

Comprehensive Annual Financial Report For the Year Ended June 30, 2011

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



Karl F. Dean, Mayor



THE METROPOLITAN GOVERNMENT
OF
NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the Year Ended June 30, 2011

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
PHONE: (615) 862-6000
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October 31, 2011

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, 2011. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the Government in accordance with generally accepted accounting principles (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Government's financial activities have been included.

The Government is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedules of federal and state financial assistance, findings and recommendations, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, are not included herein but are reported separately.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and Statement No. 39, Determining Whether Certain Organizations are Component Units, this report includes all funds of the primary government and all component units. For purposes of this report, the primary government includes all departments and agencies of the Government which are not separate legal entities, including the Department of Water and Sewerage Services and Metropolitan Nashville Public Schools. The component units include those separate legal entities whose relationships with the primary government meet the criteria for inclusion defined in GASB Statements No. 14 and No. 39.

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

PROFILE OF THE GOVERNMENT

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

FACTORS AFFECTING ECONOMIC AND FINANCIAL CONDITION

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

The Nashville Metropolitan Statistical Area (MSA) economy has been comparable to the Nation and slightly healthier than the State economy, with lower unemployment than the State.

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

MAJOR INITIATIVES

The Government continues to emphasize delivery of focused public services in a way that provides efficiency, effectiveness and value to the citizens of Nashville. The Government's major initiatives for fiscal year 2011, for fiscal year 2012 and for the future are discussed below.

FOR FISCAL YEAR 2011: Substitute budget ordinance BL-2010-683 appropriated a balanced budget of \$1,524,062,500 in the budgetary funds, an overall decrease of 1.2% from the budget for fiscal year 2010.

The FY2011 budget continued to make improvements in the Nashville community's priority areas:

- **Public Education** – This budget fully funded the Metro Nashville Public Schools (MNPS) request of \$633,342,600. MNPS received an additional \$25 million in revenues and transfers compared to FY10. MNPS's undesignated fund balance was 4.3% of budgeted expenditures, which was above the 3.0% required by the State.
- **Public Safety** – The budget for public safety departments, while slightly reduced, allowed for full staffing of police officers and continued funding for the Juvenile Court's efforts to reduce truancy. The Fire Department expected to meet the increasing demand for services without adding additional ambulances while achieving a decrease in response times through operational improvements. The Fire Department retained all front-line positions.
- **Community Support** – The budget included continued funding to address homelessness issues in Nashville, and the process for making grants to non-profit agencies continued to be a transparent process that targeted specific community needs.
- **Livability** – Metro Parks and the Metro Public Library maintained current levels of service, established MTA bus routes continued, and Metro continued the progress made toward meeting the goals and recommendations of the Green Ribbon Committee to make Nashville one of the greenest, most sustainable cities in our country.

FOR FISCAL YEAR 2012: Substitute budget ordinance BL-2011-913 appropriated a balanced budget of \$1,585,778,700 in the budgetary funds, an overall increase of 4.0% from the budget for fiscal year 2011.

The FY2012 budget continued to make improvements in the Nashville community's priority areas:

- Public Education – In keeping with the commitment to provide our children with the best education possible, Metro Nashville Public Schools (MNPS) received \$674,034,800 in FY12, which is a \$40 million dollar increase over the amount budgeted in FY11. MNPS' FY12 committed available fund balance is 5.1% of budgeted expenditures, which is above the 3.0% required by the State. Additional funds were provided to the Public Library to expand the Limitless Libraries initiative, which is a partnership between MNPS and the Public Library to provide additional resources to students beyond individual school libraries.
- Public Safety – The budget for public safety departments, while slightly reduced, will allow for full staffing of police officers. The Police Department received additional funding to open the new Madison Precinct, to staff a new DNA crime lab, and to begin planning for the opening of the new Midtown Hills Precinct. The Fire Department expects to continue to meet the increasing demand for services without negatively impacting response times. The Fire Department retained all front-line positions.
- Community Support – The budget includes continued funding to address homelessness issues in Nashville, and the process for making grants to non-profit agencies will continue to be a transparent process that targets specific community needs.
- Livability – Metro Parks received additional funding to open the McCabe Community Center and Riverfront Park. The Public Library received additional funds to open the Goodlettsville Branch. The Metropolitan Transit Authority received additional funding so that current levels of service could be maintained. Finally, Metro will continue the progress made toward meeting the goals and recommendations of the Green Ribbon Committee.

These initiatives have all been addressed while ensuring the Government meets its fundamental objectives of maintaining a balanced budget, keeping taxes low, and investing in Nashville's future. This was achieved for the Fiscal Year 2012 budget in part by continuing to benefit from the Fiscal Year 2010 restructuring of the Government's long term debt and by utilizing alternatives such as fund balance instead of raising taxes. Savings opportunities were also considered as reductions to departmental operating budgets and were made where prudent. Details of the fiscal year 2011 and 2012 budgets are described in the annual *Operating Budget* books published by the Department of Finance, Office of Management and Budget. They are also available on the GFOA-award-winning Citizen's Guide to the Budget at the web site www.nashville.gov/citizens_budget.

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

EDUCATION:

This administration will continue to work toward improving our schools by encouraging our community to devote its attention, time, and financial resources to education. The Education First Fund was established in 2008 through the Community Foundation of Middle Tennessee to provide long term support for the Teach for America and New Teacher Project initiatives. In December 2009, the Mayor launched the Center for Charter School Excellence in Tennessee, an initiative supported by the Education First Fund, to recruit and support high quality charter school operators in Nashville. Over \$1,000,000 in private funds have been raised to support the Teach for America program, which provides additional teachers in Nashville Public Schools. Additionally, in February 2010 the Mayor signed an Executive Order formalizing a new program to allow Metro employees to volunteer in Nashville Public Schools during the work week. During 2011, the Mayor's Office of Children and Youth, in partnership with the Dollar General Foundation, worked on adult literacy by coordinating the efforts of many non-profits to enhance reading and comprehension skills among adults and to offer opportunities to adults needing English language proficiency.

PUBLIC SAFETY:

This administration continues to be committed to improving public safety by and through the combined efforts of the Mayor's Office, the Police Department, the Fire Department, and other departments. To support this priority, the Metropolitan Nashville Police Department maintained the highest number of sworn officers in more than five years.

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.

LIVABILITY:

In early May 2010 unprecedented flooding impacted areas of Davidson County. While the response from the Public Safety, Public Works and other Metro departments and from significant numbers of volunteers secured the residents and cleared the debris, there remains work to be done. Under the leadership of the Mayor, a rebuilding assistance program – We Are Home - has been initiated to help homeowners recover from flood damage. Additionally, the Mayor's office of Flood Recovery has announced a long term flood recovery planning effort that will include significant community input. These efforts, along with a home buyout program and other initiatives, will ensure that Nashville recovers from the flood while working to enhance the overall quality of life in our community for future generations. In 2011, 109 properties were included in the home buyout program, and 99 of these properties in the flood plain are now owned by Metro.

This administration will continue to address issues impacting the quality of life for members of our community by focusing on health services, parks, the arts, libraries, adequate public transportation, healthy lifestyles and affordable housing. The Green Ribbon Committee on Environmental Sustainability, established by the Mayor in 2008 to help ensure that Nashville continues to be a livable city with clean air, clean water, open spaces, public transportation infrastructure and a sustainable energy use profile, released a report of its findings and recommendations. The Mayor also established the Bicycle and Pedestrian Advisory Committee to further Nashville's goal of becoming a bicycle and pedestrian friendly city. Finally, during the past two years the Mayor has organized and led community walks to support healthy lifestyles.

ECONOMIC DEVELOPMENT:

This administration is committed to growing the local economy and to generating economic opportunities that will benefit all citizens. In Fiscal Year 2010 the Convention Center Authority was formed and issued \$623,215,000 of revenue bonds to complete construction of the new downtown convention center, the Music City Center. This is the largest construction project in the history the Government. The Music City Center is on schedule to open in 2013. Additionally, Omni Hotels is constructing and will operate an 800 room headquarters hotel for the Music City Center. In Fiscal Year 2011, an economic and community development incentive grant was approved for the benefit of Asurion, a large provider of insurance programs covering wireless mobile devices. Asurion has agreed to keep their global headquarters of 1,200 employees in Nashville and has agreed to add 600 new jobs over the next five years.

FINANCIAL INFORMATION

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

The Government's investment policy is to preserve principal, minimize credit and market risks and maintain adequate liquidity while maximizing the rate of return on its portfolio. The investment policy encourages conservative, low risk investments and does not permit high risk methods to enhance investment returns. The majority of the cash deposits are held by financial institutions participating in the bank collateral pool administered by the State of Tennessee, thus ensuring that they are collateralized. 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 \$2.2 billion at June 30, 2011.

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, 2011 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2012 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 2011, including any reported instances of significant deficiencies in the internal control structure or any violations of applicable laws and regulations, are reported separately.

INDEPENDENT AUDIT: Section 6.15 of the Metropolitan Charter requires an annual audit of accounts and other evidences of financial transactions of the Government and of its departments, offices and agencies by independent certified public accountants. The audit is performed by a firm chosen by a three-member audit board consisting of the Vice-Mayor, the Chair of the Budget and Finance Committee of the Metropolitan

Council, and the Chair of the Metropolitan Nashville Public School Board. The Government has complied with this requirement. The independent auditors' report is included in the financial section of this report.

AWARDS AND ACKNOWLEDGEMENTS

AWARDS: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Government for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the 28th 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, 2010. 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 20th 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

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, 2010

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

The Metropolitan Government of Nashville and Davidson County was awarded the Certificate of Achievement by the Government Finance Officers Association of the United States and Canada for its Comprehensive Annual Financial Report for the year ended June 30, 2010.



President

Executive Director

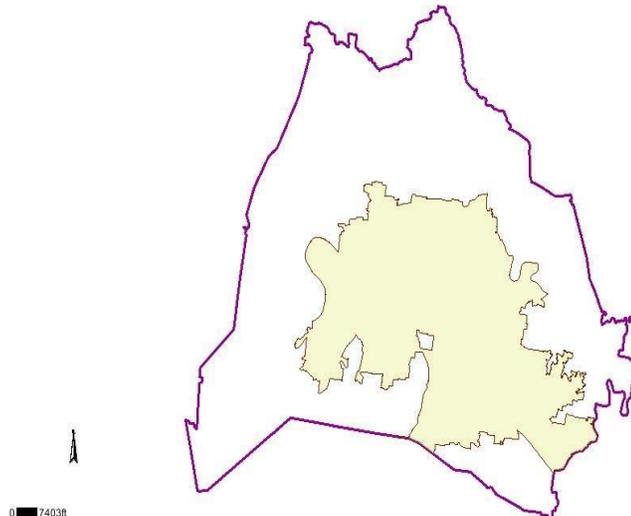
**THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY
FORM OF GOVERNMENT**

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

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

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

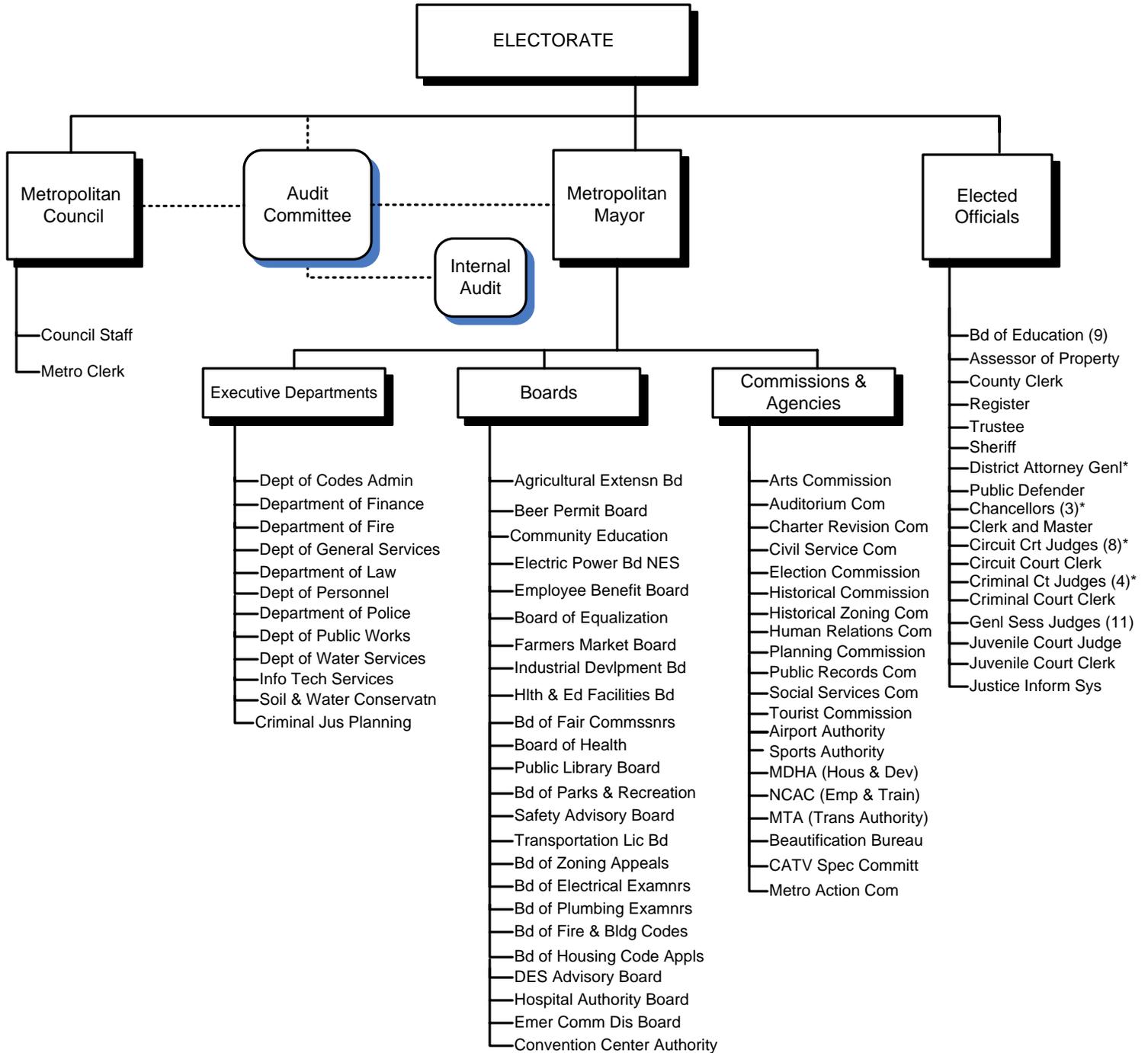
The original USD conformed to the corporate limits of the City of Nashville as they existed on April 1, 1963, the date of consolidation. USD residents are charged an additional tax to support those services, functions and debt obligations which benefit only the USD. Such services include additional police protection, storm sewers, street lighting and refuse collection. The Charter provides: "The area of the Urban Services District may be expanded and its territorial limits extended by annexation whenever particular areas of the General Services District come to need urban services, and The Metropolitan Government becomes able to provide such service within a reasonable period which shall be no greater than one year after ad valorem taxes in the annexed area become due." Since April 1, 1963 the area of the USD has been expanded from 72 square miles to 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, 2011**

Karl Dean, Mayor

Finance Officials

George Rooker
Charles E. Cardwell
John Arriola

Assessor of Property
Trustee
County Clerk

The County Council

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

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

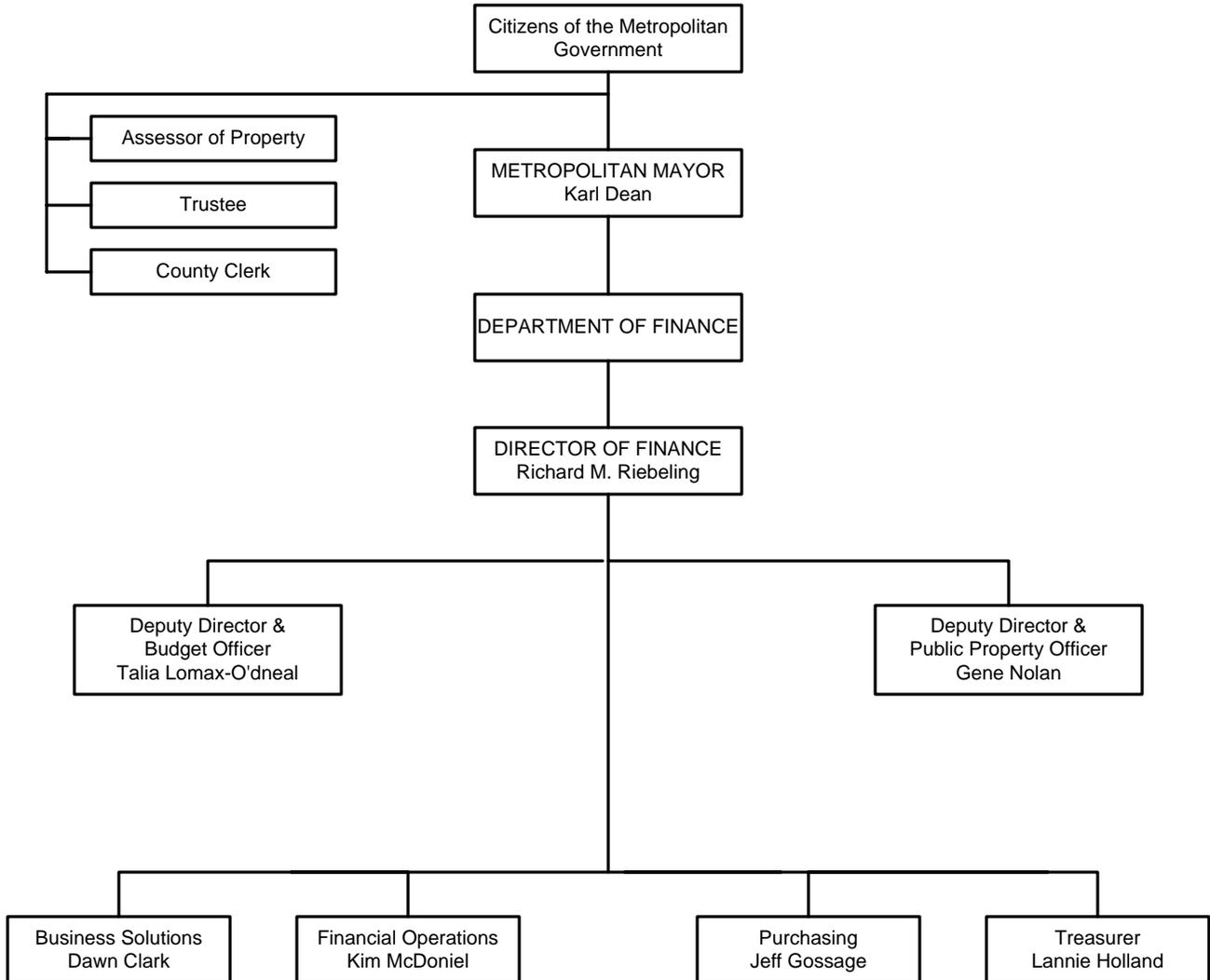
District No. 1 – Lonnell Matthews, Jr.
District No. 2 – Frank Harrison
District No. 3 – Walter Hunt
District No. 4 – Michael Craddock
District No. 5 – Jamie Hollin
District No. 6 – Mike Jameson
District No. 7 – Erik Cole
District No. 8 – Karen Bennett
District No. 9 – Jim Forkum
District No. 10 – Rip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

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

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

ORGANIZATION OF THE DEPARTMENT OF
FINANCE AND OTHER FINANCIAL OFFICES

At June 30, 2011









Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Government of Nashville and Davidson County, Tennessee (the "Government"), as of and for the year ended June 30, 2011, 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, 2011, as listed in the table of contents. We also have audited the financial statements of each of the discretely presented component units of the Government as of and for the year ended June 30, 2011, as presented in the Government's basic financial statements, except as described in the last two sentences of this paragraph. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the following discretely presented component units: the Nashville District Management Corporation, the Gulch Business Improvement District, Inc., the Metropolitan Development and Housing Agency, the Electric Power Board, the Emergency Communications District, and the Convention Center Authority, which represents 65% of the total assets and 77% of the total revenues of the aggregate discretely presented component units of the Government. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and 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, 2011, and the respective changes in financial position, cash flows, where applicable, thereof, and the respective budgetary comparisons for the General Fund and the General Purpose School Fund for the year then ended in conformity 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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

As discussed in Note 1 (B) to the financial statements, the Government adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and Statement No. 59, *Financial Instruments Omnibus*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2011, 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages A-1 through A-11, the condition rating of transportation network, the schedule of funding progress - pension plans, the schedule of employer contributions - 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-115, B-116 through B-117, and B-118, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements and each of the nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, the Sports Authority Fund, the Industrial Development Board 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-23, which are also the responsibility of the management of the Government, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections listed in the table of contents and schedules on pages G-24 through G-33 are presented for purposes of additional analysis and are not a required part of the financial statements of the Government. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Crosslin & Associates, P.C.

Nashville, Tennessee
October 31, 2011



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, 2011.

FINANCIAL HIGHLIGHTS

- The assets of the Government exceeded its liabilities at the close of the most recent fiscal year by \$1.8 billion (*net assets*). This amount includes negative \$508 million of *unrestricted net assets*.
- The Government's total net assets decreased by \$215 million (a decrease of \$257 million from governmental activities and an increase of \$42 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 \$210 million, a decrease of \$128 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$53 million, or 6.7% of total general fund expenditures and other financing uses.
- The enterprise funds reported net assets at year-end of \$1.3 billion, an increase of \$47 million during the year.
- The Government's total general obligation and revenue bonds outstanding increased by \$258 million (11.0%) during the current fiscal year. New bond issues totaled \$613 million, which were offset by principal payments of \$39 million, refundings of \$334 million, and changes in deferred amounts of \$18 million. Other debt increased by \$28 million due to borrowing Qualified School Construction Bonds and state construction loans, offset by 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 \$55 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

The business-type activities of the Government include the Department of Water and Sewerage Services, District Energy System, Nashville Convention Center, Board of Fair Commissioners, Farmers Market, Police Secondary Employment, Surplus Property Auction, Municipal Auditorium, Police Impound, 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 22 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, 2011, the Government used internal service funds to account for its fleet, information systems, radio equipment, insurance, postal, treasury management, and general services functions. Because these services predominantly benefit governmental rather than business-type functions, they have been primarily included within governmental activities in the government-wide financial statements.

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-39 to B-107 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information surrounding infrastructure condition and maintenance data, found on pages B-108 to B-109, the Government's progress in funding its obligation to provide pension benefits to employees, found on pages B-110 to B-115, and the Government's progress in funding its obligation to provide other postemployment benefits to employees, found on pages B-116 to B-118.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator over time of a government's financial position. In the case of the Government, assets exceeded liabilities by \$1.8 billion at the close of the most recent fiscal year.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 1,379,949	\$ 1,455,654	\$ 433,542	\$ 188,870	\$ 1,813,491	\$ 1,644,524
Capital assets	3,073,515	3,003,964	1,735,257	1,691,652	4,808,772	4,695,616
Total assets	4,453,464	4,459,618	2,168,799	1,880,522	6,622,263	6,340,140
Long-term liabilities	2,903,652	2,698,941	755,562	501,552	3,659,214	3,200,493
Other liabilities	1,049,736	1,003,343	100,625	108,855	1,150,361	1,112,198
Total liabilities	3,953,388	3,702,284	856,187	610,407	4,809,575	4,312,691
Net assets:						
Invested in capital assets, net of related debt	1,010,874	1,099,333	1,220,912	1,217,101	2,231,786	2,316,434
Restricted	42,860	31,994	46,256	21,481	89,116	53,475
Unrestricted	(553,658)	(373,993)	45,444	31,533	(508,214)	(342,460)
Total net assets	\$ 500,076	\$ 757,334	\$ 1,312,612	\$ 1,270,115	\$ 1,812,688	\$ 2,027,449

Governmental activities – Current and other assets for governmental activities decreased by 5.2%. The decrease is primarily due to a reduction in cash balances from current year capital spending of cash received from bond issues in June 2010. Capital assets increased by 2.3% due to construction of new schools, other government buildings and infrastructure and due to the renovation of existing government buildings. Long-term liabilities increased by 7.6% primarily due to the increase in the obligation for other postemployment benefits (OPEB) liability. Other liabilities increased by 4.6% primarily due to an increase in commercial paper outstanding under the Government's general obligation commercial paper program at year-end and an increase in accrued interest related to bonds issued in June 2010.

The largest portion of the Government's net assets for governmental activities (202.1%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related outstanding debt used to acquire those assets. The Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets for governmental activities (8.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets for governmental activities represents unrestricted net assets of negative \$554 million (-110.7%). Note that the unrestricted net assets are negative primarily due to the unfunded OPEB liability of \$649 million at June 30, 2011.

