,300	7	0.86
Randstad	3,400	8	0.43	-		- (2)
Shoney's Inc.	3,000	9	0.38	-		- (2)
The Kroger Company	2,863	10	0.36	2,649	10	0.36
Bridgestone America Holdings	-		- (2)	4,900	8	0.67
Gaylord Entertainment Company (1)	-		- (2)	4,519	9	0.61
	103,169		13.01 %	103,646		14.08 %

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

Note: The schedule reflects employers and number of employees within the Metropolitan Statistical Area.

(1) 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

	2005	2006	2007	2008
Governmental activities:				
General government	325	340	331	337
Fiscal administration	310	316	317	318
Administration of justice	798	812	811	808
Law enforcement and care of prisoners	2,695	2,716	2,714	2,715
Fire prevention and control	1,178	1,181	1,180	1,182
Regulation and inspection	108	111	108	108
Conservation of natural resources	10	10	10	11
Public welfare	678	487	492	487
Public health and hospitals	514	528	500	508
Public library system	336	330	329	336
Public works, highways and streets (2)	543	546	532	527
Recreational and cultural	592	639	650	682
Education	9,026	9,136	9,131	9,275
Total governmental activities	17,113	17,152	17,105	17,294
Internal service activities:				
Central Printing	4	-	-	-
Office of Fleet Management	97	88	91	94
Information Systems	136	130	124	129
Radio Shop	23	18	16	16
Metro Postal Service	5	5	5	5
Facilities Planning and Construction	19	18	18	18
Treasury Management	14	12	9	8
General Services (1)	52	94	96	107
Total internal service activities	350	365	359	377
Business-type activities:				
Department of Water and Sewerage Services	668	668	668	668
Nashville Convention Center (4)	47	47	53	53
Board of Fair Commissioners	17	17	29	24
Farmers Market	8	8	8	8
Police Secondary Employment	5	5	5	5
Surplus Property Auction	7	7	7	7
Police Impound (3)	29	29	29	29
Municipal Auditorium	-	12	12	12
Community Education Commission	9	11	11	15
Stormwater Operations (2)	-	-	-	-
Total business-type activities	790	804	822	821
Total primary government	18,253	18,321	18,286	18,492

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.

(2) Prior to 2010, the employees of Stormwater Operations were included in Governmental activities - Public works, highways and streets.

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

2009	2010	2011	2012	2013	2014
330	288	297	306	308	302
317	306	296	282	281	282
813	773	804	765	772	777
2,733	2,787	2,740	2,802	2,826	2,831
1,150	1,141	1,138	1,170	1,170	1,205
105	95	97	99	93	94
10	9	9	8	8	8
483	468	488	492	491	492
486	473	469	450	437	464
317	297	292	295	297	309
470	363	364	368	381	389
605	543	534	544	528	546
9,563	9,671	9,019	9,154	9,291	9,304
17,382	17,214	16,547	16,735	16,883	17,003
-	-	-	-	-	-
94	89	89	89	88	89
130	114	112	110	111	112
18	16	16	15	15	15
4	4	4	4	4	4
-	-	-	-	-	-
8	8	8	7	7	7
58	48	47	47	47	47
312	279	276	272	272	274
650	692	704	700	707	715
59	57	57	52	-	-
25	28	23	22	24	24
7	7	7	7	7	7
5	5	5	5	5	5
7	7	7	7	7	7
29	29	29	29	-	-
11	8	8	8	9	9
14	8	5	2	3	3
-	90	90	93	93	93
807	931	935	925	855	863
18,501	18,424	17,758	17,932	18,010	18,140

(3) In the spring of 2012, the operations of Police Impound were outsourced.