Business-type activities – Current and other assets for business-type activities increased by 129.6% due primarily to an increase in cash and other assets from revenue bonds issued in December 2010. Capital assets increased by 2.6% due to additions to utility plants and construction in progress for the Department of Water and Sewerage Services related to recovery from the May 2010 flood. Long-term liabilities increased by 50.6% due to issuance of revenue bonds in December 2010 by the Department of Water and Sewerage services, partially offset by current year principal payments on bonds and other debt. Other liabilities decreased by 7.6% primarily due to the elimination of the prior year commercial paper payable balance through the issuance of revenue bonds in December 2010.

The largest portion of the Government's net assets for business-type activities (93.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related outstanding debt used to acquire those assets. The Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets for business-type activities (3.5%) represents resources that are subject to external restrictions on how they may be used. The majority of the restrictions relate to debt retirement and construction. The remaining balance of net assets for business-type activities, representing unrestricted net assets of \$45 million (3.5%), may be used to meet the Government's ongoing obligations to citizens and creditors.

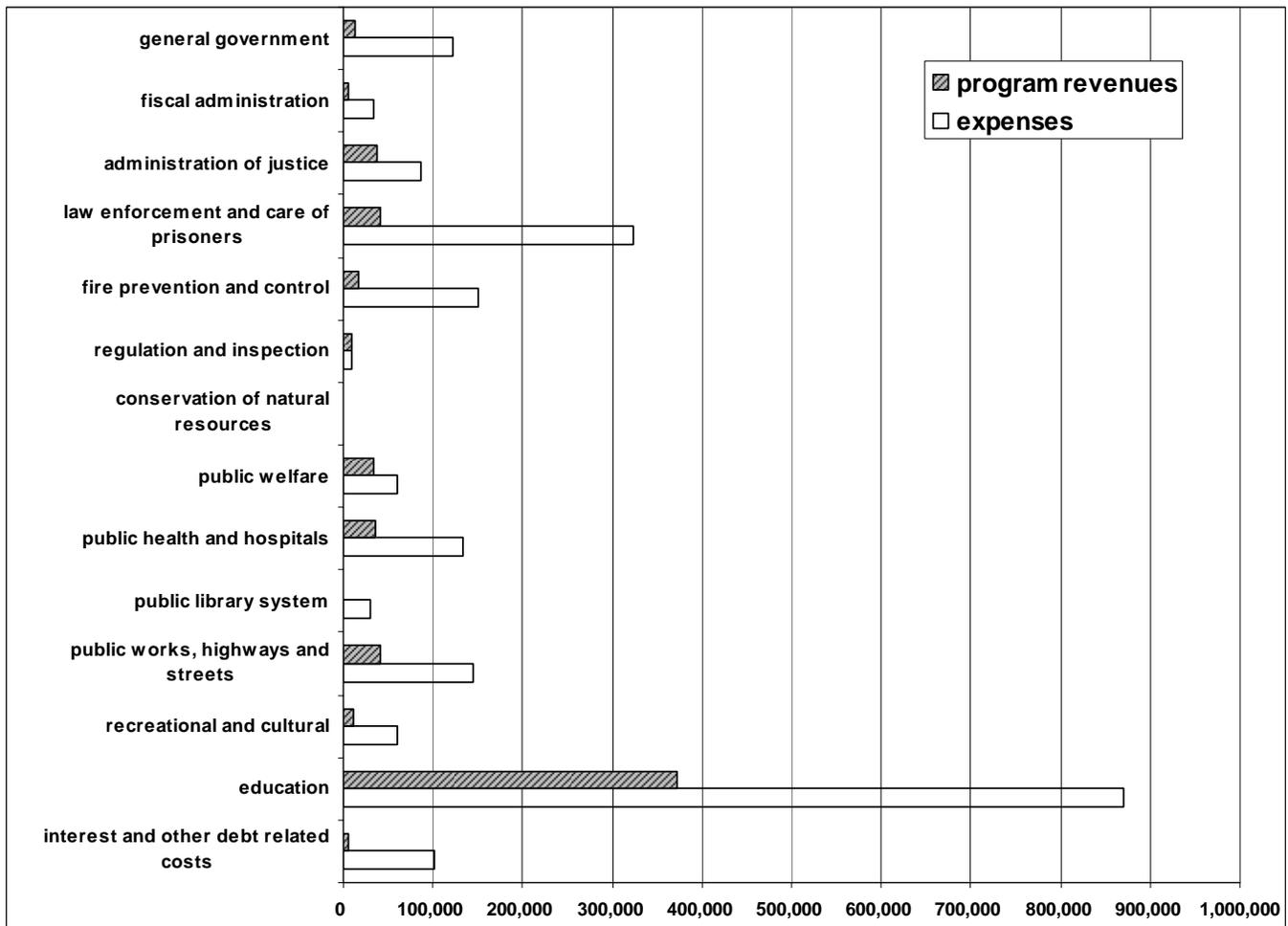
At the end of the current fiscal year, the Government is able to report positive balances in all three categories of net assets for its total business-type activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 151,664	\$ 141,833	\$ 238,575	\$ 216,990	\$ 390,239	\$ 358,823
Operating grants and contributions	432,938	390,732	-	-	432,938	390,732
Capital grants and contributions	38,595	41,648	39,467	41,302	78,062	82,950
General revenues:						
Property taxes	782,192	793,293	-	-	782,192	793,293
Local option sales taxes	258,107	256,178	-	-	258,107	256,178
Hotel occupancy taxes	38,781	37,713	-	-	38,781	37,713
Beverage taxes	29,701	27,010	-	-	29,701	27,010
Wheel taxes	26,573	27,036	-	-	26,573	27,036
Business taxes	24,330	17,935	-	-	24,330	17,935
Franchise taxes	17,401	16,850	-	-	17,401	16,850
Other taxes	355	334	-	-	355	334
Revenues from the use of money or property	1,095	1,445	230	391	1,325	1,836
Revenues from other governmental agencies	61,262	58,160	-	-	61,262	58,160
Compensation for loss, sale or damage to property	3,290	1,747	282	171	3,572	1,918
Total revenues	1,866,284	1,811,914	278,554	258,854	2,144,838	2,070,768
Expenses:						
General government	122,913	85,444	-	-	122,913	85,444
Fiscal administration	33,613	35,358	-	-	33,613	35,358
Administration of justice	87,374	89,601	-	-	87,374	89,601
Law enforcement and care of prisoners	322,782	321,175	-	-	322,782	321,175
Fire prevention and control	149,619	150,117	-	-	149,619	150,117
Regulation and inspection	10,248	10,170	-	-	10,248	10,170
Conservation of natural resources	445	471	-	-	445	471
Public welfare	59,386	60,159	-	-	59,386	60,159
Public health and hospitals	132,993	170,662	-	-	132,993	170,662
Public library system	30,033	28,742	-	-	30,033	28,742
Public works, highways and streets	144,012	130,469	-	-	144,012	130,469
Recreational and cultural	59,421	68,667	-	-	59,421	68,667
Education	869,449	839,760	-	-	869,449	839,760
Interest and other debt related costs	101,743	76,553	-	-	101,743	76,553
Department of Water and Sewerage Services	-	-	187,544	173,896	187,544	173,896
District Energy System	-	-	17,886	17,908	17,886	17,908
Nashville Convention Center	-	-	7,539	7,134	7,539	7,134
Board of Fair Commissioners	-	-	2,814	4,195	2,814	4,195
Farmers Market	-	-	1,193	1,080	1,193	1,080
Police Secondary Employment	-	-	855	1,545	855	1,545
Surplus Property Auction	-	-	734	735	734	735
Municipal Auditorium	-	-	1,801	1,654	1,801	1,654
Police Impound	-	-	1,320	1,687	1,320	1,687
School Community Education	-	-	-	192	-	192
Stormwater Operations	-	-	10,669	10,598	10,669	10,598
Community Education Commission	-	-	302	358	302	358
Total expenses	2,124,031	2,067,348	232,657	220,982	2,356,688	2,288,330
Change in net assets before transfers	(257,747)	(255,434)	45,897	37,872	(211,850)	(217,562)
Transfers	3,400	(323)	(3,400)	323	-	-
Extraordinary item - flood loss	(2,911)	(1,224)	-	(7,000)	(2,911)	(8,224)
Change in net assets	(257,258)	(256,981)	42,497	31,195	(214,761)	(225,786)
Net assets, beginning of year	757,334	1,014,315	1,270,115	1,238,920	2,027,449	2,253,235
Net assets, end of year	\$ 500,076	\$ 757,334	\$ 1,312,612	\$ 1,270,115	\$ 1,812,688	\$ 2,027,449

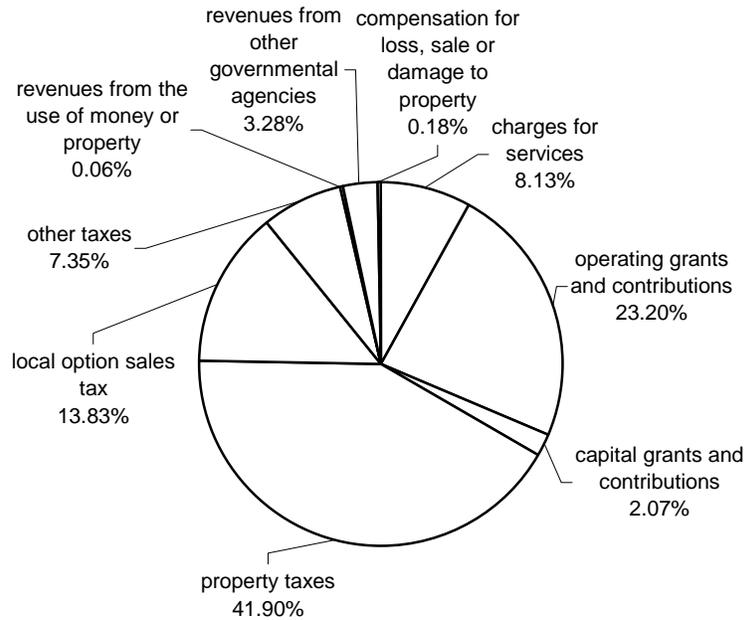
Governmental activities – Governmental activities decreased the Government’s net assets by \$257 million, compared to a \$257 million decrease in the prior year. Total revenue increased by \$54 million. Significant variances in revenues included 1) an increase of \$10 million in charges for services due to increased collections for emergency medical services and increases in other fees and rates charged by various departments for citizen services, and 2) an increase of \$42 million in operating grants and contributions due to new grants received under the American Recovery and Reinvestment Act of 2009 and Federal tax credits received on the Government’s Build America Bonds. Total expenses increased by \$57 million. Significant variances in expenses included 1) an increase of \$37 million in general government due primarily to an increase in current year expenses related to the May 2010 flood and other capital-related expenses, 2) a decrease of \$38 million in public health and hospitals due primarily to a one time appropriation of \$32 million in the prior year to General Hospital, a component unit, to forgive debt owed to the Government, 3) an increase of \$30 million in education resulting from a budgeted increase in general purpose school spending of \$20 million and increased spending on federally funded programs that received additional funding through the ARRA, and 4) an increase of \$25 million in interest and other debt related costs primarily due to an increase in interest as a result of bond refundings and new bond issues in June 2010 .

Expenses and Program Revenues - Governmental Activities – For the Year Ended June 30, 2011



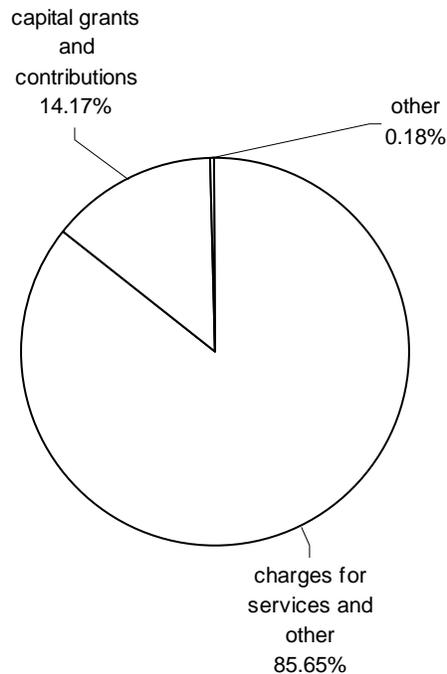
(in thousands)

Revenues by Source - Governmental Activities – For the Year Ended June 30, 2011



Business-type activities – Business-type activities increased the Government's net assets by \$42 million compared to a \$31 million increase in the prior year. The increase in the change in net assets is primarily due to the Department of Water and Sewerage Services operating results for the 2011 fiscal year. Operating income increased \$18 million primarily due to the prior year impact of the May 2010 flood which idled water treatment facilities and resulted in the Government asking citizens to decrease water usage. Also, the prior year included a \$7 million extraordinary item to reflect the impairment of one of the utility plants as a result of the May 2010 flood.

Revenues by Source – Business-type Activities – For the Year Ended June 30, 2011



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 \$210 million, a decrease of \$128 million in comparison with the prior year. Restricted fund balance of \$47 million can only be used for specific purposes pursuant to constraints imposed by external parties such as creditors and grantors. Committed fund balance of \$146 million can only be used for specific purposes pursuant to constraints imposed by formal legislative action of the Metropolitan Council. Significant commitments include \$25 million for subsequent year budgetary appropriations, \$34 million for education, \$28 million for debt service, \$52 million for equipment acquisitions, and \$7 million for other purposes. Unassigned fund balance of \$14 million represents the residual balance of the General Fund offset by deficit balances in other funds. The remaining fund balance of \$3 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 \$53 million, while total fund balance was \$67 million. Approximately \$13 million of total fund balance is committed for subsequent year budgetary appropriations. 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 fund expenditures. Unassigned fund balance represents 6.7% of total general fund expenditures and other financing uses, while total fund balance represents 8.5% of total general fund expenditures and other financing uses.

The total fund balance of the Government's General Fund increased by \$7 million during the current fiscal year as compared to a \$19 million decrease in the previous year. Revenues collections were below budgeted projections by \$5 million. While property and sales taxes were under budget due to the continued economic downturn and reductions in appraised values from the May 2010 flood, other revenues increased, partially offsetting those property tax revenue shortfalls. Ongoing operating expenditures were under budget \$11 million due to savings achieved during the fiscal year.

The fund balance of the Government's General Purpose School Fund increased by \$7 million during the current fiscal year primarily due to sales taxes and other revenues being above budgeted projections.

The fund balance of the Government's GSD General Purposes, GSD School Purposes and USD General Purposes Debt Service Funds increased by \$12 million in the current fiscal year primarily due to interest savings achieved through an unbudgeted June 2010 bond refunding.

The fund balance of the Government's capital projects funds decreased by \$137 million primarily due the spending of proceeds from bonds issued in June 2010.

The fund balance of the Government's other governmental funds decreased by \$18 million primarily due to \$14 million of expenditures in excess of current revenue collections from the May 2010 flood.

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

Unrestricted net assets of proprietary funds at the end of the year amounted to \$108 million. The total increase in unrestricted net assets for these funds was \$21 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 assets of proprietary funds by \$18 million and the internal service funds increased unrestricted net assets by \$3 million. The increase in internal service funds is primarily due to the increase in unrestricted net assets of \$9 million in the Employee Medical Benefit Fund offset by decreases \$2 million in the School Professional Employees' Insurance Fund, which is used to accumulate assets for the payment of self insured medical claims for school employees, and \$3 million in the Injured on Duty Fund, which is used to accumulate assets for the payment of self insured injured on duty claims. The decreases will be funded by future rate increases and/or plan savings.

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 are 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 reallocated to departmental budgets after the final budget was approved.

Final Budgeted and Actual Amounts

Property and sales taxes and permit revenue came in under budget due to the economic downturn and the effect of property reappraisals resulting from the May 2010 flood. However, the shortage was mostly offset by overages in other revenues that exceeded projections. Actual expenditures and other financing uses were under budget by \$12 million because of savings achieved by most departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Government's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$4.8 billion (net of accumulated depreciation). Depreciation charges for the fiscal year totaled \$136 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Utility plant in service	\$ -	\$ -	\$ 2,340,042	\$ 2,287,390	\$ 2,340,042	\$ 2,287,390
Land	270,010	249,419	18,141	18,141	288,151	267,560
Buildings and improvements	1,512,123	1,462,913	135,478	132,278	1,647,601	1,595,191
Improvements other than buildings	29	-	45,310	43,018	45,339	43,018
Furniture, machinery and equipment	314,402	298,542	36,926	35,075	351,328	333,617
Property under capital lease	-	-	3,645	3,645	3,645	3,645
Infrastructure	1,564,884	1,552,528	-	-	1,564,884	1,552,528
Public art	581	581	-	-	581	581
Construction in progress	205,617	172,421	86,898	39,261	292,515	211,682
Less: Accumulated depreciation	<u>(794,131)</u>	<u>(732,440)</u>	<u>(931,183)</u>	<u>(867,156)</u>	<u>(1,725,314)</u>	<u>(1,599,596)</u>
Total capital assets	<u>\$ 3,073,515</u>	<u>\$ 3,003,964</u>	<u>\$ 1,735,257</u>	<u>\$ 1,691,652</u>	<u>\$ 4,808,772</u>	<u>\$ 4,695,616</u>

The total increase in the Government's investment in capital assets for the current fiscal year was 2.4% (a 2.3% increase for governmental activities and a 2.6% increase for business-type activities).

Construction of new schools and other government buildings and renovation of existing government buildings has continued in accordance with the Government's capital plan. Additionally, land and infrastructure increased from donated rights of way related to new developments. Significant additions include the 28th Avenue extension project, new riverfront development, an addition to the Sheriff's detention facility, and home buyouts resulting from the May 2010 flood. Additions to the utility plants and construction work in progress for the Department of Water and Sewerage Services net of disposals totaled approximately \$97 million, largely due to construction resulting from the May 2010 flood.

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 5,796 lane miles of streets and roads and 325 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 assessment indicated that 52.7% of roads and 98.8% of bridges meet the Government's policy, as compared to 70.0% of roads in 2010 and 98.3% of bridges in 2010. The maintenance of infrastructure in accordance with the Government's policy continues to be a priority. Despite this effort, however, the percentage of roads and streets in fair or better condition declined because the area assessed was significantly impacted by the May 2010 flood which was followed by an unusually hard winter with heavy snowfall and salt usage.

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

Long-term debt – At the end of the current fiscal year, the Government had total bonded debt outstanding of \$2.6 billion. Of this amount, \$2.0 billion comprises debt backed by the full faith and credit of the Government. The remaining \$638 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	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 1,889,335	\$ 1,904,109	\$ 6,195	\$ 6,391	\$ 1,895,530	\$ 1,910,500
Deferred amounts, net	<u>74,088</u>	<u>61,860</u>	<u>718</u>	<u>605</u>	<u>74,806</u>	<u>62,465</u>
Total general obligation bonds outstanding	<u>1,963,423</u>	<u>1,965,969</u>	<u>6,913</u>	<u>6,996</u>	<u>1,970,336</u>	<u>1,972,965</u>
Revenue bonds	1,985	3,870	626,625	369,685	628,610	373,555
Deferred amounts, net	<u>(4)</u>	<u>(29)</u>	<u>9,856</u>	<u>3,852</u>	<u>9,852</u>	<u>3,823</u>
Total revenue bonds outstanding	<u>1,981</u>	<u>3,841</u>	<u>636,481</u>	<u>373,537</u>	<u>638,462</u>	<u>377,378</u>
Total general obligation and revenue bonds outstanding	<u><u>\$ 1,965,404</u></u>	<u><u>\$ 1,969,810</u></u>	<u><u>\$ 643,394</u></u>	<u><u>\$ 380,533</u></u>	<u><u>\$ 2,608,798</u></u>	<u><u>\$ 2,350,343</u></u>

The Government's total general obligation and revenue bonds outstanding increased by \$258 million (11.0%) during the current fiscal year. New bond issues totaled \$613 million, which were offset by principal payments of \$39 million, refundings of \$334 million, and changes in deferred amounts of \$18 million.

Other debt increased by \$28 million due to \$36 million in Qualified School Construction Bond loan proceeds from the Tennessee State School Bond Authority offset by \$2 million in principal payments, and \$3 million in state construction loan borrowings offset by \$9 million in principal payments.

Construction commitments at June 30, 2011 totaled \$119 million for the governmental activities of the Government and \$64 million for the Department of Water and Sewerage Services.

The Government maintains an 'AA' rating from Standard & Poor's and 'Aa1' 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 2.93%, and the amount of net debt per capita is \$2,954.26.

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

Commercial paper – In August 2003, the Government instituted a general obligation commercial paper program to provide interim or short-term financing for various authorized capital projects. 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 \$55 million outstanding at June 30, 2011 were subsequently rolled over into new commercial paper obligations and are considered short-term liabilities of the appropriate capital project funds, the Flood 2010 Recovery Fund, and the District Energy System. There was no outstanding commercial paper under the Water and Sewer program at June 30, 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The most recent (August 2011) unemployment rate for the Nashville combined statistical area is 8.6%. The state's and nation's unemployment rates are 9.7% and 9.1%, respectively. The budget for the 2012 fiscal year reflects a balanced budget with no property tax rate increase. For more comprehensive information on the Metropolitan Government's approved budget for the 2012 fiscal year, the budget ordinance, the budget book as well as other documents are available at www.nashville.gov.

OTHER MATTERS

In May 2010 Davidson County experienced significant flooding. As a result, the Government has recognized approximately \$2.9 million of extraordinary losses representing continued flood recovery expenses in excess of anticipated and actual government and insurance recoveries. Additionally, at June 30, 2011 the Government had \$34 million of contractual commitments related to flood recovery. The commitments are expected to be primarily funded through additional federal and state financial assistance, with any remaining amounts funded through future capital and operating budgets. Impacts of the flood are not expected to have a material adverse financial impact on the Government as a whole.

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, 2011, the unfunded accrued liability for these benefits for general government employees is \$2.1 billion, and the unfunded accrued liability for teachers is \$586 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 \$177 million in the government-wide statements of net assets and activities. Additional information can be found in Note 7 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.





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS

June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 366,758,590	\$ 47,686,985	\$ 414,445,575	\$ 254,702,309
Investments	-	3,918,632	3,918,632	17,579,599
Sales tax receivable	44,429,064	-	44,429,064	-
Accounts receivable	169,209,605	34,506,031	203,715,636	221,485,039
Property tax receivable	775,697,714	-	775,697,714	-
Allowance for doubtful accounts	(33,103,874)	(3,985,579)	(37,089,453)	(48,041,974)
Accrued interest receivable	41,696	22,168	63,864	48,816
Internal balances	(12,193,787)	12,193,787	-	-
Due from the primary government	-	-	-	1,556,059
Due from component units	8,712,793	-	8,712,793	-
Inventories of supplies	4,130,598	2,069,421	6,200,019	27,641,211
Other current assets	4,635,660	4,863	4,640,523	5,812,837
Restricted assets:				
Cash and cash equivalents	-	247,486,893	247,486,893	328,869,251
Investments	-	2,592,270	2,592,270	235,396,980
Accrued interest receivable	-	20,973	20,973	1,008,826
Due from the primary government	-	-	-	6,580,075
Accounts receivable	-	34,500	34,500	-
Due from other governmental agencies	-	366,178	366,178	9,229,239
Other restricted assets	-	157,706	157,706	5,029,132
Notes receivable	-	-	-	35,746,661
Capital assets:				
Utility plant in service	-	2,340,042,612	2,340,042,612	1,164,718,000
Land	270,010,043	18,140,732	288,150,775	303,752,422
Buildings and improvements	1,512,123,008	135,477,838	1,647,600,846	990,709,152
Improvements other than buildings	29,031	45,309,834	45,338,865	460,224,389
Furniture, machinery and equipment	314,402,591	36,926,491	351,329,082	283,735,476
Property under capital lease	-	3,645,000	3,645,000	-
Infrastructure	1,564,883,782	-	1,564,883,782	21,155,548
Public art	580,860	-	580,860	-
Construction in progress	205,617,537	86,897,701	292,515,238	465,892,242
Accumulated depreciation	(794,131,487)	(931,183,219)	(1,725,314,706)	(1,245,041,107)
Other noncurrent assets	51,630,277	86,467,509	138,097,786	28,599,895
Total assets	4,453,463,701	2,168,799,326	6,622,263,027	3,576,390,077
<u>LIABILITIES</u>				
Accounts payable	83,744,570	9,278,730	93,023,300	224,932,748
Accrued payroll	51,720,012	3,878,815	55,598,827	10,224,365
Accrued interest	41,176,659	-	41,176,659	2,726,000
Claims payable	36,562,397	-	36,562,397	-
Due to component units	8,136,122	12	8,136,134	-
Due to the primary government	-	-	-	6,100,802
Customer deposits	-	3,099,754	3,099,754	13,426,390
Unearned revenue	770,354,958	1,053,236	771,408,194	-
Commercial paper payable	50,886,000	4,114,000	55,000,000	-
Other current liabilities	7,155,935	3,333,416	10,489,351	15,651,068

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>LIABILITIES (CONTINUED)</u>				
Liabilities payable from restricted assets:				
Accounts payable	\$ -	\$ 9,808,227	\$ 9,808,227	\$ 64,535,839
Accrued payroll	-	84,304	84,304	122,980
Due to the primary government	-	-	-	2,120
Accrued interest	-	17,560,931	17,560,931	27,464,470
Funds held in trust	-	-	-	211,398
Current portion of long-term liabilities	-	48,414,149	48,414,149	46,463,000
Noncurrent liabilities:				
Due within one year	62,533,515	205,000	62,738,515	8,730,338
Due in more than one year	2,841,118,008	755,356,867	3,596,474,875	1,512,636,248
Total liabilities	<u>3,953,388,176</u>	<u>856,187,441</u>	<u>4,809,575,617</u>	<u>1,933,227,766</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	1,010,873,860	1,220,911,882	2,231,785,742	1,250,459,469
Restricted for debt retirement	39,577,733	46,255,599	85,833,332	147,285,893
Restricted for perpetual care:				
Expendable	214,873	-	214,873	-
Nonexpendable	185,112	-	185,112	-
Restricted for other purposes	2,881,576	-	2,881,576	25,268,996
Unrestricted	(553,657,629)	45,444,404	(508,213,225)	220,147,953
Total net assets	<u>\$ 500,075,525</u>	<u>\$ 1,312,611,885</u>	<u>\$ 1,812,687,410</u>	<u>\$ 1,643,162,311</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 122,912,633	\$ 6,907,864	\$ 4,933,009	\$ 683,752
Fiscal administration	33,612,878	5,286,053	-	-
Administration of justice	87,373,527	33,745,226	4,586,665	-
Law enforcement and care of prisoners	322,782,406	30,637,155	4,963,107	5,015,133
Fire prevention and control	149,618,902	16,394,508	633,611	-
Regulation and inspection	10,247,587	8,858,639	-	-
Conservation of natural resources	444,583	-	-	-
Public welfare	59,386,103	1,352,415	32,997,796	-
Public health and hospitals	132,993,491	9,902,202	22,800,321	2,994,568
Public library system	30,033,047	483,534	891,636	-
Public works, highways and streets	144,011,931	11,189,927	634,162	29,573,271
Recreational and cultural	59,420,955	9,068,229	1,337,456	258,597
Education	869,449,283	17,838,075	353,833,177	69,495
Interest and other debt related costs	101,743,306	-	5,327,305	-
Total governmental activities	<u>2,124,030,632</u>	<u>151,663,827</u>	<u>432,938,245</u>	<u>38,594,816</u>
Business-type activities:				
Department of Water and Sewerage Services	187,544,367	195,789,737	-	39,467,594
District Energy System	17,885,820	15,486,110	-	-
Nashville Convention Center	7,539,546	5,403,535	-	-
Board of Fair Commissioners	2,814,511	2,108,539	-	-
Farmers Market	1,192,708	745,330	-	-
Police Secondary Employment	854,672	1,103,076	-	-
Surplus Property Auction	734,179	1,081,027	-	-
Municipal Auditorium	1,800,944	1,369,336	-	-
Police Impound	1,319,753	1,271,275	-	-
Stormwater Operations	10,668,672	14,197,941	-	-
Community Education Commission	301,976	18,414	-	-
Total business-type activities	<u>232,657,148</u>	<u>238,574,320</u>	<u>-</u>	<u>39,467,594</u>
Total primary government	<u>\$ 2,356,687,780</u>	<u>\$ 390,238,147</u>	<u>\$ 432,938,245</u>	<u>\$ 78,062,410</u>
Component units	\$ 1,646,807,275	\$ 1,474,737,878	\$ 189,247,166	\$ 108,651,054

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
Extraordinary item - flood loss
Total general revenues, transfers and extraordinary item
Changes in net assets
Net assets - beginning
Net assets - ending

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
STATEMENT OF ACTIVITIES (CONTINUED)
For the Year Ended June 30, 2011

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (110,388,008)	\$ -	\$ (110,388,008)	\$ -
(28,326,825)	-	(28,326,825)	-
(49,041,636)	-	(49,041,636)	-
(282,167,011)	-	(282,167,011)	-
(132,590,783)	-	(132,590,783)	-
(1,388,948)	-	(1,388,948)	-
(444,583)	-	(444,583)	-
(25,035,892)	-	(25,035,892)	-
(97,296,400)	-	(97,296,400)	-
(28,657,877)	-	(28,657,877)	-
(102,614,571)	-	(102,614,571)	-
(48,756,673)	-	(48,756,673)	-
(497,708,536)	-	(497,708,536)	-
(96,416,001)	-	(96,416,001)	-
<u>(1,500,833,744)</u>	<u>-</u>	<u>(1,500,833,744)</u>	<u>-</u>
-	47,712,964	47,712,964	-
-	(2,399,710)	(2,399,710)	-
-	(2,136,011)	(2,136,011)	-
-	(705,972)	(705,972)	-
-	(447,378)	(447,378)	-
-	248,404	248,404	-
-	346,848	346,848	-
-	(431,608)	(431,608)	-
-	(48,478)	(48,478)	-
-	3,529,269	3,529,269	-
-	(283,562)	(283,562)	-
<u>-</u>	<u>45,384,766</u>	<u>45,384,766</u>	<u>-</u>
<u>(1,500,833,744)</u>	<u>45,384,766</u>	<u>(1,455,448,978)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>125,828,823</u>
782,191,970	-	782,191,970	-
258,106,909	-	258,106,909	-
38,780,604	-	38,780,604	-
29,700,859	-	29,700,859	-
26,572,955	-	26,572,955	-
24,330,093	-	24,330,093	-
17,401,267	-	17,401,267	-
355,535	-	355,535	-
1,095,433	229,901	1,325,334	4,569,886
61,261,494	-	61,261,494	-
3,289,664	282,201	3,571,865	781,256
3,399,618	(3,399,618)	-	-
(2,910,715)	-	(2,910,715)	(2,594,488)
<u>1,243,575,686</u>	<u>(2,887,516)</u>	<u>1,240,688,170</u>	<u>2,756,654</u>
(257,258,058)	42,497,250	(214,760,808)	128,585,477
757,333,583	1,270,114,635	2,027,448,218	1,514,576,834
<u>\$ 500,075,525</u>	<u>\$ 1,312,611,885</u>	<u>\$ 1,812,687,410</u>	<u>\$ 1,643,162,311</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
ASSETS:				
Cash and cash equivalents	\$ 71,388,650	\$ 10,194,540	\$ 4,406,581	\$ 15,806,432
Sales tax receivable	12,043,304	31,833,346	552,414	-
Accounts receivable	48,611,841	11,334,896	12,491,381	-
Accrued interest receivable	8,524	-	1,171	1,539
Property tax receivable	419,562,682	229,333,488	82,420,578	29,404,283
Allowance for doubtful accounts	(15,811,782)	(3,112,981)	(13,539,035)	(458,395)
Due from other funds of the primary government	7,115,311	10,655,445	3,370,837	7,346,435
Due from component units	8,425,706	-	-	-
Inventories of supplies	296,555	864,996	-	-
Other assets	191,279	56,570	20,000	-
Total assets	\$ 551,832,070	\$ 291,160,300	\$ 89,723,927	\$ 52,100,294
LIABILITIES:				
Accounts payable	\$ 13,479,254	\$ 6,382,176	\$ 58,112	\$ 958
Accrued payroll	23,940,699	21,735,055	-	-
Due to other funds of the primary government	14,328,548	1,679,459	13,910	6,569
Due to component units	1,556,047	-	-	-
Deferred revenue	426,131,759	226,030,717	81,025,016	28,924,786
Commercial paper payable	-	-	-	-
Other liabilities	4,909,619	-	-	-
Total liabilities	484,345,926	255,827,407	81,097,038	28,932,313
FUND BALANCES (DEFICITS):				
Nonspendable	473,335	883,700	-	-
Restricted for:				
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Committed for:				
Subsequent year budgetary appropriations	13,435,500	-	-	11,161,900
Education (available)	-	34,449,193	-	-
Debt service	-	-	8,626,889	12,006,081
Equipment acquisitions	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Specific projects	442,575	-	-	-
Unassigned	53,134,734	-	-	-
Total fund balances (deficits)	67,486,144	35,332,893	8,626,889	23,167,981
Total liabilities and fund balances (deficits)	\$ 551,832,070	\$ 291,160,300	\$ 89,723,927	\$ 52,100,294

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, 2011

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 5,530,193	\$ 28,438,549	\$ 37,287,113	\$ 196,708	\$ 111,157,620	\$ 284,406,386
-	-	-	-	-	44,429,064
-	3,756,764	75,475	2,926	87,107,470	163,380,753
584	4,211	2	-	15,961	31,992
14,976,683	-	-	-	-	775,697,714
(181,681)	-	-	-	-	(33,103,874)
590,314	270,414	191,760	1,012,224	10,192,862	40,745,602
-	-	-	-	284,756	8,710,462
-	-	-	-	1,044,494	2,206,045
-	-	-	-	521,427	789,276
<u>\$ 20,916,093</u>	<u>\$ 32,469,938</u>	<u>\$ 37,554,350</u>	<u>\$ 1,211,858</u>	<u>\$ 210,324,590</u>	<u>\$ 1,287,293,420</u>
\$ 194	\$ 8,058,618	\$ 10,061,536	\$ 3,921,635	\$ 25,822,176	\$ 67,784,659
-	2,654	-	1,349	3,070,350	48,750,107
6,369	5,798,510	6,703,850	2,241,829	48,239,996	79,019,040
-	-	-	-	6,580,075	8,136,122
14,749,617	2,994,568	-	-	35,979,929	815,836,392
-	19,452,478	9,933,000	385,000	21,115,522	50,886,000
-	-	-	-	2,246,316	7,155,935
<u>14,756,180</u>	<u>36,306,828</u>	<u>26,698,386</u>	<u>6,549,813</u>	<u>143,054,364</u>	<u>1,077,568,255</u>
-	-	-	-	1,236,293	2,593,328
-	-	10,855,964	-	-	10,855,964
-	-	-	-	36,155,913	36,155,913
-	-	-	-	-	24,597,400
-	-	-	-	-	34,449,193
6,159,913	-	-	-	1,622,950	28,415,833
-	-	-	-	52,178,201	52,178,201
-	-	-	-	6,234,051	6,234,051
-	-	-	-	-	442,575
-	(3,836,890)	-	(5,337,955)	(30,157,182)	13,802,707
<u>6,159,913</u>	<u>(3,836,890)</u>	<u>10,855,964</u>	<u>(5,337,955)</u>	<u>67,270,226</u>	<u>209,725,165</u>
<u>\$ 20,916,093</u>	<u>\$ 32,469,938</u>	<u>\$ 37,554,350</u>	<u>\$ 1,211,858</u>	<u>\$ 210,324,590</u>	<u>\$ 1,287,293,420</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2011

Fund balances - total governmental funds \$ 209,725,165

Amounts reported for governmental activities in the Statement of Net Assets 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	3,719,675,820
Less accumulated depreciation	(691,899,621)

Net pension assets are not financial resources and therefore are not reported in the governmental funds.	29,199,419
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	(1,891,319,565)
Qualified zone academy notes payable	(4,145,666)
Tennessee Municipal Bond Fund loan payable	(52,650,000)
Qualified school construction bond loan payable	(55,576,790)
Less deferred charge on refunding	59,186,428
Less deferred charge for issuance costs	10,746,696
Add net bond premium/discount	(133,172,284)
Accrued interest payable	(41,176,659)
Unamortized swaption proceeds	(2,562,123)
Net pension obligation	(75,224,887)
Net other postemployment benefits obligation	(649,326,000)
Compensated absences	(75,547,760)
Claims and judgments	(5,435,108)
Landfill closure costs	(8,755,729)

Certain deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.	50,377,276
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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.	<u>107,956,913</u>
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Net assets - governmental activities \$ 500,075,525

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



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

For the Year Ended June 30, 2011

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
REVENUES:				
Property taxes	\$ 438,412,159	\$ 221,333,354	\$ 74,995,233	\$ 31,646,331
Local option sales taxes	81,191,512	175,256,365	1,643,404	-
Other taxes, licenses and permits	101,931,245	5,025,174	-	-
Fines, forfeits and penalties	13,245,652	4,340	494,577	-
Revenues from the use of money or property	20,882	-	3,803	112,581
Revenues from other governmental agencies	78,494,810	216,735,769	2,562,683	1,114,330
Commissions and fees	15,177,986	-	-	-
Charges for current services	29,115,469	573,849	-	-
Compensation for loss, sale or damage to property	502,104	731,930	-	-
Contributions and gifts	533,958	559,883	-	-
Miscellaneous	1,770,865	115,529	-	-
Total revenues	760,396,642	620,336,193	79,699,700	32,873,242
EXPENDITURES:				
Current:				
General government	24,920,818	-	-	-
Fiscal administration	23,760,394	-	-	-
Administration of justice	55,407,798	-	-	-
Law enforcement and care of prisoners	215,945,118	-	-	-
Fire prevention and control	109,108,267	-	-	-
Regulation and inspection	7,867,410	-	-	-
Conservation of natural resources	340,296	-	-	-
Public welfare	6,658,098	-	-	-
Public health and hospitals	62,481,289	-	-	-
Public library system	19,769,677	-	-	-
Public works, highways and streets	29,563,956	-	-	-
Recreational and cultural	31,849,947	-	-	-
Education	-	621,062,518	-	-
Employee benefits	69,327,218	-	-	-
Miscellaneous	71,067,149	-	-	-
Debt service:				
Principal retirement	-	-	-	1,512,777
Interest	-	-	50,791,975	27,369,644
Fiscal charges	-	-	2,530,559	600,699
Debt issue costs	-	-	956,225	796,864
Capital outlay	-	-	-	-
Total expenditures	728,067,435	621,062,518	54,278,759	30,279,984
Excess (deficiency) of revenues over expenditures	32,329,207	(726,325)	25,420,941	2,593,258

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, 2011

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 14,162,926	\$ -	\$ -	\$ -	\$ 1,688,198	\$ 782,238,201
-	-	-	-	15,628	258,106,909
-	-	-	-	40,425,867	147,382,286
-	-	-	-	4,830,023	18,574,592
1,468	86,010	15	27	96,568	321,354
-	9,327,740	-	-	251,281,276	559,516,608
-	-	-	-	8,282,460	23,460,446
-	-	-	-	26,904,026	56,593,344
-	574,057	106,740	-	101,601	2,016,432
-	226,678	25,000	-	2,438,279	3,783,798
-	-	250,031	-	582,316	2,718,741
<u>14,164,394</u>	<u>10,214,485</u>	<u>381,786</u>	<u>27</u>	<u>336,646,242</u>	<u>1,854,712,711</u>
-	-	-	-	96,225,824	121,146,642
-	-	-	-	-	23,760,394
-	-	-	-	-	55,407,798
-	-	-	-	33,779,726	249,724,844
-	-	-	-	-	109,108,267
-	-	-	-	-	7,867,410
-	-	-	-	-	340,296
-	-	-	-	34,727,797	41,385,895
-	-	-	-	23,538,028	86,019,317
-	-	-	-	772,565	20,542,242
-	-	-	-	28,587,767	58,151,723
-	-	-	-	1,780,171	33,630,118
-	-	-	-	155,946,895	777,009,413
-	-	-	-	-	69,327,218
-	-	-	-	-	71,067,149
-	-	-	-	1,885,000	3,397,777
6,815,868	-	-	-	146,375	85,123,862
274,890	-	-	-	-	3,406,148
171,977	-	-	-	-	1,925,066
-	93,479,067	52,150,235	19,473,050	47,615,352	212,717,704
<u>7,262,735</u>	<u>93,479,067</u>	<u>52,150,235</u>	<u>19,473,050</u>	<u>425,005,500</u>	<u>2,031,059,283</u>
<u>6,901,659</u>	<u>(83,264,582)</u>	<u>(51,768,449)</u>	<u>(19,473,023)</u>	<u>(88,359,258)</u>	<u>(176,346,572)</u>

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

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

For the Year Ended June 30, 2011

	General	General Purpose School	GSD General Purposes Debt Service	GSD School Purposes Debt Service
OTHER FINANCING SOURCES (USES):				
Issuance of refunding debt	\$ -	\$ -	\$ 144,150,016	\$ 120,126,326
Issuance of qualified school construction bonds	-	-	-	-
Debt issue premium (discount)	-	-	21,597,714	17,998,459
Payments to refunded bond escrow agent	-	-	(164,791,084)	(137,328,679)
Bond interest tax credit	-	-	3,326,271	1,395,046
Insurance recovery	-	-	-	-
Transfers in	41,898,124	27,348,216	8,774,770	3,824,315
Transfers out	(67,640,036)	(19,328,594)	(38,258,100)	-
	(25,741,912)	8,019,622	(25,200,413)	6,015,467
Total other financing sources (uses)				
Net change in fund balances	6,587,295	7,293,297	220,528	8,608,725
FUND BALANCES (DEFICITS), beginning of year	60,898,849	28,039,596	8,406,361	14,559,256
FUND BALANCES (DEFICITS), end of year	\$ 67,486,144	\$ 35,332,893	\$ 8,626,889	\$ 23,167,981

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, 2011

USD General Purposes Debt Service	GSD Capital Projects	Education Capital Projects	USD Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 25,925,413	\$ -	\$ -	\$ -	\$ -	\$ 290,201,755
-	-	35,555,000	-	-	35,555,000
3,884,315	-	-	-	-	43,480,488
(29,637,414)	-	-	-	-	(331,757,177)
605,988	-	-	-	-	5,327,305
-	-	-	-	37,000,000	37,000,000
1,397,864	5,426,906	39,902,940	19,945,616	66,470,073	214,988,824
(5,902,400)	(71,635,419)	(95)	(11,401,044)	(32,825,579)	(246,991,267)
<u>(3,726,234)</u>	<u>(66,208,513)</u>	<u>75,457,845</u>	<u>8,544,572</u>	<u>70,644,494</u>	<u>47,804,928</u>
3,175,425	(149,473,095)	23,689,396	(10,928,451)	(17,714,764)	(128,541,644)
<u>2,984,488</u>	<u>145,636,205</u>	<u>(12,833,432)</u>	<u>5,590,496</u>	<u>84,984,990</u>	<u>338,266,809</u>
<u>\$ 6,159,913</u>	<u>\$ (3,836,890)</u>	<u>\$ 10,855,964</u>	<u>\$ (5,337,955)</u>	<u>\$ 67,270,226</u>	<u>\$ 209,725,165</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

Net change in fund balances - governmental funds \$ (128,541,644)

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	100,682,804
Depreciation expense	(58,356,150)

Donations of capital assets increase net assets for governmental activities, but do not appear in the governmental funds because they are not financial resources.	18,472,208
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The gain or loss on the sale of capital assets is reported for governmental activities, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net book value of the capital assets sold.	1,086,409
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Changes in net pension assets increase or decrease net assets for governmental activities, but do not appear in the governmental funds because they are not current financial resources.	(5,186,646)
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Bond proceeds provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities for governmental activities. Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities for governmental activities. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities.

Issuance of debt	(325,756,755)
Principal repayments	3,397,777
Payments to refunded bond escrow agent	331,757,177
Amortization of deferred charge on refunding	(5,317,544)
Issuance costs	1,925,066
Amortization of issuance costs	(809,569)
Bond premium/discount	(43,480,488)
Amortization of premium/discount	9,753,104
Change in accrued interest	(17,541,104)

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, 2011

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

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

Net pension obligation	266,858
Net other postemployment benefits obligation	(177,162,000)
Compensated absences	2,106,128
Claims and judgments	(2,035,108)
Landfill closure costs	629,879

Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.	21,853,073
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds less those allocated to business-type activities are included in governmental activities.	<u>14,825,740</u>
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Change in net assets - governmental activities	<u><u>\$ (257,258,058)</u></u>
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The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 448,711,700	\$ 448,711,700	\$ 438,412,159	\$ (10,299,541)
Local option sales tax	83,853,400	83,853,400	81,191,512	(2,661,888)
Other taxes, licenses and permits	100,867,900	100,867,900	101,931,245	1,063,345
Fines, forfeits and penalties	13,718,300	13,718,300	13,245,652	(472,648)
Revenues from the use of money or property	-	-	20,882	20,882
Revenues from other governmental agencies	76,661,900	76,661,900	78,494,810	1,832,910
Commissions and fees	13,171,500	13,171,500	15,177,986	2,006,486
Charges for current services	25,654,100	25,654,100	29,115,469	3,461,369
Compensation for loss, sale or damage to property	461,100	461,100	502,104	41,004
Contributions and gifts	601,000	601,400	533,958	(67,442)
Miscellaneous	1,403,600	1,403,600	1,770,865	367,265
Total revenues	765,104,500	765,104,900	760,396,642	(4,708,258)
EXPENDITURES:				
General government	25,472,300	26,285,400	24,920,818	1,364,582
Fiscal administration	23,545,300	24,620,400	23,760,394	860,006
Administration of justice	54,915,400	56,556,400	55,407,798	1,148,602
Law enforcement and care of prisoners	207,800,100	216,338,560	215,945,118	393,442
Fire prevention and control	104,348,100	109,219,400	109,108,267	111,133
Regulation and inspection	8,478,100	8,688,600	7,867,410	821,190
Conservation of natural resources	384,400	393,900	340,296	53,604
Public welfare	6,644,100	6,863,400	6,658,098	205,302
Public health and hospitals	62,249,100	62,983,000	62,481,289	501,711
Public library system	19,334,400	20,206,200	19,769,677	436,523
Public works, highways and streets	28,614,600	29,907,600	29,563,956	343,644
Recreational and cultural	31,287,600	32,076,000	31,849,947	226,053
Employee benefits	66,949,600	66,949,600	69,327,218	(2,377,618)
Miscellaneous	100,517,700	78,120,640	71,067,149	7,053,491
Total expenditures	740,540,800	739,209,100	728,067,435	11,141,665
Excess (deficiency) of revenues over expenditures	24,563,700	25,895,800	32,329,207	6,433,407
OTHER FINANCING SOURCES (USES):				
Transfers in	41,296,600	41,296,600	41,898,124	601,524
Transfers out	(65,860,300)	(68,048,100)	(67,640,036)	408,064
Total other financing sources (uses)	(24,563,700)	(26,751,500)	(25,741,912)	1,009,588
Net change in fund balances	-	(855,700)	6,587,295	7,442,995
FUND BALANCES, beginning of year	60,898,849	60,898,849	60,898,849	-
FUND BALANCES, end of year	\$ 60,898,849	\$ 60,043,149	\$ 67,486,144	\$ 7,442,995

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 226,738,900	\$ 226,738,900	\$ 221,333,354	\$ (5,405,546)
Local option sales tax	167,706,700	167,706,700	175,256,365	7,549,665
Other taxes, licenses and permits	4,700,600	4,700,600	5,025,174	324,574
Fines, forfeits and penalties	6,200	6,200	4,340	(1,860)
Revenues from other governmental agencies	207,367,400	215,367,400	216,735,769	1,368,369
Charges for current services	660,000	660,000	573,849	(86,151)
Compensation for loss, sale or damage to property	353,000	353,000	731,930	378,930
Contributions and gifts	300,000	300,000	559,883	259,883
Miscellaneous	5,100	5,100	115,529	110,429
Total revenues	607,837,900	615,837,900	620,336,193	4,498,293
EXPENDITURES:				
Education	612,640,000	620,640,000	621,062,518	(422,518)
Total expenditures	612,640,000	620,640,000	621,062,518	(422,518)
Excess (deficiency) of revenues over expenditures	(4,802,100)	(4,802,100)	(726,325)	4,075,775
OTHER FINANCING SOURCES (USES):				
Transfers in	25,504,700	25,504,700	27,348,216	1,843,516
Transfers out	(20,702,600)	(20,702,600)	(19,328,594)	1,374,006
Total other financing sources (uses)	4,802,100	4,802,100	8,019,622	3,217,522
Net change in fund balances	-	-	7,293,297	7,293,297
FUND BALANCES, beginning of year	28,039,596	28,039,596	28,039,596	-
FUND BALANCES, end of year	\$ 28,039,596	\$ 28,039,596	\$ 35,332,893	\$ 7,293,297