(4) With the opening of the Music City Center in the spring of 2013, the Nashville Convention Center employees were transitioned to the Convention Center Authority, a component unit of the Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2005	2006	2007	2008
Governmental activities:				
General government:				
Election Commission - registered voters	358,119	359,806	334,067	340,373
Assessor of Property - real property inspections (1)	220,903	48,942	96,845	69,153
Administration of justice:				
Public Defender - caseload	41,017	39,242	43,649	43,402
Circuit Court Clerk - circuit filings	10,707	9,970	8,905	9,084
Circuit Court Clerk - general sessions civil filings	45,835	47,232	49,729	51,905
Circuit Court Clerk - probate filings	1,909	2,002	2,060	2,039
Law enforcement and care of prisoners:				
Sheriff - inmate days jails	674,254	806,361	870,502	894,746
Sheriff - inmate days detention facility	431,421	354,799	374,643	395,777
Police - total CAD calls received	1,090,591	974,864	1,052,261	1,060,868
Police - incident numbers issued	709,915	721,903	784,391	844,469
ECC - total 911 calls received	332,182	329,325	343,631	361,016
ECC - total non 911 calls received	810,332	782,120	742,344	718,732
Fire prevention and control:				
Fire - life threatening responses	38,766	38,158	41,633	40,171
Fire - non life threatening responses	17,240	17,607	19,316	20,768
Regulation and inspection:				
Codes - construction/land use permits	10,245	10,534	11,663	10,598
Public welfare:				
Social Services - clients served (2)	2,734	19,116	20,164	19,694
Public health and hospitals:				
Health - clinic visits	187,465	191,016	192,622	180,543
Health - restaurant inspections	12,483	12,883	13,355	13,972
Public library system:				
Library - circulating materials check-outs	4,087,080	4,212,037	4,239,335	4,213,276
Library - number of visits	3,374,359	3,355,545	3,643,610	3,828,825

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 2005, 2009 and 2013 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

2009	2010	2011	2012	2013	2014
345,243	349,733	345,687	358,136	362,816	373,231
236,459	58,158	94,348	103,837	238,107	48,559
46,006	44,776	43,139	45,852	41,809	42,857
11,324	10,298	10,900	10,738	10,729	10,915
53,441	48,834	47,193	49,978	46,445	46,116
1,930	1,954	1,879	1,906	2,048	2,027
920,662	929,674	898,860	804,641	771,630	721,508
401,562	397,566	388,466	426,168	435,098	379,811
1,152,012	1,315,649	1,417,859	1,585,228	1,384,481	1,333,945
918,749	1,315,455	1,035,026	1,045,077	1,119,012	1,201,162
359,926	344,276	370,704	377,118	365,278	351,814
696,757	690,297	675,908	625,120	605,693	634,280
41,989	43,124	44,518	46,076	44,232	47,161
21,045	24,116	25,835	26,739	25,403	28,332
8,235	10,172	8,343	9,304	9,900	10,131
18,870	17,291	14,963	13,785	13,271	13,122
187,717	190,942	195,222	192,902	181,395	181,959
13,796	13,525	13,378	12,082	13,050	13,440
4,144,374	4,148,419	4,208,363	4,340,657	4,368,494	4,663,347
3,923,154	3,677,765	3,723,416	3,938,659	3,697,063	3,501,710

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	2005	2006	2007	2008
Governmental activities (continued):				
Public works, highways and streets:				
Public Works - scheduled garbage collections	6,406,309	6,552,000	6,552,000	6,417,000
Public Works - tons of disposed waste	862,895	839,779	800,830	865,671
Public Works - rehabilitated street lane miles (3)	419	145	186	392
Recreational and cultural:				
Parks - Sportsplex attendance	400,000	385,000	400,000	325,822
Parks - cultural enrichment class attendance (4)	4,940	4,724	11,339	11,802
Parks - senior citizen program attendance (5)	25,000	30,000	37,484	38,608
Education:				
Public Schools - students (second month enrollment)	72,458	73,109	74,155	74,733
Business-type activities:				
Department of Water and Sewerage Services:				
Customers - water	159,506	162,834	171,627	174,286
Average daily raw water treatment (millions of gallons per day)	94	97	97	103
Customers - wastewater	171,341	173,149	183,695	191,981
Average daily wastewater flow (millions of gallons per day)	143	125	128	145
District Energy System:				
Steam sales (thousand pounds)	302,899	303,821	322,648	284,761
Chilled water sales (thousand ton hours)	46,817	52,304	60,720	58,854
Nashville Convention Center - events (7)	193	193	188	191
Board of Fair Commissioners:				
Flea market booth rentals	18,611	18,513	18,900	16,253
State fair attendance (6)	204,485	227,478	230,216	192,130
Municipal Auditorium - events held	92	91	91	97
Component units:				
Music City Center - events (7)	-	-	-	-

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) Tracking of senior citizen program attendance was changed from a manual to an automated system in 2012. While there was some increase in participation, the increase is also due to the availability of more accurate information.

(6) The decrease in state fair attendance in 2008 was due to rain on the first weekend of the annual event. The operation of the state fair was outsourced beginning in 2011.