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 31,869,620	\$ 1,922,780	\$ 13,894,585	\$ 47,686,985	\$ 82,352,204
Investments	-	3,918,632	-	3,918,632	-
Accounts receivable	27,684,588	2,627,646	4,193,797	34,506,031	3,871,042
Allowance for doubtful accounts	(3,406,134)	-	(579,445)	(3,985,579)	-
Accrued interest receivable	12,964	7,826	1,378	22,168	9,704
Due from other funds of the primary government	1,136,341	630,531	1,524,933	3,291,805	6,101,828
Due from component units	-	-	-	-	2,331
Inventories of supplies	2,069,421	-	-	2,069,421	1,924,553
Other current assets	1,000	-	3,863	4,863	1,512,665
Restricted assets:					
Debt service and reserve funds:					
Cash and cash equivalents	-	1,798,094	-	1,798,094	-
Investments	-	2,592,270	-	2,592,270	-
Accrued interest receivable	2,725	5,920	-	8,645	-
Other current assets	157,706	-	-	157,706	-
Construction funds:					
Cash and cash equivalents	1,029,085	348,672	-	1,377,757	-
Accounts receivable	34,500	-	-	34,500	-
Accrued interest receivable	12,328	-	-	12,328	-
Due from other funds of the primary government	37,928,974	-	-	37,928,974	-
Due from other governmental agencies	366,178	-	-	366,178	-
Total current assets	98,899,296	13,852,371	19,039,111	131,790,778	95,774,327
CAPITAL AND OTHER NONCURRENT ASSETS:					
Capital assets:					
Utility plant in service	2,285,736,748	54,305,864	-	2,340,042,612	-
Land	10,010,297	1,311,213	6,819,222	18,140,732	-
Buildings and improvements	38,586,346	22,249,491	74,642,001	135,477,838	349,008
Improvements other than buildings	40,983,879	273,754	4,052,201	45,309,834	29,031
Furniture, machinery and equipment	34,229,225	886,904	1,810,362	36,926,491	140,959,245
Property under capital lease	-	-	3,645,000	3,645,000	-
Construction work in progress	78,282,422	7,620,089	995,190	86,897,701	6,633,748
Less accumulated depreciation	(870,354,455)	(14,393,188)	(46,435,576)	(931,183,219)	(102,231,866)
Capital assets - net	1,617,474,462	72,254,127	45,528,400	1,735,256,989	45,739,166
Restricted assets:					
Debt service and reserve funds:					
Cash and cash equivalents	59,259,815	-	-	59,259,815	-
Construction funds:					
Cash and cash equivalents	185,051,227	-	-	185,051,227	-
Other noncurrent assets	84,955,537	1,211,972	300,000	86,467,509	-
Total capital and other noncurrent assets	1,946,741,041	73,466,099	45,828,400	2,066,035,540	45,739,166
Total assets	2,045,640,337	87,318,470	64,867,511	2,197,826,318	141,513,493

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS (CONTINUED)

June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$ 5,458,532	\$ 1,791,162	\$ 2,029,036	\$ 9,278,730	\$ 9,143,106
Accrued payroll	2,241,212	1,801	1,635,802	3,878,815	2,969,905
Claims payable	-	-	-	-	36,562,397
Due to other funds of the primary government	865,938	304,566	3,780,261	4,950,765	8,254,901
Due to component units	-	-	12	12	-
Customer deposits	2,943,555	-	156,199	3,099,754	-
Unearned revenue	-	-	1,053,236	1,053,236	-
Current portion of capitalized lease obligations	-	-	205,000	205,000	-
Other current liabilities	3,285,752	3,490	44,174	3,333,416	-
Liabilities payable from restricted assets:					
Debt service and reserve funds:					
Accrued interest payable	16,674,729	886,202	-	17,560,931	-
Current portion of long term debt	37,830,000	1,258,030	-	39,088,030	-
Construction funds:					
Accounts payable	9,808,227	-	-	9,808,227	-
Accrued payroll	84,304	-	-	84,304	-
Current portion of state loans	9,326,119	-	-	9,326,119	-
Commercial paper payable	-	4,114,000	-	4,114,000	-
Due to other funds of the primary government	702,498	-	-	702,498	-
Total current liabilities	<u>89,220,866</u>	<u>8,359,251</u>	<u>8,903,720</u>	<u>106,483,837</u>	<u>56,930,309</u>
NONCURRENT LIABILITIES:					
Revenue bonds payable	537,877,912	59,523,069	-	597,400,981	-
General obligation bonds payable	-	6,905,770	-	6,905,770	-
State loans	150,355,116	-	-	150,355,116	-
Capitalized lease obligations	-	-	695,000	695,000	-
Total noncurrent liabilities	<u>688,233,028</u>	<u>66,428,839</u>	<u>695,000</u>	<u>755,356,867</u>	<u>-</u>
Total liabilities	<u>777,453,894</u>	<u>74,788,090</u>	<u>9,598,720</u>	<u>861,840,704</u>	<u>56,930,309</u>
NET ASSETS:					
Invested in capital assets, net of related debt	1,175,481,552	801,930	44,628,400	1,220,911,882	45,739,166
Restricted for debt retirement	42,745,517	3,510,082	-	46,255,599	-
Unrestricted	49,959,374	8,218,368	10,640,391	68,818,133	38,844,018
Total net assets	<u>\$ 1,268,186,443</u>	<u>\$ 12,530,380</u>	<u>\$ 55,268,791</u>	<u>1,335,985,614</u>	<u>\$ 84,583,184</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(23,373,729)	
Net assets of business-type activities				<u>\$ 1,312,611,885</u>	

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
OPERATING REVENUES:					
Charges for services	\$ 195,388,916	\$ 15,486,110	\$ 27,298,174	\$ 238,173,200	\$ 321,392,416
Other	155,701	-	299	156,000	4,370,771
Total operating revenues	<u>195,544,617</u>	<u>15,486,110</u>	<u>27,298,473</u>	<u>238,329,200</u>	<u>325,763,187</u>
OPERATING EXPENSES:					
Personal services	41,623,952	123,314	13,822,656	55,569,922	19,746,362
Contractual services	38,841,256	12,263,273	8,934,840	60,039,369	38,558,284
Supplies and materials	9,915,683	155,069	682,653	10,753,405	13,128,616
Depreciation	60,144,713	2,151,678	2,281,072	64,577,463	13,279,531
Amortization	934,204	55,346	-	989,550	-
Compensation for damages to property	-	-	-	-	3,013,195
Medical and insurance benefits	-	-	-	-	260,547,875
Other	4,096,761	28,748	266,400	4,391,909	5,007,172
Total operating expenses	<u>155,556,569</u>	<u>14,777,428</u>	<u>25,987,621</u>	<u>196,321,618</u>	<u>353,281,035</u>
OPERATING INCOME (LOSS)	<u>39,988,048</u>	<u>708,682</u>	<u>1,310,852</u>	<u>42,007,582</u>	<u>(27,517,848)</u>
NONOPERATING REVENUE (EXPENSE):					
Investment income	176,347	46,514	7,040	229,901	66,563
Interest expense	(28,706,224)	(3,106,157)	(67,154)	(31,879,535)	(9,680)
Gain (loss) on sale of property	301,731	-	(19,530)	282,201	743,201
Other	245,120	-	(400,000)	(154,880)	438,643
Total nonoperating revenue (expense)	<u>(27,983,026)</u>	<u>(3,059,643)</u>	<u>(479,644)</u>	<u>(31,522,313)</u>	<u>1,238,727</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS	<u>12,005,022</u>	<u>(2,350,961)</u>	<u>831,208</u>	<u>10,485,269</u>	<u>(26,279,121)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	39,467,594	-	-	39,467,594	8,605
TRANSFERS IN	-	3,663,004	2,217,452	5,880,456	39,116,300
TRANSFERS OUT	<u>(6,367,638)</u>	<u>(473,200)</u>	<u>(2,439,236)</u>	<u>(9,280,074)</u>	<u>(2,076,039)</u>
CHANGE IN NET ASSETS	45,104,978	838,843	609,424	46,553,245	10,769,745
NET ASSETS, beginning of year	<u>1,223,081,465</u>	<u>11,691,537</u>	<u>54,659,367</u>		<u>73,813,439</u>
NET ASSETS, end of year	<u>\$ 1,268,186,443</u>	<u>\$ 12,530,380</u>	<u>\$ 55,268,791</u>		<u>\$ 84,583,184</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(4,055,995)</u>	
Change in net assets of business-type activities				<u>\$ 42,497,250</u>	

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers and users	\$ 189,460,036	\$ 14,518,356	\$ 28,657,450	\$ 232,635,842	\$ 320,516,585
Payments to suppliers	(43,092,087)	(11,978,914)	(9,755,979)	(64,826,980)	(319,125,433)
Payments to employees	(41,511,776)	(122,569)	(13,861,747)	(55,496,092)	(19,085,149)
Other receipts	-	-	-	-	491,967
Other payments	(5,436,972)	-	-	(5,436,972)	(52,317)
Net cash provided by (used in) operating activities	99,419,201	2,416,873	5,039,724	106,875,798	(17,254,347)
Cash flows from noncapital financing activities:					
Transfers in	-	3,663,004	1,643,352	5,306,356	39,116,300
Transfers out	(6,367,638)	(473,200)	(2,439,236)	(9,280,074)	(2,076,039)
Advances from other funds of the primary government	-	-	494,736	494,736	7,710,351
Interest paid	-	-	(4,934)	(4,934)	(9,617)
Net cash provided by (used in) non-capital financing activities	(6,367,638)	3,189,804	(306,082)	(3,483,916)	44,740,995
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(67,955,908)	(4,849,750)	(1,255,408)	(74,061,066)	(21,170,238)
Proceeds from the sale of property	301,731	-	-	301,731	975,511
Proceeds from borrowings	248,801,119	3,895,993	-	252,697,112	-
Principal payments on borrowings	(104,115,414)	(1,370,000)	(195,000)	(105,680,414)	-
Interest subsidy	2,890,562	-	-	2,890,562	-
Interest paid	(21,057,067)	(3,248,012)	(62,220)	(24,367,299)	-
Capital contributions received	4,960,174	-	-	4,960,174	-
Advances to other funds of the primary government	(36,984,163)	-	-	(36,984,163)	-
Net cash provided by (used in) capital and related financing activities	26,841,034	(5,571,769)	(1,512,628)	19,756,637	(20,194,727)
Cash flows from investing activities:					
Purchases of investments	-	(6,510,902)	-	(6,510,902)	-
Interest on investments	159,586	48,837	6,737	215,160	65,451
Net cash provided by (used in) investing activities	159,586	(6,462,065)	6,737	(6,295,742)	65,451
Net changes in cash and cash equivalents	120,052,183	(6,427,157)	3,227,751	116,852,777	7,357,372
Cash and cash equivalents at beginning of year	157,157,564	10,496,703	10,666,834	178,321,101	74,994,832
Cash and cash equivalents at end of year	<u>\$ 277,209,747</u>	<u>\$ 4,069,546</u>	<u>\$ 13,894,585</u>	<u>\$ 295,173,878</u>	<u>\$ 82,352,204</u>
Cash and cash equivalents are classified as:					
Current assets	\$ 31,869,620	\$ 1,922,780	\$ 13,894,585	\$ 47,686,985	\$ 82,352,204
Current restricted assets debt service and reserve funds	-	1,798,094	-	1,798,094	-
Current restricted assets construction funds	1,029,085	348,672	-	1,377,757	-
Noncurrent restricted assets debt service and reserve funds	59,259,815	-	-	59,259,815	-
Noncurrent restricted assets construction funds	185,051,227	-	-	185,051,227	-
Cash and cash equivalents at end of year	<u>\$ 277,209,747</u>	<u>\$ 4,069,546</u>	<u>\$ 13,894,585</u>	<u>\$ 295,173,878</u>	<u>\$ 82,352,204</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 39,988,048	\$ 708,682	\$ 1,310,852	\$ 42,007,582	\$ (27,517,848)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	61,078,917	2,207,024	2,281,072	65,567,013	13,279,531
Provision for doubtful accounts	(323,501)	-	125,374	(198,127)	-
Other receipts (payments)	245,120	-	(400,000)	(154,880)	439,650
Changes in assets and liabilities:					
Accounts receivable	(5,451,755)	(337,223)	(144,547)	(5,933,525)	(3,739,311)
Due from other funds of the primary government	(1,367,544)	(630,531)	1,794,041	(204,034)	(1,397,613)
Due from component units	-	-	-	-	(109,678)
Inventories of supplies	9,283	-	-	9,283	(124,954)
Other current assets	58,505	-	(1,350)	57,155	256,050
Other noncurrent assets	-	-	(300,000)	(300,000)	-
Due from other governmental agencies	1,278,895	-	-	1,278,895	-
Accounts payable	5,655,569	396,485	455,580	6,507,634	(1,447,666)
Accrued payroll	112,176	745	(39,091)	73,830	26,630
Claims payable	-	-	-	-	3,076,114
Due to other funds of the primary government	(1,517,079)	71,691	(241,024)	(1,686,412)	4,748
Due to component units	-	-	(58)	(58)	-
Customer deposits	(153,624)	-	(2,058)	(155,682)	-
Unearned revenue	-	-	205,106	205,106	-
Other current liabilities	(193,809)	-	(4,173)	(197,982)	-
Total adjustments	59,431,153	1,708,191	3,728,872	64,868,216	10,263,501
Net cash provided by (used in) operating activities	\$ 99,419,201	\$ 2,416,873	\$ 5,039,724	\$ 106,875,798	\$ (17,254,347)
<u>Non-Cash Capital, Financing and Investing Activities:</u>					
Contributions of capital assets	\$ 34,103,388	\$ -	\$ -	\$ 34,103,388	\$ 8,605

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 ASSETS
FIDUCIARY FUNDS

For the Year Ended June 30, 2011

	Pension (and other Employee Benefit) Trust Funds
ADDITIONS:	
Investment income:	
Interest and dividend income	\$ 58,453,754
Net appreciation (depreciation) of investments	331,962,375
Miscellaneous	80,789
	<hr/>
Net increase (decrease) in fair value of investments	390,496,918
	<hr/>
Net income earned on securities lending transactions:	
Securities lending income	995,460
Securities lending expense	(199,050)
	<hr/>
Net income earned on securities lending transactions	796,410
	<hr/>
Less investment expenses	(6,478,826)
	<hr/>
Net investment income (loss)	384,814,502
	<hr/>
Contributions:	
Employee contributions	2,193,105
Employer contributions	115,032,198
Transfers in	143,835
Contributions from the State of Tennessee	19,333,186
Miscellaneous	2,109,719
	<hr/>
Total contributions	138,812,043
	<hr/>
Total additions	523,626,545
	<hr/>
DEDUCTIONS:	
Pension and other employee benefits	174,458,154
Refunds of contributions	138,344
Administrative expenses	2,938,855
Transfers out	1,782,035
	<hr/>
Total deductions	179,317,388
	<hr/>
Change in net assets	344,309,157
NET ASSETS, beginning of year	1,869,926,165
	<hr/>
NET ASSETS, end of year	\$ 2,214,235,322
	<hr/> <hr/>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS

June 30, 2011

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
<u>ASSETS</u>				
Cash and cash equivalents	\$ 239,985	\$ 348,387	\$ 11,517,686	\$ 111,530
Investments	-	-	470,774	-
Accounts receivable	-	-	2,075,058	-
Allowance for doubtful accounts	-	-	-	-
Accrued interest receivable	-	-	606	13
Due from the primary government	-	-	1,556,059	-
Inventories of supplies	-	-	-	-
Other current assets	3,029	-	-	-
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	-	-	-	-
Capital assets:				
Utility plant in service	-	-	-	-
Land	-	-	61,892,387	-
Buildings and improvements	-	-	359,768,613	-
Improvements other than buildings	135,512	-	1,452,071	-
Furniture, machinery and equipment	45,599	-	13,146,596	-
Infrastructure	-	-	-	-
Construction work in progress	-	-	441,738	-
Less accumulated depreciation	(171,249)	-	(116,870,935)	-
Other noncurrent assets	-	-	506,622	-
	<u>252,876</u>	<u>348,387</u>	<u>335,957,275</u>	<u>111,543</u>
Total assets				

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

Total Governmental Types	Hospital Authority			Metropolitan Development and Housing Agency	Electric Power Board
	General Hospital	Bordeaux Long Term Care	Total		
\$ 12,217,588	\$ 1,895,183	\$ 178,471	\$ 2,073,654	\$ 44,633,146	\$ 159,380,000
470,774	-	-	-	4,231,700	-
2,075,058	51,240,998	5,097,513	56,338,511	9,228,630	149,446,000
-	(43,360,281)	(1,767,000)	(45,127,281)	(1,667,851)	(1,170,000)
619	-	-	-	37,197	11,000
1,556,059	-	-	-	-	-
-	3,056,365	346,128	3,402,493	3,066,479	19,884,000
3,029	278,891	96,250	375,141	1,173,498	2,190,000
-	-	211,398	211,398	8,999,674	51,524,000
-	-	-	-	-	3,737,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	34,862,661	884,000
-	-	-	-	-	1,164,718,000
61,892,387	-	-	-	58,655,913	1,139,000
359,768,613	50,539,923	20,173,344	70,713,267	256,312,652	46,610,000
1,587,583	-	523,885	523,885	-	-
13,192,195	36,998,047	5,104,697	42,102,744	4,316,703	86,454,000
-	-	-	-	21,155,548	-
441,738	775,307	-	775,307	30,354,637	67,286,000
(117,042,184)	(51,416,953)	(16,062,022)	(67,478,975)	(127,795,136)	(523,823,000)
506,622	3,495,045	-	3,495,045	509,806	2,566,000
<u>336,670,081</u>	<u>53,502,525</u>	<u>13,902,664</u>	<u>67,405,189</u>	<u>348,075,257</u>	<u>1,230,836,000</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,026,275	\$ 34,397,372	\$ 974,274
Investments	-	-	12,877,125
Accounts receivable	978,340	2,849,647	568,853
Allowance for doubtful accounts	(28,894)	(47,948)	-
Accrued interest receivable	-	-	-
Due from the primary government	-	-	-
Inventories of supplies	693,404	594,835	-
Other current assets	1,089,495	833,092	148,582
Restricted assets:			
Cash and cash equivalents	-	84,152,229	-
Investments	-	8,760,764	-
Accrued interest receivable	-	-	-
Due from other governmental agencies	5,686,362	3,542,877	-
Due from the primary government	-	-	-
Other restricted assets	-	2,056,327	-
Notes receivable	-	-	-
Capital assets:			
Utility plant in service	-	-	-
Land	16,395,266	97,211,465	-
Buildings and improvements	74,182,298	183,122,322	-
Improvements other than buildings	-	458,112,921	-
Furniture, machinery and equipment	71,173,536	57,665,911	8,830,387
Infrastructure	-	-	-
Construction work in progress	6,404,252	113,187,969	210,468
Less accumulated depreciation	(41,585,562)	(362,901,122)	(4,415,128)
Other noncurrent assets	966,695	13,733,898	-
	<u>136,981,467</u>	<u>697,272,559</u>	<u>19,194,561</u>
Total assets			

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

Convention Center Authority	Total Proprietary Types	Total Component Units
\$ -	\$ 242,484,721	\$ 254,702,309
-	17,108,825	17,579,599
-	219,409,981	221,485,039
-	(48,041,974)	(48,041,974)
-	48,197	48,816
-	-	1,556,059
-	27,641,211	27,641,211
-	5,809,808	5,812,837
183,981,950	328,869,251	328,869,251
222,899,216	235,396,980	235,396,980
1,008,826	1,008,826	1,008,826
-	9,229,239	9,229,239
6,580,075	6,580,075	6,580,075
2,972,805	5,029,132	5,029,132
-	35,746,661	35,746,661
-	1,164,718,000	1,164,718,000
68,458,391	241,860,035	303,752,422
-	630,940,539	990,709,152
-	458,636,806	460,224,389
-	270,543,281	283,735,476
-	21,155,548	21,155,548
247,231,871	465,450,504	465,892,242
-	(1,127,998,923)	(1,245,041,107)
6,821,829	28,093,273	28,599,895
<u>739,954,963</u>	<u>3,239,719,996</u>	<u>3,576,390,077</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

	Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board
<u>LIABILITIES</u>				
Accounts payable	\$ 203,822	\$ 34,235	\$ 2,548,381	\$ 25,313
Accrued payroll	-	-	33,638	-
Due to the primary government	-	-	221	-
Customer deposits	-	-	-	-
Current portion of long-term liabilities	-	-	-	-
Current portion of capitalized lease obligations	-	-	-	-
Accrued interest	-	-	-	-
Other current liabilities	36,026	13,934	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued payroll	-	-	-	-
Due to the primary government	-	-	-	-
Accrued interest	-	-	1,566,777	-
Funds held in trust	-	-	-	-
Current portion of long-term liabilities	-	-	3,610,000	-
Revenue bonds payable	-	-	59,463,984	-
Capitalized lease obligations	-	-	-	-
TVA advances	-	-	-	-
Other long-term liabilities	-	-	-	-
	<u>239,848</u>	<u>48,169</u>	<u>67,223,001</u>	<u>25,313</u>
<u>NET ASSETS (DEFICIT)</u>				
Invested in capital assets, net of related debt	9,862	-	256,756,486	-
Restricted for debt retirement	-	-	5,177,827	-
Restricted for other purposes	-	304	-	-
Unrestricted	3,166	299,914	6,799,961	86,230
	<u>13,028</u>	<u>300,218</u>	<u>268,734,274</u>	<u>86,230</u>
Total net assets (deficit)	<u>\$ 13,028</u>	<u>\$ 300,218</u>	<u>\$ 268,734,274</u>	<u>\$ 86,230</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

Total Governmental Types	Hospital Authority			Metropolitan Development and Housing Agency	Electric Power Board
	General Hospital	Bordeaux Long Term Care	Total		
\$ 2,811,751	\$ 9,299,278	\$ 2,481,756	\$ 11,781,034	\$ 15,948,108	\$ 185,265,000
33,638	2,781,938	1,710,753	4,492,691	618,501	-
221	36,629	20,731	57,360	-	-
-	-	-	-	478,390	12,948,000
-	5,000,000	-	5,000,000	1,762,673	-
-	1,519,665	-	1,519,665	-	-
-	-	-	-	-	2,726,000
49,960	1,076,689	2,104	1,078,793	6,124,058	4,349,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,566,777	-	-	-	-	-
-	-	211,398	211,398	-	-
3,610,000	-	-	-	-	15,038,000
59,463,984	-	-	-	-	467,103,000
-	32,266,522	-	32,266,522	-	-
-	-	-	-	-	785,000
-	10,325,745	3,495,045	13,820,790	17,952,402	11,926,000
<u>67,536,331</u>	<u>62,306,466</u>	<u>7,921,787</u>	<u>70,228,253</u>	<u>42,884,132</u>	<u>700,140,000</u>
256,766,348	(12,215,608)	9,739,904	(2,475,704)	214,636,180	358,152,000
5,177,827	-	-	-	-	52,536,000
304	-	-	-	4,797,091	-
<u>7,189,271</u>	<u>3,411,667</u>	<u>(3,759,027)</u>	<u>(347,360)</u>	<u>85,757,854</u>	<u>120,008,000</u>
<u>\$ 269,133,750</u>	<u>\$ (8,803,941)</u>	<u>\$ 5,980,877</u>	<u>\$ (2,823,064)</u>	<u>\$ 305,191,125</u>	<u>\$ 530,696,000</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority	Emergency Communications District
<u>LIABILITIES</u>			
Accounts payable	\$ 1,805,710	\$ 6,893,744	\$ 427,401
Accrued payroll	1,942,244	3,137,291	-
Due to the primary government	6,043,221	-	-
Customer deposits	-	-	-
Current portion of long-term liabilities	-	448,000	-
Current portion of capitalized lease obligations	-	-	-
Accrued interest	-	-	-
Other current liabilities	4,049,257	-	-
Liabilities payable from restricted assets:			
Accounts payable	-	6,043,191	-
Accrued payroll	-	-	-
Due to the primary government	-	-	-
Accrued interest	-	5,387,816	-
Funds held in trust	-	-	-
Current portion of long-term liabilities	-	27,815,000	-
Revenue bonds payable	-	229,023,078	-
Capitalized lease obligations	-	-	-
TVA advances	-	-	-
Other long-term liabilities	26,289,342	29,583,712	-
	<u>40,129,774</u>	<u>308,331,832</u>	<u>427,401</u>
<u>NET ASSETS (DEFICIT)</u>			
Invested in capital assets, net of related debt	108,988,873	309,766,045	4,625,727
Restricted for debt retirement	-	53,167,146	-
Restricted for other purposes	-	20,471,601	-
Unrestricted	(12,137,180)	5,535,935	14,141,433
	<u>\$ 96,851,693</u>	<u>\$ 388,940,727</u>	<u>\$ 18,767,160</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF NET ASSETS
COMPONENT UNITS (CONTINUED)

June 30, 2011

Convention Center Authority	Total Proprietary Types	Total Component Units
\$ -	\$ 222,120,997	\$ 224,932,748
-	10,190,727	10,224,365
-	6,100,581	6,100,802
-	13,426,390	13,426,390
-	7,210,673	7,210,673
-	1,519,665	1,519,665
-	2,726,000	2,726,000
-	15,601,108	15,651,068
58,492,648	64,535,839	64,535,839
122,980	122,980	122,980
2,120	2,120	2,120
20,509,877	25,897,693	27,464,470
-	211,398	211,398
-	42,853,000	46,463,000
624,422,418	1,320,548,496	1,380,012,480
-	32,266,522	32,266,522
-	785,000	785,000
-	99,572,246	99,572,246
<u>703,550,043</u>	<u>1,865,691,435</u>	<u>1,933,227,766</u>
-	993,693,121	1,250,459,469
36,404,920	142,108,066	147,285,893
-	25,268,692	25,268,996
-	212,958,682	220,147,953
<u>\$ 36,404,920</u>	<u>\$ 1,374,028,561</u>	<u>\$ 1,643,162,311</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES
COMPONENT UNITS

For the Year Ended June 30, 2011

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Nashville District Management Corporation	\$ 1,577,814	\$ 1,510,098	\$ 57,120	\$ -
Gulch Business Improvement District, Inc.	205,831	378,368	-	-
Sports Authority	38,888,864	7,807,191	20,275,560	7,445,870
Industrial Development Board	3,745,528	4,100	3,520,936	-
General Hospital	100,425,276	74,107,441	32,710,258	19,486
Bordeaux Long Term Care	44,792,234	30,189,009	10,480,442	308,188
Metropolitan Development and Housing Agency	117,333,003	29,502,234	91,300,083	13,835,311
Electric Power Board	1,168,820,000	1,199,609,000	-	-
Metropolitan Transit Authority	63,020,118	10,461,058	30,902,767	43,630,164
Metropolitan Nashville Airport Authority	103,691,759	114,829,491	-	16,861,226
Emergency Communications District	4,306,848	6,339,888	-	-
Convention Center Authority	-	-	-	26,550,809
Total component units	\$ 1,646,807,275	\$ 1,474,737,878	\$ 189,247,166	\$ 108,651,054

General revenues:

Revenues from the use of
money or property

Compensation for loss, sale or
damage to property

Extraordinary item - flood loss

Total general revenues and extraordinary item

Changes in net assets

Net assets (deficit) - beginning

Net assets (deficit) - ending

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES
COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2011

Net (Expense) Revenue and Changes in Net Assets							
Nashville District Management Corporation	Gulch Business Improvement District, Inc.	Sports Authority	Industrial Development Board	Total Governmental Types	Hospital Authority		
					General Hospital	Bordeaux Long Term Care	Total
\$ (10,596)	\$ -	\$ -	\$ -	\$ (10,596)	\$ -	\$ -	\$ -
-	172,537	-	-	172,537	-	-	-
-	-	(3,360,243)	-	(3,360,243)	-	-	-
-	-	-	(220,492)	(220,492)	-	-	-
-	-	-	-	-	6,411,909	-	6,411,909
-	-	-	-	-	-	(3,814,595)	(3,814,595)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(10,596)</u>	<u>172,537</u>	<u>(3,360,243)</u>	<u>(220,492)</u>	<u>(3,418,794)</u>	<u>6,411,909</u>	<u>(3,814,595)</u>	<u>2,597,314</u>
1,111	4,458	7,934	152	13,655	-	-	-
-	-	693,033	77,547	770,580	-	-	-
-	-	-	-	-	-	-	-
<u>1,111</u>	<u>4,458</u>	<u>700,967</u>	<u>77,699</u>	<u>784,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
(9,485)	176,995	(2,659,276)	(142,793)	(2,634,559)	6,411,909	(3,814,595)	2,597,314
22,513	123,223	271,393,550	229,023	271,768,309	(15,215,850)	9,795,472	(5,420,378)
<u>\$ 13,028</u>	<u>\$ 300,218</u>	<u>\$ 268,734,274</u>	<u>\$ 86,230</u>	<u>\$ 269,133,750</u>	<u>\$ (8,803,941)</u>	<u>\$ 5,980,877</u>	<u>\$ (2,823,064)</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF ACTIVITIES
COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2011

	Net (Expense) Revenue and Changes in Net Assets			
	Metropolitan Development and Housing Agency	Electric Power Board	Metropolitan Transit Authority	Metropolitan Nashville Airport Authority
Nashville District Management Corporation	\$ -	\$ -	\$ -	\$ -
Gulch Business Improvement District, Inc.	-	-	-	-
Sports Authority	-	-	-	-
Industrial Development Board	-	-	-	-
General Hospital	-	-	-	-
Bordeaux Long Term Care	-	-	-	-
Metropolitan Development and Housing Agency	17,304,625	-	-	-
Electric Power Board	-	30,789,000	-	-
Metropolitan Transit Authority	-	-	21,973,871	-
Metropolitan Nashville Airport Authority	-	-	-	27,998,958
Emergency Communications District	-	-	-	-
Convention Center Authority	-	-	-	-
Total component units	17,304,625	30,789,000	21,973,871	27,998,958
General revenues:				
Revenues from the use of money or property	593,886	513,000	6,526	342,616
Compensation for loss, sale or damage to property	-	-	-	-
Extraordinary item - flood loss	-	(2,415,000)	(179,488)	-
Total general revenues and extraordinary item	593,886	(1,902,000)	(172,962)	342,616
Changes in net assets	17,898,511	28,887,000	21,800,909	28,341,574
Net assets (deficit) - beginning	287,292,614	501,809,000	75,050,784	360,599,153
Net assets (deficit) - ending	\$ 305,191,125	\$ 530,696,000	\$ 96,851,693	\$ 388,940,727

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, 2011

Net (Expense) Revenue and Changes in Net Assets			
Emergency Communications District	Convention Center Authority	Total Proprietary Types	Total Component Units
\$ -	\$ -	\$ -	\$ (10,596)
-	-	-	172,537
-	-	-	(3,360,243)
-	-	-	(220,492)
-	-	6,411,909	6,411,909
-	-	(3,814,595)	(3,814,595)
-	-	17,304,625	17,304,625
-	-	30,789,000	30,789,000
-	-	21,973,871	21,973,871
-	-	27,998,958	27,998,958
2,033,040	-	2,033,040	2,033,040
-	26,550,809	26,550,809	26,550,809
<u>2,033,040</u>	<u>26,550,809</u>	<u>129,247,617</u>	<u>125,828,823</u>
24,987	3,075,216	4,556,231	4,569,886
10,676	-	10,676	781,256
-	-	(2,594,488)	(2,594,488)
<u>35,663</u>	<u>3,075,216</u>	<u>1,972,419</u>	<u>2,756,654</u>
2,068,703	29,626,025	131,220,036	128,585,477
<u>16,698,457</u>	<u>6,778,895</u>	<u>1,242,808,525</u>	<u>1,514,576,834</u>
<u>\$ 18,767,160</u>	<u>\$ 36,404,920</u>	<u>\$ 1,374,028,561</u>	<u>\$ 1,643,162,311</u>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

The **Sports Authority** was established in 1995 to act as the financing and building authority for both the Nashville arena and 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 Assets – Component Units and Statement of Activities – Component Units included in the basic financial statements.

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

The **Hospital Authority** operates General Hospital (a full service medical facility) and Bordeaux Long Term Care (a long-term care facility) for the residents of Nashville and Davidson County. The Hospital Authority was created in March 1999 to operate both entities, which were previously accounted for as enterprise funds of the Government. Effective October 1, 2004, Bordeaux Long Term Care absorbed the operations of the J.B. Knowles Home for the Aged which was previously accounted for in the General Fund of the Government. The

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

members of the Hospital Authority 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 must act on ordinances passed by the Government, and the Authority is financially dependent on the Government. Complete financial statements of the Authority can be obtained from its administrative offices at 130 Nestor Street, Nashville, TN 37210.

The **Metropolitan Nashville Airport Authority** operates the Nashville International and John C. Tune Airports. The members of the Airport Authority's Board of Directors are all appointed and can also be removed by the Government. The Government believes the nature and significance of its relationship with the Airport Authority is such that exclusion would cause these financial statements to be misleading. Complete financial statements of the Airport Authority can be obtained from its administrative offices at One Terminal Drive, Nashville, TN 37214.

The **Emergency Communications District** is engaged to secure funding for efficient emergency services to the public. The members of the District's Board of Directors are all appointed and can also be removed by the Government. The District also provides equipment for the Government's use in emergency services. Complete financial statements of the District can be obtained from its administrative offices at 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 is responsible for the acquisition, development and construction of a new convention center – the Music City Center – and will be responsible for its operation once completed. The Convention Center Authority is also responsible for the management and operation of the existing Nashville Convention Center. Because the assets of the Nashville Convention Center are owned by the Government, its Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets, 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, 700 2nd Avenue South, Suite 310, 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, 2011.

The primary government includes \$8,712,793 due from component units and \$8,136,134 due to component units in the Statement of Net Assets. The component units include \$6,102,922 due to the primary government and \$8,136,134 due from the primary government. The difference of \$2,609,871 is due to transactions between the primary government and the Metropolitan Development and Housing Agency subsequent to the Agency's year end.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Accounting Pronouncements

The Government adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, required for fiscal periods beginning after June 15, 2010, in fiscal 2011. This Statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The adoption of this Statement is reflected in the categories of fund balances in the Balance Sheets for governmental funds and in the funds defined as special revenue funds.

The Government plans to adopt GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, required for fiscal periods beginning after June 15, 2011, in fiscal 2012. Certain provisions were effective upon issuance and were adopted by the Government in fiscal 2010. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. The adoption of this Statement will have no impact on the Government's financial statements.

The Government adopted GASB Statement No. 59, Financial Instruments Omnibus, required for fiscal periods beginning after June 15, 2010, in fiscal 2011. This Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The adoption of this Statement has no impact on the Government's financial statements.

The Government plans to adopt GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, required for fiscal periods beginning after December 15, 2011, in fiscal 2013. This Statement addresses how to account for and report service concession arrangements.

The Government plans to adopt GASB Statement No. 61, The Financial Reporting Entity: Omnibus, required for fiscal periods beginning after June 15, 2012, in fiscal 2013. This Statement is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statements No. 14 and 34, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued.

The Government plans to adopt GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, required for fiscal periods beginning after December 15, 2011, in fiscal 2013. This Statement is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements.

The Government plans to adopt GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, required for fiscal periods beginning after December 15, 2011, in fiscal 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government reports with information about how past transactions will continue to impact a government's financial statements in the future.

The Government plans to adopt GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions, required for fiscal periods beginning after June 15, 2011, in fiscal 2012. This Statement will improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

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

C. Government-Wide and Fund Financial Statements

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories.

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

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

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.

The Government has elected not to apply any Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds. The Gulch Business Improvement District, Inc., Hospital Authority, Metropolitan Development and Housing Agency, Electric Power Board, Metropolitan Transit Authority, and Metropolitan Nashville Airport Authority, component units, have elected to apply, as other accounting literature, FASB pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2011, 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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

E. Assets, Liabilities and Net Assets or Equity

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

Investments – Investments, except in the pension funds, consist primarily of U.S. Government securities and are stated at fair value. Pension fund investments, which also include common stocks, bonds and U.S. Government and other domestic and foreign securities, are stated at quoted fair value at June 30, 2011. The Government and certain component units also invest in the Tennessee Local Government Investment Pool which is maintained and managed by the State of Tennessee. This Pool is not registered with the Securities and Exchange Commission (SEC) but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the Government's investments in the Pool have been determined based on the Pool's share price. Investment income consists of realized and unrealized appreciation or depreciation in the fair value of assets. Investment income of the capital projects funds is reported in those funds and is transferred to the debt service funds after arbitrage calculations, as applicable.

Annuities – Annuities are recorded at the estimated present value of future benefits, which approximates fair value at June 30, 2011.

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 \$37,500 for the year ended June 30, 2011.

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

to maintain and preserve the assets at the condition level established and disclosed by the Government and 4) document that the assets are being preserved approximately at (or above) the condition level established and disclosed. Roads and bridges are accounted for using the modified approach.

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

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

Claims payable – Losses for claim liabilities are reported in the self-insurance funds for claims payable from those funds. Claims payable include reported claims and an estimated liability for claims incurred but not reported at June 30, 2011. The claims liabilities are based on the estimated cost of settling the claim, including nonincremental claim adjustments, using past experience and adjusting for current conditions. Losses for uninsured judgments against the Government payable from governmental funds not expected to be liquidated with expendable available resources are reported in the applicable governmental activities in the Statements of Net Assets and Activities.

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

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

Arbitrage rebates – For the governmental funds, arbitrage rebates due to the federal government under the Internal Revenue Code of 1986, as amended, for excess earnings on invested proceeds of tax exempt securities are reported as a liability in the Statements of Net Assets and Activities and as a 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 Assets and Activities. The total liability for landfill purposes is \$8,755,729.

Bordeaux Sanitary Landfill – This landfill has stopped accepting solid waste, and closure procedures are 100% complete. Estimated postclosure costs of \$5,425,919 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 \$1,153,991 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 \$1,482,397 are included in the long-term liability.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Lebanon Road Landfill – This landfill has stopped accepting waste, and closing procedures are 100% complete. Estimated postclosure costs of \$693,422 are included in the long-term liability.

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

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

Derivative financial instruments – Derivative financial instruments consist of interest rate swap 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 Assets 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.

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. Assigned fund balances are amounts intended to be used for specific purposes as designated by management of the Government. Unassigned fund balance is the residual classification for the General Fund and negative fund balances in other governmental funds. Authority to assign certain amounts is granted by the Metropolitan Council in the annual budget ordinance. 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 Assets – Proprietary Funds as a separate line item after non-operating revenues and expenses. In the Statement of Activities, capital grants and contributions are presented as program revenues.

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

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

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$3.56 per \$100 of assessed value for the entire metropolitan area (General Services District) with an additional tax of \$.57 per \$100 of assessed value levied upon properties within the Urban Services District.

Payments are due by February 28 of the following year and are delinquent on March 1. Property taxes receivable have been included in the Balance Sheet – Governmental Funds with offsetting deferred revenue to reflect amounts not available at June 30, 2011. Amounts available at June 30, 2011 have been recorded as revenue in the governmental fund statements. Current tax collections of \$741,791,912 for the fiscal year ended June 30, 2011 were approximately 98% of the tax levy.

Of the \$775,697,714 property tax receivable, \$755,142,887 represents the 2011 property taxes which have been assessed but not yet levied and recorded as required by GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

G. Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance With Finance Related Legal and Contractual Provisions

Management believes that the Government has no material violations of finance related legal and contractual provisions as of June 30, 2011.

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2011-2012 was submitted to the Metropolitan Council and subsequently approved by Substitute Bill Number BL 2011-913. Unassigned and committed fund balance resources at June 30, 2011 have been committed to the 2011-2012 fiscal year operating budget as follows:

Urban Services District General Fund	\$ 13,435,500
General Services District School Purposes Debt Service Fund	11,161,900

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, 2011 were as follows:

	Outstanding Encumbrances
General Fund	\$ 1,053,848
Special Revenue Funds:	
General Purpose School	28,422,740
Metropolitan Action Commission	320,694
General Fund 4% Reserve	1,059,823
Solid Waste Operations	3,032,142
Stormwater Grants	847,449
Flood 2010 Recovery	33,991,892
Education Services	4,206,666
Nashville Career Advancement Center	32,148
Other Governmental Services	8,243,930
Capital Projects Funds:	
GSD Capital Projects	52,233,813
Education Capital Projects	23,199,175
USD Capital Projects	9,468,848
Permanent Funds:	
General Government	1,480

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

C. Deficit Balances and Excess Expenditures

The following funds have deficit balances at June 30, 2011:

	Unassigned Fund Balance/ Unrestricted Net Assets
Special Revenue Funds:	
Flood 2010 Recovery	\$ (29,087,885)
Other Government Services	(1,069,297)
Capital Projects Funds:	
GSD Capital Projects	(3,836,890)
USD Capital Projects	(5,337,955)
Enterprise Funds:	
Farmers Market	(340,462)
Police Impound	(2,917,885)
Internal Service Funds:	
School Self Insurance	(55,557)
School Professional Employees' Insurance	(10,275,363)
Injured on Duty	(4,693,495)
Treasury Management	(48,301)

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

<u>Funds with deficits</u>	<u>Funding responsibility</u>
Special Revenue Funds	General Fund, revenue from other governmental agencies, insurance recovery, or future capital funding
Capital Projects Funds	Future issuance of notes and bonds or revenue from other governmental agencies
Enterprise Funds	Future user charges
Internal Service Funds	Future user charges over the next two to three fiscal years

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the year ended June 30, 2011, 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	\$ 33,032,300	\$ 35,835,142	\$ (2,802,842)
Employer's Contribution for Group Life Insurance	1,686,700	1,802,750	(116,050)
Miscellaneous:			
Subsidies	30,147,800	30,228,969	(81,169)
Transfers Out:			
Internal Service Funds	11,307,500	11,337,512	(30,012)
Fiduciary Funds	36,900	50,003	(13,103)
General Purpose School Fund:			
Education	620,640,000	621,062,518	(422,518)
GSD General Purposes Debt Service Fund:			
Interest	50,213,100	50,791,975	(578,875)
Fiscal Charges	1,558,600	2,530,559	(971,959)
Debt Issue Costs	-	956,225	(956,225)
Payments to Refunded Bond Escrow Agent	-	164,791,084	(164,791,084)
GSD School Purposes Debt Service Fund:			
Principal Retirement	-	1,512,777	(1,512,777)
Debt Issue Costs	-	796,864	(796,864)
Payments to Refunded Bond Escrow Agent	-	137,328,379	(137,328,379)
USD General Purposes Debt Service Fund:			
Debt Issue Costs	-	171,977	(171,977)
Payments to Refunded Bond Escrow Agent	-	29,637,414	(29,637,414)

Employee Benefits are over budget due to health insurance rate increases, and increases in the number of retirees in excess of budget projections.

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

Transfers Out to Internal Service Funds were over budget due to a transfer from the General Fund to the Office of Fleet Management Fund for a Fleet acquisition.

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

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

Expenditures for the GSD and USD General Purposes and GSD School Purposes Debt Service Funds are not controlled on a line item basis. Also, costs related to debt issues and refundings are not budgeted. Expenditures excluding costs related to debt issues and refundings for the GSD and USD General Purposes and the GSD School Purposes Debt Service Funds were under budget in total.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 – DEPOSITS AND INVESTMENTS

Primary Government

The Government is authorized by policy to invest funds that are not immediately needed in: United States Treasury Bills, Bonds and Notes; The State of Tennessee Local Government Investment Pool (LGIP); most bonds issued by U.S. Government Agencies and other investments such as repurchase agreements and commercial paper. The Government is authorized to invest in these instruments either directly or through the Metro Investment Pool (MIP) which is primarily invested in the LGIP. Primary oversight for the LGIP rests with the State of Tennessee Funding Board. The LGIP is similar to a SEC 2a-7 account (SEC designation), and the Government's amounts included in the LGIP are reported at the fair value of its position in the LGIP which approximates the value of the LGIP shares at amortized cost. The Metropolitan Employees' Benefit Trust is authorized to invest funds in accordance with the Statement of Investment Objectives of the Investment Committee of the Government, which states that the Investment Committee may make investments it deems suitable for the trust fund. Investments of the Teachers Retirement Plan are administered by the Administrative Retirement Committee of the Metropolitan Nashville Public Schools in accordance with the Investment Policy of the Teachers Retirement Plan.

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, 2011, all deposits were insured or collateralized, as required by Government policy.

B. Investments

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

As of June 30, 2011, the Government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Weighted Maturity (in Years)</u>
Metro Investment Pool:		
Tennessee Local Government Investment Pool	\$ 548,728,439	0.30
Total Metro Investment Pool (a)	<u>\$ 548,728,439</u>	
Separate Portfolios:		
U.S. Treasuries (a)	\$ 27,762,086	0.01
U.S. Government Bonds	<u>6,510,902</u>	4.08
Total Separate Portfolios	<u>\$ 34,272,988</u>	
Metropolitan Employees' Benefit Trust:		
U.S. Fixed Income Funds	\$ 158,987,971	5.99
U.S. Government Agencies	22,575,418	7.00
U.S. Private Placements	59,310,138	5.02
Foreign Government Bonds and Agencies	45,129,484	6.33
Government Mortgage Backed Securities	36,481,851	3.50
Corporate Bonds and Notes	166,052,221	4.17
Common Stock (b)	1,042,627,314	(c)
Preferred Stock	414,184	(c)
Municipals	2,287,510	10.80

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

Investment Type	Fair Value	Average Weighted Maturity (in Years)
Metropolitan Employees' Benefit Trust: (Continued)		
Commercial Mortgage Backed Securities	\$ 6,415,340	2.55
Collateralized Mortgage Obligations - Government	1,541,158	1.41
Collateralized Mortgage Obligations - Corporate	10,056,529	1.59
Asset Backed Securities	6,272,866	0.80
Mortgages and Real Estate	146,808,056	(c)
Venture Capital and Partnerships	279,131,036	(c)
Cash Collateral Received - Securities Lending Program	<u>172,655,255</u>	(c)
Total Metropolitan Employees' Benefit Trust	<u>\$ 2,156,746,331</u>	
Teachers' Retirement Plan:		
U.S. Fixed Income Funds	\$ 12,949,582	6.85
Common Stock	10,340,045	(c)
Cash Collateral Received - Securities Lending Program	<u>2,886,518</u>	(c)
Total Teachers' Retirement Plan	<u>\$ 26,176,145</u>	

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

(b) The Metropolitan Employees' Benefit Trust investment portfolio contains \$18,065,556 of common stock reported in the Government's close pension plans funds.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment 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, 2011, the investments of the Government had average weighted maturities as noted on the preceding table.

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

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

Also, the use of futures, options and swaps is permitted as long as the particular investment manager's strategy or mandate allows it. The investment policy for the Teachers' Retirement Plan only allows investment grade debt. As of June, 30, 2011, the investments of the Government had credit ratings as follows:

Investment Type	Credit Ratings										
	Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	D	Not Rated
Metropolitan Employees' Benefit Trust:											
U.S. Fixed Income Funds	\$ 158,987,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,987,971
U.S. Private Placements	59,310,138	5,137,359	5,307,195	11,404,691	21,325,448	4,746,747	2,757,613	-	-	-	8,631,085
Foreign Government Bonds and Agencies	45,129,484	-	-	-	-	-	-	-	-	-	45,129,484
Corporate Bonds and Notes	166,052,221	1,284,016	9,939,946	68,486,831	64,664,784	13,164,822	6,646,324	-	-	-	1,865,498
Commercial Mortgage Backed Securities	6,415,340	4,217,966	401,335	202,359	347,782	91,672	-	-	-	-	1,154,226
Collateralized Mortgage Obligations	10,056,529	2,192,911	-	-	1,527,526	221,805	-	2,424,230	266,097	2,106,901	1,317,059
Asset Backed Securities	6,272,866	2,313,542	-	1,402,202	715,783	-	705,612	602,960	-	-	532,767
Total Metropolitan Employees' Benefit Trust	\$ 452,224,549	\$ 15,145,794	\$ 15,648,476	\$ 81,496,083	\$ 88,581,323	\$ 18,225,046	\$ 10,109,549	\$ 3,027,190	\$ 266,097	\$ 2,106,901	\$ 217,618,090
Teachers' Retirement Plan:											
US Fixed Income Funds	\$ 12,949,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,949,582
Total Teachers' Retirement Plan	\$ 12,949,582	\$ -	\$ -	\$ -	\$ -	\$ 12,949,582					

Concentration of credit risk is the risk of loss attributed to the magnitude of the Government's investment in a single issuer. The Government's Investment Policy limits single issuer exposure to 10% except for the securities of the U.S. Government or its agencies. For the Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan, the investment policies limit single issuer exposure for each investment manager to 5%.

Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the Government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Government does not have a policy with regard to custodial credit risk of investments. As of June 30, 2011, all investments were insured or registered or the securities were held by the Government or its agent in the Government's name.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of June 30, 2011, no Metro Investment Pool or Separate Portfolio investments were held in foreign currency. The investment policies for the Metropolitan Employees' Benefit Trust and Teachers' Retirement Plan place no specific limits on investments in international markets; however, investments in international markets are targeted not to exceed 15% of the portfolios. As of June 30, 2011, the Government's exposure to foreign currency risk is as follows:

<u>Base Currency</u>	<u>Fair Value</u>
Common Stock:	
Australian dollar	\$ 7,819,419
Brazil real	367,526
British pound sterling	42,583,117
Canadian dollar	4,511,184
Danish krone	2,744,896
Euro	50,756,096
Hong Kong dollar	9,404,321
Japanese Yen	26,440,986
Malaysian ringgit	1,175,549
New Zealand dollar	1,129,567
Norwegian krone	1,771,854
S Africa Aomm rand	1,519,306
Singapore dollar	536,233
South korean won	786,263
Swedish krona	1,856,096
Swiss franc	9,543,830
Total Common Stock	<u>162,946,243</u>
Preferred Stock:	
Brazil real	<u>199,366</u>
Total Preferred Stock	<u>199,366</u>
Venture Capital and Partnerships:	
Euros	<u>52,785,552</u>
Total Venture Capital and Partnerships	<u>52,785,552</u>
Total Metropolitan Employees' Benefit Trust	<u>\$ 215,931,161</u>

C. Securities Lending Program

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Neither the Trust nor Plan imposed any restrictions on the amount of securities lent by the Custodian during the year on their behalf. There were no violations of legal or contractual provisions and there were no borrower or lending agent default losses during the year. The contract with the Custodian requires indemnification only in cases of Custodian negligence.

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the Trust and Plan loans for the year ended June 30, 2011 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, 2011 was \$172,655,255 and \$168,403,153, respectively, for the Trust, and \$2,886,518 and \$2,809,248, respectively, for the Plan. The cash collateral is recorded as both an asset and a liability on the Trust and Plan financial statements. Securities and letters-of-credit received as collateral at June 30, 2011 are not recorded in the Statement of Plan Net Assets, as the Trust and Plan cannot sell or pledge the collateral received absent a borrower default.

At year end, neither the Trust nor Plan have credit risk by borrowers because the amounts the Trust and Plan owe the borrowers exceed the amounts the borrowers owe the Trust and Plan. The gross earnings for securities lending were \$562,096 and borrowers rebates were \$411,062 for total income of \$973,158, and the related expenses were \$194,597 in agent fees, netting \$778,561 in securities lending income for the Trust. The gross earnings for securities lending were \$13,888 and borrowers rebates were \$8,414 for total income of \$22,302, and the related expenses were \$4,453 in agent fees, netting \$17,849 in securities lending income for the Plan.

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.

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

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

Governmental activities:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 249,419,169	\$ 20,590,874	\$ -	\$ 270,010,043
Transportation infrastructure	1,448,043,061	8,667,765	-	1,456,710,826
Public art	580,860	-	-	580,860
Construction in progress	172,421,072	80,471,966	(47,275,501)	205,617,537
Total capital assets, not being depreciated	1,870,464,162	109,730,605	(47,275,501)	1,932,919,266
Capital assets, being depreciated:				
Buildings and improvements	1,462,912,556	49,843,256	(632,804)	1,512,123,008
Improvements other than buildings	-	29,031	-	29,031
Furniture, machinery and equipment	298,542,524	25,523,782	(9,663,715)	314,402,591
Stormwater infrastructure	104,484,680	3,688,276	-	108,172,956
Total capital assets, being depreciated	1,865,939,760	79,084,345	(10,296,519)	1,934,727,586
Less accumulated depreciation:				
Building and improvements	(487,141,061)	(44,573,719)	1,798,129	(529,916,651)
Furniture, machinery and equipment	(213,530,356)	(24,966,206)	8,145,888	(230,350,674)
Stormwater infrastructure	(31,768,406)	(2,095,756)	-	(33,864,162)
Total accumulated depreciation	(732,439,823)	(71,635,681)	9,944,017	(794,131,487)
Total capital assets, being depreciated, net	1,133,499,937	7,448,664	(352,502)	1,140,596,099
Governmental activities capital assets, net	\$ 3,003,964,099	\$ 117,179,269	\$ (47,628,003)	\$ 3,073,515,365

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

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

Business-type activities:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 18,140,732	\$ -	\$ -	\$ 18,140,732
Construction in progress	39,261,165	96,783,493	(49,146,957)	86,897,701
Total capital assets, not being depreciated	<u>57,401,897</u>	<u>96,783,493</u>	<u>(49,146,957)</u>	<u>105,038,433</u>
Capital assets, being depreciated:				
Utility plant in service	2,287,390,434	52,901,696	(249,518)	2,340,042,612
Buildings and improvements	132,277,852	3,271,276	(71,290)	135,477,838
Improvements other than buildings	43,017,849	2,291,985	-	45,309,834
Furniture, machinery and equipment	35,074,883	2,013,691	(162,083)	36,926,491
Property under capital lease	3,645,000	-	-	3,645,000
Total capital assets, being depreciated	<u>2,501,406,018</u>	<u>60,478,648</u>	<u>(482,891)</u>	<u>2,561,401,775</u>
Less accumulated depreciation:				
Utility plant in service	(731,976,616)	(58,503,499)	137,535	(790,342,580)
Buildings and improvements	(67,870,220)	(3,624,601)	279,550	(71,215,271)
Improvements other than buildings	(34,935,414)	(774,657)	-	(35,710,071)
Furniture, machinery and equipment	(31,090,418)	(1,583,581)	133,046	(32,540,953)
Property under capital lease	(1,283,219)	(91,125)	-	(1,374,344)
Total accumulated depreciation	<u>(867,155,887)</u>	<u>(64,577,463)</u>	<u>550,131</u>	<u>(931,183,219)</u>
Total capital assets, being depreciated, net	<u>1,634,250,131</u>	<u>(4,098,815)</u>	<u>67,240</u>	<u>1,630,218,556</u>
Business-type activities capital assets, net	<u>\$ 1,691,652,028</u>	<u>\$ 92,684,678</u>	<u>\$ (49,079,717)</u>	<u>\$ 1,735,256,989</u>

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

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

Governmental activities:	
General government	\$ 11,263,289
Fiscal administration	1,158,764
Administration of justice	2,306,029
Law enforcement and care of prisoners	4,203,564
Fire prevention and control	1,321,110
Education	24,918,604
Regulation and inspection	2,438
Public welfare	328,563
Public health and hospitals	647,762
Public library system	2,262,979
Public works, highways and streets, including depreciation of stormwater infrastructure	4,399,913
Recreational and cultural	5,543,135
Capital assets held by internal service funds are charged to the various functions based on each function's usage of the services provided by the funds	<u>13,279,531</u>
Total depreciation expense, governmental activities	<u>\$ 71,635,681</u>
Business-type activities:	
Department of Water and Sewerage Services	\$ 60,144,713
District Energy System	2,151,678
Nashville Convention Center	1,441,251
Board of Fair Commissioners	395,014
Farmers Market	263,192
Municipal Auditorium	<u>181,615</u>
Total depreciation expense, business-type activities	<u>\$ 64,577,463</u>

Component Units

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 266,206,417	\$ 83,325,035	\$ (45,779,030)	\$ 303,752,422
Construction in progress	<u>230,236,668</u>	<u>316,782,903</u>	<u>(81,127,329)</u>	<u>465,892,242</u>
Total capital assets, not being depreciated	<u>496,443,085</u>	<u>400,107,938</u>	<u>(126,906,359)</u>	<u>769,644,664</u>
Capital assets, being depreciated:				
Utility plant in service	1,124,772,000	53,976,000	(14,030,000)	1,164,718,000
Buildings and improvements	939,685,082	52,459,399	(1,435,329)	990,709,152
Improvements other than buildings	446,709,854	30,690,517	(17,175,982)	460,224,389
Furniture, machinery and equipment	240,336,225	51,171,959	(7,772,708)	283,735,476
Infrastructure	<u>21,155,548</u>	<u>-</u>	<u>-</u>	<u>21,155,548</u>
Total capital assets, being depreciated	<u>2,772,658,709</u>	<u>188,297,875</u>	<u>(40,414,019)</u>	<u>2,920,542,565</u>

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

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Less accumulated depreciation for:				
Utility plant in service	\$ (422,779,000)	\$ (40,297,000)	\$ 23,646,000	\$ (439,430,000)
Buildings and improvements	(346,326,691)	(32,479,747)	1,373,200	(377,433,238)
Improvements other than buildings	(246,680,505)	(17,192,269)	17,174,353	(246,698,421)
Furniture, machinery and equipment	(152,407,415)	(24,346,604)	6,914,320	(169,839,699)
Infrastructure	(10,748,974)	(890,775)	-	(11,639,749)
Total accumulated depreciation	<u>(1,178,942,585)</u>	<u>(115,206,395)</u>	<u>49,107,873</u>	<u>(1,245,041,107)</u>
Total capital assets, being depreciated, net	<u>1,593,716,124</u>	<u>73,091,480</u>	<u>8,693,854</u>	<u>1,675,501,458</u>
Component units activities capital assets, net	<u>\$ 2,090,159,209</u>	<u>\$ 473,199,418</u>	<u>\$ (118,212,505)</u>	<u>\$ 2,445,146,122</u>

NOTE 5 – BONDS, NOTES AND OTHER OBLIGATIONS

Primary Government

A. Transaction Summary

Bonds, notes and other obligations activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental activities:					
General obligation bonds payable:					
General Services District	\$ 1,117,766,829	\$ 144,150,016	\$ (151,420,109)	\$ 1,110,496,736	\$ 4,105,394
Schools	628,750,223	120,126,326	(126,298,405)	622,578,144	2,230,452
Urban Services District	157,591,740	25,925,413	(27,257,468)	156,259,685	1,041,124
Deferred charge/premium, net	61,860,261	16,699,294	(4,471,049)	74,088,506	-
Total general obligation bonds payable	<u>1,965,969,053</u>	<u>306,901,049</u>	<u>(309,447,031)</u>	<u>1,963,423,071</u>	<u>7,376,970</u>
Limited obligation revenue bonds payable:					
Correctional Facility Revenue Bonds	3,870,000	-	(1,885,000)	1,985,000	1,985,000
Deferred charge/premium, net	(29,314)	-	25,124	(4,190)	-
Total limited obligation revenue bonds payable	<u>3,840,686</u>	<u>-</u>	<u>(1,859,876)</u>	<u>1,980,810</u>	<u>1,985,000</u>
Qualified zone academy notes payable:					
Qualified Zone Academy Notes	4,560,233	-	(414,567)	4,145,666	414,567
Deferred charge/premium, net	(108,824)	-	10,364	(98,460)	-
Total qualified zone academy notes payable	<u>4,451,409</u>	<u>-</u>	<u>(404,203)</u>	<u>4,047,206</u>	<u>414,567</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental activities: (Continued)					
Tennessee Municipal Bond Fund loan payable	\$ 52,650,000	\$ -	\$ -	\$ 52,650,000	\$ 2,325,000
Qualified school construction bond loans payable	21,120,000	35,555,000	(1,098,210)	55,576,790	3,166,666
Other obligations payable:					
Net pension obligation	75,491,745	95,823,606	(96,090,464)	75,224,887	-
Net other postemployment benefits obligation	472,164,000	252,307,000	(75,145,000)	649,326,000	-
Compensated absences	77,653,888	63,523,156	(65,629,284)	75,547,760	44,116,103
Claims and judgments	3,400,000	2,755,108	(720,000)	5,435,108	2,680,000
Landfill closure costs	9,385,608	-	(629,879)	8,755,729	469,209
Fair value of derivative financial instrument	12,815,155	-	(1,130,993)	11,684,162	-
Total other obligations payable	650,910,396	414,408,870	(239,345,620)	825,973,646	47,265,312
Total governmental activities long-term liabilities	<u>\$ 2,698,941,544</u>	<u>\$ 756,864,919</u>	<u>\$ (552,154,940)</u>	<u>\$ 2,903,651,523</u>	<u>\$ 62,533,515</u>
Business-type activities:					
Department of Water and Sewerage Services:					
Revenue bonds payable	\$ 309,255,000	\$ 321,660,000	\$ (63,350,000)	\$ 567,565,000	\$ 37,830,000
Deferred charge/premium, net	2,062,028	6,805,855	(724,971)	8,142,912	-
State construction loans	165,044,454	2,940,262	(8,546,055)	159,438,661	9,280,429
State economic and development loan	286,933	-	(44,359)	242,574	45,690
Total Department of Water and Sewerage Services	476,648,415	331,406,117	(72,665,385)	735,389,147	47,156,119
District Energy System:					
Revenue bonds payable	60,430,000	-	(1,370,000)	59,060,000	1,250,000
Deferred charge/premium, net	1,790,060	-	(76,991)	1,713,069	-
General obligation bonds payable	6,391,208	1,158,245	(1,354,018)	6,195,435	8,030
Deferred charge/premium, net	605,751	173,305	(60,691)	718,365	-
Total District Energy System	69,217,019	1,331,550	(2,861,700)	67,686,869	1,258,030
Farmers Market:					
Capitalized lease obligations payable	1,095,000	-	(195,000)	900,000	205,000
Total business-type activities long-term liabilities	<u>\$ 546,960,434</u>	<u>\$ 332,737,667</u>	<u>\$ (75,722,085)</u>	<u>\$ 803,976,016</u>	<u>\$ 48,619,149</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Description of Amounts Payable

Amounts payable at June 30, 2011 are as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Governmental activities:		
General obligation bonds payable from ad valorem taxes:		
General Services District - General Purposes, due in varying amounts to July 1, 2034	1.50 - 6.00%	\$ 1,110,496,736
General Services District - School Purposes, due in varying amounts to July 1, 2034	1.50 - 5.71%	622,578,144
Urban Services District - General Purposes, due in varying amounts to July 1, 2034	1.50 - 6.00%	156,259,685
Deferred charge/premium, net		<u>74,088,506</u>
Total general obligation bonds payable from ad valorem taxes		<u>1,963,423,071</u>
Limited obligation revenue bonds payable:		
Correctional Facility Revenue Bonds, due in varying amounts to September 1, 2011	5.00%	1,985,000
Deferred charge/premium, net		<u>(4,190)</u>
Total limited obligation revenue bonds payable		<u>1,980,810</u>
Qualified zone academy notes payable:		
Qualified Zone Academy Notes, due in varying amounts to December 28, 2020	N/A	4,145,666
Deferred charge/premium, net		<u>(98,460)</u>
Total qualified zone academy notes payable		<u>4,047,206</u>
Tennessee Municipal Bond Fund loan payable	variable	<u>52,650,000</u>
Qualified school construction bond loans payable	1.515%	<u>55,576,790</u>
Other obligations payable:		
Net pension obligation		75,224,887
Net other postemployment benefits obligation		649,326,000
Compensated absences		75,547,760
Claims and judgments		5,435,108
Landfill closure		8,755,729
Fair value of derivative financial instrument		<u>11,684,162</u>
Total other obligations payable		<u>825,973,646</u>
Total governmental activities long-term liabilities		<u>\$ 2,903,651,523</u>
Business-type activities:		
Bonds payable:		
Department of Water and Sewerage Revenue Refunding Bonds of 1986, due in varying amounts to January 1, 2016	7.30 - 7.70%	\$ 26,370,000
Department of Water and Sewerage Revenue Bonds, Series 1993, due in varying amounts to January 1, 2013	5.20 - 6.50%	21,215,000
Department of Water and Sewerage Revenue Bonds		

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Interest Rate	Amount
Business-type activities: (Continued)		
Series 1998B, due in varying amounts to January 1, 2014 Department of Water and Sewerage Revenue Refunding Bonds,	4.55 - 5.25%	\$ 17,685,000
Series 2007, due in varying amounts to January 1, 2016 Department of Water and Sewerage Revenue Refunding Bonds,	4.25 - 5.00%	35,580,000
Series 2008A, due in varying amounts to January 1, 2022 Department of Water and Sewerage Revenue Refunding Bonds,	3.25 - 5.25%	117,405,000
Series 2008B, due in varying amounts to January 1, 2016 Department of Water and Sewerage Revenue Refunding Bonds,	3.45 - 4.84%	27,650,000
Series 2010A, due in varying amounts to July 1, 2027 Department of Water and Sewerage Revenue Refunding Bonds,	3.00 - 5.00%	104,050,000
Federally Taxable (BAB's), Series 2010B, due in varying amounts to July 1, 2037 Department of Water and Sewerage Revenue Bonds,	6.393 - 6.568%	135,000,000
Federally Taxable, Series 2010C, due in varying amounts to July 1, 2041 Department of Water and Sewerage Revenue Refunding Bonds,	6.693%	75,000,000
Federally Taxable, Series 2010D, due in varying amounts to July 1, 2018 Deferred charge/premium, net	4.255 - 4.791%	7,610,000
		<u>8,142,912</u>
 Total Department of Water and Sewerage Services		 <u>575,707,912</u>
 District Energy System Revenue Bonds, Series 2002A, due in varying amounts to October 1, 2033	 3.25 - 5.25%	 59,060,000
District Energy System G. O. Multi-purpose Bonds, Series 2005A, due in varying amounts to January 1, 2025	4.25 - 5.25%	4,472,433
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%	290,556
District Energy System G. O. Refunding Bonds, Series 2010D, due in varying amounts to July 1, 2024	1.50 - 5.00%	1,158,245
Deferred charge/premium, net		<u>2,431,434</u>
 Total District Energy System		 <u>67,686,869</u>
 Total bonds payable		 <u>643,394,781</u>
 Department of Water and Sewerage Services - state construction loans	 1.62 - 4.90%	 159,438,661
 Department of Water and Sewerage Services - state economic and development loan	 3.00%	 242,574
 Farmers Market - capitalized lease obligations payable	 7.50%	 <u>900,000</u>
 Total business-type activities long-term liabilities		 <u>\$ 803,976,016</u>

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

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

Governmental activities:	
Noncurrent liabilities:	
Due within one year	\$ 62,533,515
Due in more than one year	<u>2,841,118,008</u>
Total governmental activities	<u>\$ 2,903,651,523</u>
Business-type activities:	
Liabilities payable from restricted assets:	
Current portion of long-term liabilities	\$ 48,414,149
Noncurrent liabilities:	
Due within one year	205,000
Due in more than one year	<u>755,356,867</u>
Total business-type activities	<u>\$ 803,976,016</u>

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

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

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

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

C. Collateral for Obligations of the Proprietary Funds

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

D. Bond Covenants

The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of a flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. As of June 30, 2011, the Government believes it is in compliance with all financial limitations and restrictions.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

E. Annual Debt Service Requirements

The annual requirements to amortize all general obligation bonds and revenue bonds outstanding as of June 30, 2011 are as follows:

Year Ending June 30	General Obligation Bonds		Limited Obligation Revenue Bonds		Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 7,385,000	\$ 92,431,872	\$ 1,985,000	\$ 49,625	\$ 39,080,000	\$ 29,915,713	\$ 48,450,000	\$ 122,397,210
2013	45,685,000	91,513,702	-	-	41,745,000	26,678,771	87,430,000	118,192,473
2014	90,520,000	89,150,207	-	-	27,525,000	24,632,510	118,045,000	113,782,717
2015	105,995,000	84,751,076	-	-	54,975,000	22,919,594	160,970,000	107,670,670
2016	108,680,000	80,283,193	-	-	27,445,000	20,604,587	136,125,000	100,887,780
2017-2021	589,390,000	316,398,171	-	-	112,880,000	86,492,658	702,270,000	402,890,829
2022-2026	575,810,000	176,368,694	-	-	71,575,000	60,456,686	647,385,000	236,825,380
2027-2031	244,320,000	64,510,089	-	-	71,715,000	44,630,330	316,035,000	109,140,419
2032-2036	127,745,000	14,909,405	-	-	78,980,000	27,602,637	206,725,000	42,512,042
2037-2041	-	-	-	-	82,330,000	11,328,660	82,330,000	11,328,660
2042	-	-	-	-	18,375,000	338,206	18,375,000	338,206
Total	1,895,530,000	1,010,316,409	1,985,000	49,625	626,625,000	355,600,352	2,524,140,000	1,365,966,386
Deferred Charge/ Premium	74,806,871	-	(4,190)	-	9,855,981	-	84,658,662	-
Total	<u>\$ 1,970,336,871</u>	<u>\$ 1,010,316,409</u>	<u>\$ 1,980,810</u>	<u>\$ 49,625</u>	<u>\$ 636,480,981</u>	<u>\$ 355,600,352</u>	<u>\$ 2,608,798,662</u>	<u>\$ 1,365,966,386</u>

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. The Government has entered into a contract with a third party to provide liquidity for the commercial paper program. If the commercial paper dealer was ever unable to market notes in the amount needed to pay the maturing notes, the liquidity provider would purchase the rollover notes and hold them until the commercial paper dealer was able to successfully market the additional rollover notes and pay the rollover notes held by the liquidity provider.

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, 2011, 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 are applied to pay the principal of and interest on commercial paper notes on the respective maturity dates.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2011, the amount of principal outstanding could not exceed \$183.4 million.

Commercial paper obligations of \$55,000,000 with interest rates ranging from .20% to .27% were outstanding at June 30, 2011. These obligations were refunded subsequent to year-end with rollover notes. The obligations are considered short-term debt at June 30, 2011 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, 2011 was as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Commercial paper payable	\$ 55,000,000	\$ 312,500,000	\$ (312,500,000)	\$ 55,000,000

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

Governmental activities:	
Commercial paper payable	\$ 50,886,000
Total governmental activities	50,886,000
Business-type activities:	
Commercial paper payable	4,114,000
Total business-type activities	4,114,000
Total commercial paper payable	\$ 55,000,000

G. Issuance of Bonds

On October 13, 2010, the Government issued \$291,360,000 General Obligation Refunding Bonds, Series 2010D, maturing on July 1, 2024, with interest rates ranging from 1.50% to 5.00%. The Series 2010D Bonds refunded certain maturities of various outstanding Bond Series. By issuing the Series 2010D Bonds, the Government obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of \$21,159,798. The refunding will reduce the Government's debt service payments over the next fifteen years by an estimated \$29,625,656.

On December 16, 2010, the Government issued \$104,050,000 Water and Sewer Revenue Refunding Bonds, Series 2010A, maturing on July 1, 2027, with interest rates ranging from 3.00% to 5.00%, \$135,000,000 Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment), maturing on July 1, 2037, with interest rates of 6.393% and 6.568%, \$75,000,000 Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds), maturing on July 1, 2041, with an interest rate of 6.693%, and \$7,610,000 Water and Sewer Revenue Refunding Bonds Federally Taxable, Series 2010D, maturing on July 1, 2018, with interest rates of 4.255% and 4.791%. The Build America Bonds (BAB's) are issued under an irrevocable election under Section 54 of the Internal Revenue Service Code. BAB's qualify for a 45% tax 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. Future interest payments included in the annual debt service requirements in Section E. are not reduced for the anticipated credits. All the Bonds are subject to Federal arbitrage regulations.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The 2010B and 2010C Revenue Bonds totaled \$210,000,000 and provided funding to pay principal and interest on certain of the Government's Water and Sewerage maturing commercial paper notes, funding for Water and Sewerage capital improvements, and funding for debt service reserves. The 2010A and 2010D Revenue Refunding Bonds totaled \$111,660,000 and refunded certain maturities of various outstanding Water and Sewerage Revenue Bond Series, prepaid a portion of the Government's outstanding loan agreements with the Tennessee Local Development Authority, and funded debt service reserves.

The net proceeds of the Water and Sewer 2010 Bonds totaled \$217,197,105 (net of original issue premium, underwriting fees and other issuance costs) which was deposited with the Government. \$132,777,485 was made available to fund capital improvements, \$60,000,000 was used to fund maturing commercial paper notes, \$23,658,707 was deposited in debt service reserves, and \$716,913 was used to cover other costs of issuance.

By issuing the 2010A and 2010D Revenue Refunding Bonds, the Government obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of \$866,454. The refunding will decrease the Government's debt service payments over the next 20 years by an estimated \$32,151,272.

H. Defeased Bonds

In the current and prior years, the Government has defeased certain other obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service requirements on the retired bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Government's financial statements. As of June 30, 2011, \$484,315,000 of general obligation bonds and \$25,705,000 of revenue bonds are considered defeased.

I. Redemption Options

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

J. Qualified Zone Academy Notes

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

The Government entered 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.

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

QZAB note principal maturities at June 30, 2011 are summarized below:

Year Ending June 30	Principal	Investment Credit (1)
2012	\$ 414,567	\$ 97,031
2013	414,567	97,031
2014	414,567	97,031
2015	414,567	97,031
2016	414,567	97,031
2017-2021	<u>2,072,831</u>	<u>485,157</u>
Total qualified zone academy notes payable	<u>\$ 4,145,666</u>	<u>\$ 970,312</u>

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

K. Tennessee Municipal Bond Fund Loan

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

Aggregate debt service requirements of the TMBF Loan and net receipts/payments on the associated hedging derivative instrument (interest rate swap) at June 30, 2011 are summarized below. The amounts assume that current interest rates on the variable rate TMBF Loan and the current reference rates of the interest rate swap will remain the same for their term. As these rates vary, interest payments on the variable rate TMBF Loan and net receipts/payments will vary. See Section O. for information on the derivative instrument.