(7) The Music City Center opened in May 2013. 2014 is the first full year of operations. Nashville Convention Center events decreased in 2014 as events move to the Music City Center.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
6,423,000	6,477,000	6,503,700	6,630,000	6,630,000	6,625,840
957,837	745,442	852,856	569,111	645,224	649,108
171	87	125	89	167	173
339,718	344,858	343,835	333,365	355,999	343,332
12,374	15,710	17,430	18,300	18,202	19,430
37,932	36,898	37,970	60,759	61,214	54,152
75,049	76,329	78,014	79,212	81,001	82,307
175,121	176,033	177,475	184,421	187,272	190,699
98	119	101	100	95	101
187,655	189,299	189,898	195,380	198,485	198,119
151	166	154	148	164	169
283,071	272,448	277,943	250,414	374,366	410,084
52,976	51,273	56,118	57,233	62,538	61,768
234	243	237	217	254	56
15,743	15,908	14,510	16,423	16,515	18,612
209,385	208,131	62,352	67,805	67,635	66,752
110	111	123	90	110	155
-	-	-	-	-	342

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2005	2006	2007	2008
Governmental activities:				
General government:				
General government vehicles (1)	3,620	3,425	3,559	3,614
Law enforcement and care of prisoners:				
Sheriff inmate capacity - jails	2,587	2,587	2,587	2,918
Sheriff inmate capacity - detention facility	892	1,092	1,092	1,092
Police stations	6	6	6	6
Fire prevention and control:				
Fire stations	39	40	41	41
Public library system:				
Libraries	22	24	24	24
Public works, highways and streets:				
Streets and roads (lane miles)	5,600	5,600	5,643	5,687
Recreational and cultural:				
Parks (number)	102	107	110	110
Parks (acreage)	10,241	10,355	10,424	10,490
Miles of completed greenways	28.0	29.5	36.5	37.2
Education:				
Schools (4)	133	136	135	137
School buses	633	657	667	660
Business-type activities:				
Department of Water and Sewerage Services:				
Water mains (miles) (2)	2,749	2,771	2,888	2,944
Maximum daily water capacity (thousands of gallons)	180,000	180,000	180,000	180,000
Sewers (miles) (2)	2,867	2,901	3,027	3,069
Maximum daily treatment capacity (thousands of gallons)	465,000	465,000	465,000	465,000
District Energy System:				
Steam:				
Maximum contract capacity (pounds per hour)	368,079	368,079	368,079	368,079
Percentage maximum contract capacity represented by customers	65.15%	67.05%	67.05%	67.05%
Chilled water:				
Maximum contract capacity (tons)	28,599	28,599	28,599	28,599
Percentage maximum contract capacity represented by customers (3)	85.30%	87.57%	87.57%	87.57%
Nashville Convention Center:				
Exhibition space (square footage)	118,675	118,675	118,675	118,675
Board of Fair Commissioners:				
Exhibition space (square footage)	126,600	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
Component units:				
Music City Center:				
Exhibition space (square footage) (5)	-	-	-	-

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2009	2010	2011	2012	2013	2014
3,277	3,408	3,510	3,507	3,524	3,542
2,918	2,918	2,918	2,918	2,918	2,918
1,092	1,092	1,092	1,092	1,348	1,348
6	6	7	7	7	7
41	41	38	38	38	38
24	24	24	24	24	23
5,740	5,777	5,796	5,814	5,832	5,852
115	115	118	127	126	126
10,713	10,876	11,131	12,554	13,022	13,802
37.2	45.7	46.5	51.0	54.5	79.0
132	138	137	136	135	160
646	673	725	697	751	721
2,873	2,878	2,912	2,886	2,910	3,042
180,000	180,000	180,000	180,000	180,000	18,000
2,890	3,045	3,051	3,063	3,096	3,082
465,000	465,000	465,000	465,000	483,000	510,000
368,079	303,833	321,430	295,998	299,053	297,389
67.13%	80.66%	76.00%	73.16%	85.14%	99.70%
28,599	29,279	31,169	30,044	30,415	30,533
86.30%	82.00%	77.00%	73.58%	84.47%	82.33%
118,675	118,675	118,675	118,675	118,675	118,675
126,600	126,600	120,919	115,459	115,459	120,919
50,400	50,400	50,400	50,400	50,400	50,400
7,800	7,800	7,800	7,800	7,800	7,800
-	-	-	-	-	350,000

(1) General government vehicles include vehicles that are used in various other functions of the Government.
(2) 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.
(3) District Energy System diversified capacity for chilled water after planned pump modification in 2010.
(4) Beginning in 2014, charter schools, academic academies and pre-k sites are included in total schools.
(5) The Music City Center opened in May 2013.

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