Year Ending June 30	Principal	Interest (1)	Hedging Derivative, net
2012	\$ 2,325,000	\$ 121,095	\$ 2,790,450
2013	2,455,000	115,748	2,667,225
2014	2,590,000	110,101	2,537,110
2015	2,740,000	104,144	2,399,840
2016	2,890,000	97,842	2,246,670
2017-2021	17,115,000	381,558	8,622,438
2022-2026	<u>22,535,000</u>	<u>161,184</u>	<u>2,985,887</u>
Total Tennessee Municipal League loan payable	<u>\$ 52,650,000</u>	<u>\$ 1,091,672</u>	<u>\$ 24,249,620</u>

(1) Interest is calculated using the average Bank of America rate of .23% for the year ended June 30, 2011.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

L. 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, 2011 are summarized below:

Year Ending June 30	Principal	Interest	Subsidy
2012	\$ 3,166,666	\$ 1,976,641	\$ 1,723,706
2013	3,536,429	2,043,674	1,723,706
2014	3,536,429	2,043,674	1,723,706
2015	3,536,429	2,043,674	1,723,706
2016	3,536,429	2,043,674	1,723,706
2017-2021	17,682,142	10,218,372	8,618,532
2022-2026	17,811,868	10,218,372	8,618,532
2027-2028	2,770,398	1,920,129	2,585,559
Total qualified school construction bond loan payable	<u>\$ 55,576,790</u>	<u>\$ 32,508,210</u>	<u>\$ 28,441,153</u>

M. The Department of Water and Sewerage Services – State Construction Loans

As of June 30, 2011, the Department has entered into 26 loan agreements with the Tennessee Department of Conservation and the Tennessee Local Development Authority under the State of Tennessee's Revolving Fund Loan Program to provide financing for all or a portion of certain water and wastewater improvement projects. Interest on the loans begins to accrue upon the first receipt of the loan proceeds and is computed at the rate established by the Authority (between 1.62% and 4.90% at June 30, 2011). The loans mature in monthly installments, as stipulated in the agreed-upon payment schedule, and are secured by the Government's unobligated state-shared taxes in an amount equal to the maximum annual debt service requirements under the agreements. In addition, the Government has pledged user fees and charges to be paid from the Department's Extension and Replacement Fund and/or from ad valorem taxes.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As of June 30, 2011, sixteen of the project loans have been fully funded and the Department has begun repaying the loans in accordance with the specified payment schedules. Principal on eight of the loans has been fully paid. The remaining two loans have been removed from the Revolving Fund Loan Program and those projects are being funded from other Department sources including the 2010 Revenue Bonds. The fully funded loans, which total \$159,438,661 at June 30, 2011, call for monthly payments of principal and interest of approximately \$1,177,166.

State construction loan principal maturities as of June 30, 2011 are summarized below:

Year Ending June 30	Principal	Interest
2012	\$ 9,280,429	\$ 4,816,221
2013	9,654,328	4,494,685
2014	9,966,487	4,159,507
2015	10,314,099	3,811,892
2016	10,430,555	3,456,448
2017-2021	45,975,314	12,451,969
2022-2026	42,436,548	6,130,464
2027-2031	21,374,596	842,388
2032	6,305	15
Total state construction loans	<u>\$ 159,438,661</u>	<u>\$ 40,163,589</u>

N. The Department of Water and Sewerage Services – State Economic and Development Loan

In January 2009, the Department entered a loan agreement with the Tennessee Department of Economic Development for \$330,000. The proceeds of the loan will be used to fund the installation of variable frequency drives on the raw water pumps at the K.R. Harrington water treatment plant. The energy savings resulting from the ability to gradually increase or decrease pump speeds rather than adding or dropping pumps at full capacity will be used to repay the loan. The 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, 2011 are summarized below:

Year Ending June 30	Principal	Interest
2012	\$ 45,690	\$ 7,277
2013	47,061	5,907
2014	48,472	4,495
2015	49,927	3,041
2016	51,424	1,543
Total state economic and development loan	<u>\$ 242,574</u>	<u>\$ 22,263</u>

O. Derivative Financial Instruments

In connection with the outstanding variable rate debt, the Government competitively bid the sale of a pay-fixed receive-variable Securities Industry and Financial Market Association (SIFMA), formerly the Bond Market Association, swaption (Swaption). This transaction generated an upfront payment of \$3,800,000, which is deferred and being amortized over the term of the related debt on 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 the TMBF Loan.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$52,650,000 at June 30, 2011. The SIFMA rate at June 30, 2011 (the latest reset date prior to June 30, 2011) was .11%. All terms of the swap remain in effect and expire May 15, 2026. The credit rating of the Counterparty at June 30, 2011 is A. The fair value of this swap contract was a liability of \$11,684,162 at June 30, 2011 and is recorded in noncurrent liabilities in the Statement of Net Assets. The liability decreased by \$1,130,993 for the year ended June 30, 2011. This change in fair value is also reported as a reduction of deferred outflows included in noncurrent assets in the Statement of Net Assets.

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, premium, if any, and interest on the related debt. See Section K. for debt service requirements of the related debt and net swap payments.

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, 2011. 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 credit rating of the counterparty to access 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 variable rate 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.

P. Unissued Bonds or Notes

At June 30, 2011, authorized but unissued general obligation bonds totaled \$411,790,488. 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, 2011 was as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental types:					
Revenue bonds payable:					
Sports Authority	\$ 66,367,916	\$ -	\$ (3,293,932)	\$ 63,073,984	\$ 3,610,000
Total revenue bonds payable - governmental types	<u>66,367,916</u>	<u>-</u>	<u>(3,293,932)</u>	<u>63,073,984</u>	<u>3,610,000</u>
Proprietary types:					
Revenue bonds payable:					
Electric Power Board	501,972,000	-	(19,831,000)	482,141,000	15,038,000
Metropolitan Nashville Airport Authority	286,209,926	92,912,119	(122,283,967)	256,838,078	27,815,000
Convention Center Authority	624,502,913	-	(80,495)	624,422,418	-
Total revenue bonds payable - proprietary types	<u>1,412,684,839</u>	<u>92,912,119</u>	<u>(142,195,462)</u>	<u>1,363,401,496</u>	<u>42,853,000</u>

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

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Proprietary types: (Continued)					
Notes payable:					
Metropolitan Development and Housing Agency:					
Notes payable	\$ 8,460,673	\$ 55,727,165	\$ (46,431,344)	\$ 17,756,494	\$ 1,762,673
Metropolitan Nashville Airport Authority:					
Notes payable	<u>7,825,329</u>	<u>-</u>	<u>(448,000)</u>	<u>7,377,329</u>	<u>448,000</u>
Total notes payable - proprietary types	<u>16,286,002</u>	<u>55,727,165</u>	<u>(46,879,344)</u>	<u>25,133,823</u>	<u>2,210,673</u>
Total revenue bonds and notes payable	<u>1,495,338,757</u>	<u>148,639,284</u>	<u>(192,368,738)</u>	<u>1,451,609,303</u>	<u>48,673,673</u>
Other liabilities payable:					
Hospital Authority:					
Capitalized lease obligation	35,196,465	-	(1,410,278)	33,786,187	1,519,665
Other liabilities	14,015,767	4,805,023	-	18,820,790	5,000,000
Metropolitan Development and Housing Agency:					
Other liabilities	2,037,037	1,958,581	(2,037,037)	1,958,581	-
Electric Power Board:					
TVA Advances and Other	3,831,000	16,425,000	(7,545,000)	12,711,000	-
Metropolitan Transit Authority:					
Deferred lease revenue	6,044,993	6,600,000	(260,004)	12,384,989	-
Other postemployment benefits obligation	9,606,902	10,329,279	(6,031,828)	13,904,353	-
Metropolitan Nashville Airport Authority:					
Synthetic Advance Refunding, Series 2001	1,913,045	-	(1,913,045)	-	-
Fair value of derivative financial instruments	3,476,127	-	(712,062)	2,764,065	-
Deferred interest income	1,334,444	-	(154,616)	1,179,828	-
Other postemployment benefits obligation	12,665,776	6,187,879	(2,063,131)	16,790,524	-
Other liabilities	<u>1,952,990</u>	<u>1,880</u>	<u>(34,904)</u>	<u>1,919,966</u>	<u>-</u>
Total other liabilities payable - proprietary types	<u>92,074,546</u>	<u>46,307,642</u>	<u>(22,161,905)</u>	<u>116,220,283</u>	<u>6,519,665</u>
Total revenue bonds, notes and other liabilities payable - component units	<u>\$ 1,587,413,303</u>	<u>\$ 194,946,926</u>	<u>\$ (214,530,643)</u>	<u>\$ 1,567,829,586</u>	<u>\$ 55,193,338</u>

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

B. Description of Amounts Payable

Amounts payable at June 30, 2011 are as follows:

	<u>Interest Rates</u>	<u>Amount</u>
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%	\$ 54,335,000
Taxable Public Facility Revenue Bonds, Series 1998, due in varying amount to July 1, 2018	5.87 - 6.60%	11,455,000
Deferred charge/premium, net		<u>(2,716,016)</u>
Total revenue bonds payable - governmental types		<u>63,073,984</u>
Proprietary types		
Revenue bonds payable:		
Electric Power Board Electric System Revenue Bonds, 1996 Series A, due in varying amounts to May 15, 2013	5.50 - 6.00%	18,369,000
Electric Power Board Electric System Revenue Bonds, 1998 Series A, due in varying amounts to May 15, 2023	5.125 - 5.40%	24,644,000
Electric Power Board Electric System Revenue Bonds, 1998 Series B, due in varying amounts to May 15, 2017	4.75 - 5.50%	33,342,000
Electric Power Board Electric System Revenue Bonds, 2001 Series A, due in varying amounts to May 15, 2017	4.50 - 5.00%	100,899,000
Electric Power Board Electric System Revenue Bonds, 2001 Series B, due in varying amounts to May 15, 2014	5.50%	18,509,000
Electric Power Board Electric System Revenue Bonds, 2004 Series A, due in varying amounts to May 15, 2029	4.50 - 5.00%	109,383,000
Electric Power Board Electric System Revenue Bonds, 2008 Series A, due in varying amounts to May 15, 2033	3.25 - 5.00%	103,720,000
Electric Power Board Electric System Revenue Bonds, 2008 Series B, due in varying amounts to May 15, 2023	3.25 - 5.00%	73,275,000
2003, due in varying amounts to July 1, 2012	at June 30, 2011)	7,750,000
Airport Improvement Revenue Bonds, Series 2003 B, due in varying amounts to July 1, 2033	4.13 - 5.94%	17,260,000
Airport Improvement Revenue Bonds, Series 2008A, due in varying amounts to July 1, 2019	4.49%	19,300,000
Airport Improvement Revenue Bonds, Series 2009A, due in varying amounts to July 1, 2019	3.00 - 5.25%	35,285,000
Airport Improvement Revenue Bonds, Series 2010A, due in varying amounts to July 1, 2017	3.00 - 5.00%	24,515,000
Special Facility Revenue Bonds, Series 2010, due in varying amounts to July 1, 2029	2.25 - 6.19%	66,300,000
Airport Improvement Revenue Bonds, Series 2010B, due in varying amounts to July 1, 2015	3.00 - 4.00%	70,400,000
Airport Improvement Revenue Bonds, Series 2010C, due in varying amounts to July 1, 2016	3.00 - 4.00%	16,170,000
Metropolitan Nashville Airport Authority: Deferred charge/premium, net		(141,922)
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

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

	Interest Rates	Amount
Proprietary types (Continued)		
Revenue bonds payable: (Continued)		
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 charge/premium, net		1,207,418
Total revenue bonds payable - proprietary types		1,363,401,496
Notes payable:		
Metropolitan Development and Housing Agency: Notes payable		17,756,494
Metropolitan Nashville Airport Authority: Notes payable		7,377,329
Total notes payable - proprietary types		25,133,823
Total revenue bonds and notes payable		1,451,609,303
Other liabilities payable:		
Hospital Authority: Capitalized lease obligation		33,786,187
Other liabilities		18,820,790
Metropolitan Development and Housing Agency: Other liabilities		1,958,581
Electric Power Board: TVA Advances		785,000
Other		11,926,000
Metropolitan Transit Authority: Deferred lease revenue		12,384,989
Other postemployment benefits obligation		13,904,353
Fair value of derivative financial instruments		2,764,065
Deferred interest income		1,179,828
Other postemployment benefits obligation		16,790,524
Other liabilities		1,919,966
Total other liabilities payable - proprietary types		116,220,283
Total bonds, notes and other liabilities payable - component units		\$ 1,567,829,586

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Liabilities payable from restricted assets:		
Current portion of long-term liabilities	\$	46,463,000
Noncurrent liabilities:		
Due within one year		8,730,338
Due in more than one year		1,512,636,248
		<hr/>
Total component units long-term liabilities	\$	<u>1,567,829,586</u>

C. Collateral for Obligations of the Component Units

Sports Authority

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

D. Description of Bonds

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	22,287,868
Payment of bond issue costs	7,299,084
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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

E. Conduit Debt Obligations

Industrial Development Board

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

The aggregate principal amount as of June 30, 2011 for the Industrial Revenue Bonds issued after April 1, 1996 was approximately \$345,280,362. The aggregate principal amount payable for the Industrial Revenue Bonds issued prior to April 1, 1996 could not be determined; however, their original issue amount totaled \$1,414,846,369.

Health and Educational Facilities Board

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

The aggregate principal amount of revenue bonds issued by the Board on or after April 1, 1996 totals approximately \$3,582,686,525. 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.

F. Other Matters

Metropolitan Transit Authority

The Authority has a \$2,000,000 revolving credit line agreement with the Metropolitan Government for the purpose of funding operational activities. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. The Authority is not required to make monthly interest payments; the amount of any unpaid interest accrued each month is added to the amount of principal outstanding. The total outstanding balance as of June 30, 2011 is \$756,631. The amount is reported as due to the primary government.

The Authority has a \$5,000,000 revolving credit line agreement with the Metropolitan Government for the purpose of funding capital activities until the Authority receives expected Federal and State grant monies from capital grants. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. The total outstanding balance as of June 30, 2011 is \$5,001,834.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Authority has a \$2,000,000 revolving credit line agreement with the Metropolitan Government for the purpose of financing certain expenditures related to the May 2010 flood. It is anticipated that the draws on the credit line will be repaid with federal and state grant funds. Interest on the outstanding principal balance is calculated at the same rate of interest as is earned on the Metropolitan Government's idle funds in its Metro Investment Pool. The total outstanding balance as of June 30, 2011 is \$284,756.

During August and September 2011, the Authority made net repayments on the amounts owed to the Metropolitan Government totaling approximately \$4,100,000.

G. Annual Debt Service Requirements

The annual principal maturities of all bonds and notes payable as of June 30, 2011 for the component units are as follows:

Year Ending June 30	Revenue Bonds and Notes Payable	
	Principal	Interest
2012	\$ 54,595,673	\$ 55,060,281
2013	68,311,726	62,719,424
2014	55,310,871	60,595,908
2015	60,091,035	58,303,805
2016	63,612,043	55,878,234
2017-2021	280,203,475	240,840,835
2022-2026	262,300,000	178,042,827
2027-2031	206,576,000	117,230,900
2032-2036	140,109,000	75,016,805
2037-2041	152,800,000	42,653,566
2042-2044	109,350,000	7,572,483
Total	1,453,259,823	953,915,068
Deferred Charges	(1,650,520)	-
Total	<u>\$ 1,451,609,303</u>	<u>\$ 953,915,068</u>

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

I. Additional Information

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

NOTE 6 – PENSION PLANS

All plans of the primary government were established or continue under the authority of the Metropolitan Charter, Article XIII, effective April 1, 1963. Approval of the Metropolitan Council is required to establish and amend benefit provisions. Article XIII also requires that all pension plans be actuarially sound. Administrative costs of the plans are financed through plan assets. The plans are managed and administered by the Metropolitan Employee Benefit Board, an independent board created by the Metropolitan Charter. No separate financial reports are issued for these plans.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Government has the following single-employer pension plans:

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

Component Units

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

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

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

A. Summary of Significant Accounting Policies

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

Investments are reported at fair value. Common stocks, bonds and U.S. Government and other domestic and foreign securities are stated at quoted market prices as of June 30, 2011. Accounts receivable consists of amounts due from investment brokers for pending trades.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Plan Descriptions

Primary Government

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

Metro Plan

Division A

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

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

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

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

Division B

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

Normal retirement for employees other than police officers and fire fighters occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus the completed years of credited employee service equals 85, but not before age 60; and (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime monthly benefit is calculated as 1/12 of the sum of 1.75% of average earnings based upon the previous 60 consecutive months of credited service which produce the highest earnings. Benefits fully vest on completing 5 years of service.

Normal retirement for police officers and fire fighters occurs any time after attaining the unreduced retirement age which is the date when the employee's age plus the completed years of credited police and fire service equals 75, but not before age 53 nor after age 60. The lifetime monthly benefit is 1/12 of the sum of 2% of average earnings for each year of credited fire and police service not in excess of 25 years; plus 1.75% of average earnings for each year that the credited police or fire service exceeds 25 years. Benefits fully vest on completing 5 years of service.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 5 years of service and before eligibility for normal retirement or early retirement shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following the attainment of unreduced retirement age, computed and payable in accordance with the Metro Plan.

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

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

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

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

City Plan

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

County Plan

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

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

Metro Education Plan

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

C. Contributions

Primary Government

Metro Plan

The funding policy is to provide for periodic contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. All other funding is provided by the Government with an actuarially recommended employer contribution rate of 15.416% for the non-certificated employees of Metropolitan Nashville Public Schools and all other Metro employers.

City Plan

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

County Plan

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Metro Education Plan

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

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 (9.05% of covered payroll for the fiscal year ending June 30, 2011). 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, 2011, 2010, and 2009 were \$31,028,283, \$21,246,078, and \$20,658,908, 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).

D. Selected Pension Information

Primary Government

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

	<u>Beginning of Year</u>	<u>End of Year</u>
Net pension obligation:		
Metro	\$ 3,642,125	\$ 3,909,144
Metro Education	<u>71,849,620</u>	<u>71,315,743</u>
Total net pension obligation	<u>75,491,745</u>	<u>75,224,887</u>
Net pension assets:		
County	(7,374,421)	(6,304,287)
County Education	(6,005,397)	(5,237,542)
City	(12,586,212)	(10,078,639)
City Education	<u>(8,420,035)</u>	<u>(7,578,951)</u>
Total net pension assets	<u>(34,386,065)</u>	<u>(29,199,419)</u>
Total net pension obligation (assets)	<u>\$ 41,105,680</u>	<u>\$ 46,025,468</u>

Additional information regarding annual pension cost and net pension obligation (asset), trend information and participant information for the plans of the primary government is summarized on the following schedules. The net pension benefit obligations for the plans of Metropolitan Nashville Public Schools are calculated net of expected reimbursements from the State of Tennessee.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The significant actuarial assumptions underlying the plans of the primary government are summarized on the following schedules. The assumptions used to calculate the actuarially determined contribution requirements are the same as those used to compute the net pension obligation except where indicated.

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

E. Required Supplementary Information

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

F. Other

There are no individual investments in the Metro Plan or the Metro Education Plan that exceed 5% of plan assets at June 30, 2011. The categorization of pension investments by asset type is included in Note 3 – Deposits and Investments.

G. Additional Information

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

	<u>County</u>	<u>Metro</u>	<u>County Education</u>
ANNUAL PENSION COST AND NET PENSION OBLIGATION (ASSET) - FISCAL 2011			
Annual required contribution	\$ 2,094,405	\$ 81,903,804	\$ 5,580,909
Interest on net pension obligation	(589,954)	291,370	(480,432)
Adjustment to annual required contribution	<u>1,416,424</u>	<u>(425,510)</u>	<u>1,153,472</u>
Annual pension cost	2,920,875	81,769,664	6,253,949
Contributions made	<u>(1,850,741)</u>	<u>(81,502,645)</u>	<u>(5,486,094)</u>
Increase (decrease) in net pension obligation	1,070,134	267,019	767,855
Net pension obligation (asset) beginning of year	<u>(7,374,421)</u>	<u>3,642,125</u>	<u>(6,005,397)</u>
Net pension obligation (asset) end of year	<u><u>\$ (6,304,287)</u></u>	<u><u>\$ 3,909,144</u></u>	<u><u>\$ (5,237,542)</u></u>
THREE-YEAR TREND INFORMATION			
2011			
Annual pension cost (APC)	\$ 2,920,875	\$ 81,769,664	\$ 6,253,949
Percentage of APC contributed	63.36%	99.67%	87.72%
Net pension obligation (asset)	\$ (6,304,287)	\$ 3,909,144	\$ (5,237,542)
2010			
Annual pension cost (APC)	\$ 2,858,949	\$ 99,016,007	\$ 6,151,212
Percentage of APC contributed	66.75%	72.97%	95.41%
Net pension obligation (asset)	\$ (7,374,421)	\$ 3,642,125	\$ (6,005,397)
2009			
Annual pension cost (APC)	\$ 2,702,961	\$ 62,101,591	\$ 5,918,883
Percentage of APC contributed	73.98%	116.84%	103.63%
Net pension obligation (asset)	\$ (8,325,046)	\$ (23,120,510)	\$ (6,287,582)
PARTICIPANTS - Latest Actuarial Valuation Date			
Active:			
Fully vested	-	9,357	-
Non-vested and partially vested	-	3,268	-
Total active	<u>-</u>	<u>12,625</u>	<u>-</u>
Retirees and beneficiaries receiving benefits	120	6,834	265
Terminated vested	-	2,651	-
Total	<u><u>120</u></u>	<u><u>22,110</u></u>	<u><u>265</u></u>

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
\$ 15,624,045	\$ 9,418,080	\$ 3,181,252	\$ 117,802,495
5,747,970	(1,006,897)	(673,603)	3,288,454
<u>(7,318,073)</u>	<u>2,417,466</u>	<u>1,617,258</u>	<u>(1,138,963)</u>
14,053,942	10,828,649	4,124,907	119,951,986
<u>(14,587,819)</u>	<u>(8,321,076)</u>	<u>(3,283,823)</u>	<u>(115,032,198)</u>
(533,877)	2,507,573	841,084	4,919,788
<u>71,849,620</u>	<u>(12,586,212)</u>	<u>(8,420,035)</u>	<u>41,105,680</u>
<u>\$ 71,315,743</u>	<u>\$ (10,078,639)</u>	<u>\$ (7,578,951)</u>	<u>\$ 46,025,468</u>
\$ 14,053,942	\$ 10,828,649	\$ 4,124,907	\$ 119,951,986
103.80%	76.84%	79.61%	95.90%
\$ 71,315,743	\$ (10,078,639)	\$ (7,578,951)	\$ 46,025,468
\$ 14,280,577	\$ 11,048,325	\$ 3,977,673	\$ 137,332,743
93.68%	79.33%	90.50%	77.02%
\$ 71,849,620	\$ (12,586,212)	\$ (8,420,035)	\$ 41,105,680
\$ 12,844,723	\$ 10,822,144	\$ 3,876,197	\$ 98,266,499
94.92%	86.78%	97.94%	107.95%
\$ 70,947,167	\$ (14,870,275)	\$ (8,797,871)	\$ 9,545,883
2	-	-	9,359
-	-	-	3,268
<u>2</u>	<u>-</u>	<u>-</u>	<u>12,627</u>
1,156	525	179	9,079
4	-	-	2,655
<u>1,162</u>	<u>525</u>	<u>179</u>	<u>24,361</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

	<u>County (a)</u>	<u>Metro</u>	<u>County Education (a)</u>	<u>Metro Education</u>
ACTUARIAL VALUATION INFORMATION				
Valuation date	July 1, 2010	July 1, 2010	July 1, 2010	July 1, 2010
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 (6 remaining)	40 years (8 remaining)	15 years (6 remaining)	30 years (20 remaining)
Asset valuation method	market	5 year smoothed market	market	5 year smoothed market
Actuarial assumptions:				
Investment rate of return*	8.00%	8.00%	8.00%	8.00%
Projected salary increases*	4.00%	4.00%	5.00%	5.00%
Postretirement benefit increase adjustments	2.75%	2.75%	3.00%	3.00%
* Includes inflation at	None	None	None	None
FUNDED STATUS				
Actuarial value of assets	\$ 1,320,421	\$ 2,143,522,150	\$ 5,014,479	\$ 55,039,822
Actuarial accrued liability (AAL)	\$ 12,644,049	\$ 2,360,892,310	\$ 35,188,279	\$ 214,338,291
Unfunded (overfunded) AAL	\$ 11,323,628	\$ 217,370,160	\$ 30,173,800	\$ 159,298,469
Funded ratio	10.45 %	90.80 %	14.25 %	25.68 %
Covered payroll	\$ -	\$ 554,606,279	\$ -	\$ 114,820
Unfunded AAL as a percentage of covered payroll	- %	39.20 %	- %	138,737.57 %

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SELECTED PENSION INFORMATION

<u>City (a)</u>	<u>City Education (a)</u>
July 1, 2010	July 1, 2010
entry age normal	entry age normal
level dollar closed	level dollar closed
15 years (6 remaining)	15 years (6 remaining)
market	market
8.00%	8.00%
4.00%	5.00%
2.75%	3.00%
None	None
\$ 6,171,083	\$ 3,186,479
\$ 57,090,961	\$ 20,386,265
\$ 50,919,878	\$ 17,199,786
10.81 %	15.63 %
\$ -	\$ -
- %	- %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Primary Government

A. Plan Descriptions

Metropolitan Government

Retirees in the Metro, City or County Plans may elect to participate in the Metro Employees' Medical Benefit Plan, a single-employer defined benefit healthcare plan. The Metro Plan is administered by the Employee Benefit Board and provides medical, dental and life insurance. The other postemployment benefits for Government employees were authorized by the Government's charter and code. The Metro Plan does not issue a stand-alone financial report.

Metropolitan Nashville Public Schools

Retirees in the Metro, City or County Education Plans may elect to participate in the School Professional Employees' Insurance Plan, a single-employer defined benefit healthcare plan. The School Plan is administered by the Metro Nashville Board of Education and provides medical and dental insurance. The other postemployment benefits for teachers of Metropolitan Nashville Public Schools were authorized by the Government's charter and code. The School Plan does not issue a stand-alone financial report.

B. Funding Policies

Metropolitan Government

The contribution requirements of Metro Employees' Medical Benefit Plan members and the Government are established and may be amended by the Employee Benefit Board. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs and anticipated inflationary increases. For health insurance, the Government contributes 75% of all premium payments, and the retirees contribute 25%. For the fiscal year ended June 30, 2011, the Government and retirees contributed \$35,521,340 and \$11,840,447 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, 2011, the Government and retirees each contributed \$2,147,032 for dental insurance. Finally, the Government provides life insurance at no charge to the retirees. For the fiscal year ended June 30, 2011, the Government contributed \$1,878,890 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, 2011, the Government and retirees contributed \$12,325,242 and \$3,926,894 to the School Plan, respectively.

C. Annual OPEB Cost and Net OPEB Obligation

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	Metro Employees' Medical Benefit Plan	School Professional Employees' Insurance Plan	Total
Annual required contribution	\$ 196,414,000	\$ 51,262,000	\$ 247,676,000
Interest on net OPEB obligation	17,422,000	3,824,000	21,246,000
Adjustment to annual required contribution	<u>(13,624,000)</u>	<u>(2,991,000)</u>	<u>(16,615,000)</u>
Annual OPEB cost	200,212,000	52,095,000	252,307,000
Contributions made	<u>(55,623,000)</u>	<u>(19,522,000)</u>	<u>(75,145,000)</u>
Increase (decrease) in net OPEB obligation	144,589,000	32,573,000	177,162,000
Net OPEB obligation beginning of year	<u>387,186,000</u>	<u>84,978,000</u>	<u>472,164,000</u>
Net OPEB obligation end of year	<u>\$ 531,775,000</u>	<u>\$ 117,551,000</u>	<u>\$ 649,326,000</u>

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, 2011	\$ 200,212,000	27.78 %	\$ 531,775,000
	June 30, 2010	197,193,000	26.31	387,186,000
	June 30, 2009	175,384,000	26.22	241,881,000
School Professional Employees' Insurance Plan	June 30, 2011	\$ 52,095,000	37.47 %	\$ 117,551,000
	June 30, 2010	50,435,000	37.77	84,978,000
	June 30, 2009	46,885,000	38.75	53,594,000

D. Funded Status and Funding Progress

Metropolitan Government

As of June 30, 2011 the most recent actuarial valuation date, the Metro Employee' Medical Benefit Plan was 0% funded. The actuarial accrued liability for benefits was \$2.109 billion, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.109 billion. The covered payroll (annual payroll of active employees covered by the Metro Plan) was \$520 million, and the ratio of the UAAL to the covered payroll was 405%.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Metropolitan Nashville Public Schools

As of June 30, 2011 the most recent actuarial valuation date, the School Professional Employees' Insurance Plan was 0% funded. The actuarial accrued liability for benefits was \$586 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$586 million. The covered payroll (annual payroll of active employees covered by the School Plan) was \$318 million, and the ratio of the UAAL to the covered payroll was 183.91%.

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, 2011 valuations for both Plans, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5% rate of return (net of administrative expenses). Because the Government has not begun funding the Plans, the rate of return was based on the Government's historic interest earned on idle cash. Annual non prescription drug medical costs are assumed to increase 8% in the first year of valuation. Future annual increases are assumed to grade uniformly from 8% to 5% over a six year period. Annual prescription drug costs are assumed to increase 10.5% in the first year of valuation. Future annual increases are assumed to grade uniformly from 11% to 5% over an eleven year period. Dental and vision costs are assumed to increase 4% each year in the future. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011 was 27 years.

Component Units

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

NOTE 8 – DEFERRED COMPENSATION AND PROFIT SHARING PLANS

Primary Government

Metro Plan

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Component Units

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

NOTE 9 – LEASES

Primary Government

The Government entered a lease agreement commencing November, 2005, for additional office space. The terms of the agreement call from 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, 2011. There is an additional credit in excess of \$1 million available for roof replacement. The roof replacement was completed in fiscal 2009. The lease agreement expires December, 2014. However, the Government may exercise up to six renewal options for five additional years each. Rent expense for the year ended June 30, 2011 was \$300,096.

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, 2011.

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, 2011, the leased building is carried in the enterprise funds at \$3,645,000, less accumulated depreciation of \$1,374,344. A summary of future minimum lease payments and the present value of future lease payments for the capitalized lease as of June 30, 2011 is as follows:

<u>Year Ending June 30,</u>		
2012	\$	256,300
2013		259,615
2014		257,075
2015		<u>258,985</u>
Total future minimum lease payments		1,031,975
Less:		
Amount representing interest imputed at 7.5%		131,975
Current portion of capital lease		<u>205,000</u>
Long-term capitalized lease obligation	\$	<u><u>695,000</u></u>

Component Units

Nashville District Management Corporation

The Corporation leases office space under a noncancelable operating lease which expires May, 2012. The space is paid for and used by Nashville Downtown Partnership, Inc., a related nonprofit organization. In connection with the lease, the lessor provided reduced rent totaling \$42,120 for the year ended December 31, 2010 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 reduced rent 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 for base year amounts. Rent expense totaled \$81,864 for the year ended December 31, 2010. Future minimum lease payments at December 31, 2010 totaled \$68,148.

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

General Hospital

The Government, on behalf of General Hospital, entered into a capital lease agreement with Meharry Medical College for the use of the Hubbard Hospital site on the Meharry campus. Under the terms of the agreement, the Government will lease the building for 30 years at a cost of \$4 million per year. Lease payments began in December 1994 after Meharry Medical College and the Board of Hospitals agreed on a program of renovations by Meharry Medical College on Hubbard Hospital. This lease has been subleased to the Hospital Authority. At June 30, 2011, 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, 2011 follows:

<u>Year Ending June 30,</u>	
2012	\$ 4,000,000
2013	4,000,000
2014	4,000,000
2015	4,000,000
2016	4,000,000
2017-2021	20,000,000
2022-2026	<u>13,666,667</u>
Total future minimum lease payments	53,666,667
Less:	
Amount representing interest	19,880,480
Current portion of capital lease	<u>1,519,665</u>
Long-term capitalized lease obligation	<u><u>\$ 32,266,522</u></u>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2011 are attributable to unsettled balances at year-end primarily for internal service billings and transfers between funds.

Balances at June 30, 2011 are as follows:

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES

For the Year Ended June 30, 2011

Due From	Due To					
	General Fund	General Purpose School Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund	GSD Capital Projects Fund
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 5,032	\$ 29,132
General Purpose School Fund	83,902	-	-	-	-	-
GSD General Purposes Debt Service Fund	153,766	-	-	-	-	3,131,664
GSD School Purposes Debt Service Fund	1,099	-	-	-	-	1,300,845
USD General Purposes Debt Service Fund	-	-	-	-	-	366,164
GSD Capital Projects Fund	2,065	-	-	-	-	-
Education Capital Projects Fund	-	-	-	-	-	-
USD Capital Projects Fund	-	-	-	-	-	496
Nonmajor Governmental Funds	5,066,412	885,178	-	-	-	897,693
Department of Water and Sewerage Services	190,166	207,890	-	-	-	-
District Energy System	611,025	-	-	-	-	19,272
Nonmajor Enterprise Funds	586,266	13,896	-	-	-	-
Internal Service Funds	841,460	549,008	13,910	6,569	1,337	53,244
Fiduciary Funds	6,792,387	23,487	-	-	-	-
	<u>\$ 14,328,548</u>	<u>\$ 1,679,459</u>	<u>\$ 13,910</u>	<u>\$ 6,569</u>	<u>\$ 6,369</u>	<u>\$ 5,798,510</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

For the Year Ended June 30, 2011

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
\$ -	\$ 15,962	\$ 3,051,813	\$ 11,492	\$ -	\$ 2,800,843	\$ 1,201,004	\$ 33	\$ 7,115,311
659,359	-	3,077,446	-	-	30,788	6,803,950	-	10,655,445
-	-	85,407	-	-	-	-	-	3,370,837
6,044,491	-	-	-	-	-	-	-	7,346,435
-	-	-	-	224,150	-	-	-	590,314
-	-	258,347	10,002	-	-	-	-	270,414
-	-	191,760	-	-	-	-	-	191,760
-	-	319,873	691,855	-	-	-	-	1,012,224
-	1,223,521	2,069,368	-	-	37,824	12,866	-	10,192,862
-	927,806	36,985,168	-	80,316	648,479	25,490	-	39,065,315
-	-	234	-	-	-	-	-	630,531
-	74,540	40	819,650	100	29,831	610	-	1,524,933
-	-	2,200,540	35,437	-	231,565	210,981	1,957,777	6,101,828
-	-	-	-	-	931	-	-	6,816,805
<u>\$ 6,703,850</u>	<u>\$ 2,241,829</u>	<u>\$ 48,239,996</u>	<u>\$ 1,568,436</u>	<u>\$ 304,566</u>	<u>\$ 3,780,261</u>	<u>\$ 8,254,901</u>	<u>\$ 1,957,810</u>	<u>\$ 94,885,014</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - INTERFUND TRANSFERS

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

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

Interfund transfers for the year ended June 30, 2011 consist of the following:

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 2011

Transferred From	Transferred To						
	General Fund	General Purpose School Fund	GSD General Purposes Debt Service Fund	GSD School Purposes Debt Service Fund	USD General Purposes Debt Service Fund	GSD Capital Projects Fund	Education Capital Projects Fund
General Fund	\$ 481,000	\$ 779,500	\$ 3,521,300	\$ -	\$ -	\$ -	\$ -
General Purpose School Fund	192,000	-	1,179,400	2,068,170	-	-	-
GSD General Purposes Debt Service Fund	22,652,000	15,150,800	-	455,300	-	-	-
USD General Purposes Debt Service Fund	-	5,902,400	-	-	-	-	-
GSD Capital Projects Fund	30,000	-	3,131,664	1,300,845	366,164	-	38,086,614
Education Capital Projects Fund	-	-	-	-	-	-	-
USD Capital Projects Fund	-	-	-	-	-	5,422,657	1,816,326
Nonmajor Governmental Funds	9,520,578	5,515,516	942,406	-	583,400	4,249	-
Department of Water and Sewerage							
Services	5,172,585	-	-	-	-	-	-
District Energy System	24,900	-	-	-	448,300	-	-
Nonmajor Enterprise Funds	1,887,261	-	-	-	-	-	-
Internal Service Funds	1,937,800	-	-	-	-	-	-
Fiduciary Funds	-	-	-	-	-	-	-
	<u>\$ 41,898,124</u>	<u>\$ 27,348,216</u>	<u>\$ 8,774,770</u>	<u>\$ 3,824,315</u>	<u>\$ 1,397,864</u>	<u>\$ 5,426,906</u>	<u>\$ 39,902,940</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SCHEDULE OF INTERFUND TRANSFERS (CONTINUED)

For the Year Ended June 30, 2011

Transferred To						
USD Capital Projects Fund	Nonmajor Governmental Funds	District Energy System	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
\$ -	\$ 46,604,421	\$ 2,444,100	\$ 1,032,800	\$ 12,726,912	\$ 50,003	\$ 67,640,036
-	14,598,830	-	-	1,250,000	40,194	19,328,594
-	-	-	-	-	-	38,258,100
-	-	-	-	-	-	5,902,400
19,871,421	354,001	1,218,904	320,325	6,955,481	-	71,635,419
-	95	-	-	-	-	95
-	4,162,061	-	-	-	-	11,401,044
74,195	133,113	-	864,327	15,175,833	11,962	32,825,579
-	-	-	-	1,195,053	-	6,367,638
-	-	-	-	-	-	473,200
-	500,418	-	-	30,986	20,571	2,439,236
-	117,134	-	-	-	21,105	2,076,039
-	-	-	-	1,782,035	-	1,782,035
<u>\$ 19,945,616</u>	<u>\$ 66,470,073</u>	<u>\$ 3,663,004</u>	<u>\$ 2,217,452</u>	<u>\$ 39,116,300</u>	<u>\$ 143,835</u>	<u>\$ 260,129,415</u>

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Insurance and Benefits

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

Primary Government

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

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

The Government is also self-insured with respect to casualty losses on real and personal property. 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 \$36,562,397 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, 2010 and 2011:

	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, 2009	\$ 955,880	\$ 7,277,009	\$ 4,780,609	\$ 15,242,000	\$ 4,232,000	\$ 32,487,498
Add: Provision for events of the current fiscal year	2,844,616	771,927	75,949,594	161,642,066	14,947,430	256,155,633
Deduct: Payments on claims during the fiscal year	2,620,315	2,636,272	73,132,765	162,757,066	14,010,430	255,156,848
Claims payable June 30, 2010	1,180,181	5,412,664	7,597,438	14,127,000	5,169,000	33,486,283
Add: Provision for events of the current fiscal year	781,868	2,231,327	75,432,832	167,369,853	17,745,190	263,561,070
Deduct: Payments on claims during the fiscal year	270,560	1,304,588	76,012,765	166,485,853	16,411,190	260,484,956
Claims payable June 30, 2011	\$ 1,691,489	\$ 6,339,403	\$ 7,017,505	\$ 15,011,000	\$ 6,503,000	\$ 36,562,397

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Component Units

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

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 \$79,568,974 at June 30, 2011 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, 2011, the governmental activities of the Government had commitments of \$118,893,728 for construction contracts.

Commitments for governmental activities include \$33,991,892 related to the May 2010 flood in the Nashville metropolitan area. Those remaining commitments are expected to be funded by the Federal government (90%), the State government (5%), and future capital funding (5%). Should the recoveries be less than anticipated, the Government will be responsible for funding these commitments through additional capital and operating funding in future years.

At June 30, 2011, the Department of Water and Sewerage Services had commitments of \$63,896,283 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), 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 decree, the Department is 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 will have an additional nine years to complete the work as developed by the Plans.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 engineering consulting firm for program management. The construction manager as well as the project set designers are the next levels of procurement being sought.

The future related capital expenditures are expected to be between \$1 billion and \$1.5 billion. Continuing to have sewer overflows along with failure to comply with the mandate and meet future established deadlines could result in stipulated penalties of up to \$3,000 per occurrence for sanitary sewer overflows, and up to \$5,000 per day for failure to implement the improvements on a timely basis. EPA sent a demand letter for \$147,000 in stipulated penalties for sanitary overflow on September 9, 2011. This was for a negotiated 147 violations for 2010 and the first quarter of 2011. The Department is in the process of paying half of the fine to EPA and the other half to TDEC. 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, 2011, the Convention Center Authority had commitments of \$263,392,769 related to construction of 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 only budgeted and legally approved approximately \$43.2 million to the Hospital Authority for the year ended June 30, 2012. Of that amount, the Hospital Authority has allocated as revenue \$32.7 million to General Hospital (General) and \$10.5 million to Bordeaux Long Term Care (Bordeaux). The Government has also not committed to provide additional funding to the Hospital Authority should such funding become necessary. General Hospital experienced an operating loss of \$23.7 million for the year ended June 30, 2011 and reflected a net deficit of \$8.8 million at June 30, 2011. General Hospital's financial activities resulted in net cash used in operating activities of approximately \$23.1 million for the year ended June 30, 2011. Bordeaux Long Term Care had a net loss of approximately \$3.8 million for the year ended June 30, 2011, and financial activities resulted in net cash used in operating activities of approximately \$12.9 million for the year ended June 30, 2011. The deficits were funded primarily by the Government in the form of revenue or capital contributions reflected in the financial statements. General Hospital and Bordeaux Long Term Care are and will continue to be dependent upon the Government to subsidize current and future operations.

At June 30, 2011, General Hospital had amounts due to the Metropolitan Government of approximately \$15.3 million for capital expenditures, which accrued interest at rates determined by the Metropolitan Government.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

F. Other Commitments

Primary Government

In May 1999, the Government entered into a memorandum of understanding with Dell Computer Corporation (Dell), whereby Dell agreed to locate a manufacturing and assembly plant in Davidson County, and the Government agreed to provide property, site improvements and other economic incentives. One incentive program is a 40-year grant to Dell, where the Government will pay Dell, through the Industrial Development Board, \$500 per employee, based on the average number of full-time equivalent employees. Dell is expected to employ approximately 1,500 employees, and grant payments began with the 2000 fiscal year. The amount payable to Dell totaled \$2,200,000 for the year ended June 30, 2011.

Component Units

On July 31, 2002, the Hospital Authority entered into an Amended and Restated Management Services Agreement (Agreement) with Vanderbilt University whereby the Vanderbilt University Medical Center (VUMC) manages the Hospital Authority providing the services of certain management personnel at General Hospital and Bordeaux Long Term Care. As compensation for management services, General Hospital and Bordeaux Long Term Care paid VUMC a management fee of \$380,739 and \$190,000, respectively, for the year ended June 30, 2011. Outstanding management fees of \$78,500 were payable to VUMC for General Hospital at June 30, 2011. The Agreement provides that 1) 50% of any annual operating surpluses of General Hospital and Bordeaux Long Term Care, as defined by the Agreement, will be used for benefit of the facilities, 2) 50%, up to a maximum, will be paid to VUMC provided its costs exceed management fees paid to VUMC, and 3) any remaining surplus shall be retained by the Hospital Authority and for the benefit of General Hospital and Bordeaux Long Term Care. Additionally, the Agreement also stipulates that the Government will provide an operating supplement for the payment of costs of the operations of General Hospital and Bordeaux Long Term Care. The total supplement to the Hospital Authority was \$43,190,700 for fiscal year ending June 30, 2011. The total supplement to the Hospital Authority approved for the fiscal year ending June 30, 2012 was \$43,190,700. The management agreement with VUMC has expired and VUMC is currently providing management on a month to month basis.

General Hospital has entered into a Professional Services Agreement (PSA) with Meharry Medical College (Meharry) to provide medical staffing throughout the facility and a separate lease to provide parking spaces in a parking garage adjacent to the hospital facility for use of staff and patients. Expenses related to the PSA and parking lease were \$11,037,234 for the year ended June 30, 2011. The amount payable to Meharry at June 30, 2011 was approximately \$250,000.

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

In March 2010, Congress adopted comprehensive healthcare insurance legislation, Patient Care Protection and Affordable Care Act and Healthcare and Education Reconciliation Act. The legislation, among other matters, is designated to expand access to coverage to 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, improving downtown beautification and sanitation and maintenance. The term of the agreement extends to December 31, 2017, renewable annually by the mutual notification by each party to the other. The agreement may be terminated by the Government upon thirty days notice.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Nashville District Management Corporation has entered into an agreement with Nashville Downtown Partnership, a related nonprofit organization, to perform all the duties and responsibilities for day-to-day management and implementation of services and improvements for the Nashville Central Business Improvement District (CBID), as defined in the Memorandum of Agreement with the Government, in exchange for substantially all revenues received from CBID assessments. During the year ended December 31, 2010, the Corporation recognized expense of \$1,474,912 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.

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, 2010, \$25,000 was recognized as expense related to the agreement. The agreement expires March 31, 2013.

On October 19, 2010 the Convention Center 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 from the hotel over a period of twenty years. These payments will begin after the hotel opens for business, including the renting of rooms. The schedule of annual payments is expected to be as follows.

<u>Year Ending June 30</u>	<u>Annual Payment</u>
2014	\$ 5,500,000
2015	8,000,000
2016	9,000,000
2017	10,000,000
2018-2026	12,000,000
2027-2033	<u>15,000,000</u>
Total annual payments	<u>\$ 59,500,000</u>

On December 30, 2010 the Convention Center 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 will construct 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. Once constructed, the connector will be owned by the Authority, which will then lease the connector to the Hall of Fame for an initial term of 60 years. Under the terms of the agreements, the Authority would be responsible for the first \$2,000,000 of any potential additional construction costs and for half of any potential additional construction costs up to \$1,500,000. Upon completion of the connector, the Hall of Fame will be responsible for all interior and exterior operating costs, maintenance and repairs. The Authority is required to establish a reserve fund using the majority of the rental income received from the Hall of Fame to cover future capital costs related to the connector.

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 - FUND BALANCES

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

FUND BALANCES

For the Year Ended June 30, 2011

	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:						
Inventory	\$ 296,555	\$ 864,996	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	176,780	18,704	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Total nonspendable	<u>473,335</u>	<u>883,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted for:						
Capital projects	-	-	-	-	-	-
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Committed for:						
Subsequent year budgetary appropriations	13,435,500	-	-	11,161,900	-	-
Education	-	34,449,193	-	-	-	-
Debt service	-	-	8,626,889	12,006,081	6,159,913	-
Equipment acquisitions	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-
General government	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Total committed	<u>13,435,500</u>	<u>34,449,193</u>	<u>8,626,889</u>	<u>23,167,981</u>	<u>6,159,913</u>	<u>-</u>
Assigned for:						
Specific projects	<u>442,575</u>	-	-	-	-	-
Total assigned	<u>442,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>53,134,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,836,890)</u>
Total fund balances (deficits)	<u>\$ 67,486,144</u>	<u>\$ 35,332,893</u>	<u>\$ 8,626,889</u>	<u>\$ 23,167,981</u>	<u>\$ 6,159,913</u>	<u>\$ (3,836,890)</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2011

Education Capital Projects Fund	USD Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,044,494	\$ 2,206,045
-	-	6,687	202,171
-	-	185,112	185,112
-	-	1,236,293	2,593,328
10,855,964	-	-	10,855,964
-	-	129,724	129,724
-	-	2,069,323	2,069,323
-	-	14,060,928	14,060,928
-	-	316,626	316,626
-	-	1,666,175	1,666,175
-	-	1,152,040	1,152,040
-	-	3,118,726	3,118,726
-	-	2,019,661	2,019,661
-	-	10,549,523	10,549,523
-	-	87,048	87,048
-	-	986,139	986,139
10,855,964	-	36,155,913	47,011,877
-	-	-	24,597,400
-	-	-	34,449,193
-	-	1,622,950	28,415,833
-	-	52,178,201	52,178,201
-	-	3,662,143	3,662,143
-	-	1,151,357	1,151,357
-	-	1,420,551	1,420,551
-	-	60,035,202	145,874,678
-	-	-	442,575
-	-	-	442,575
-	(5,337,955)	(30,157,182)	13,802,707
\$ 10,855,964	\$ (5,337,955)	\$ 67,270,226	\$ 209,725,165

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 14 – FUEL HEDGING PROGRAM

The Metropolitan Government maintains a fuel hedging program, the objective of which is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of diesel and gasoline fuel. Details of the Metropolitan Government's participation in the fuel hedging program at June 30, 2011 are as follows:

<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
159,000 gallons	July 1, 2009	June 30, 2011	Pay \$1.89 per gallon; Settlement based on NYMEX heating oil	A3/BBB+
114,000 gallons	July 1, 2009	June 30, 2011	Pay \$1.82 per gallon; Settlement based on NYH RBOB Gasoline	A3/BBB+
159,000 gallons	July 1, 2011	June 30, 2012	Pay \$2.30 per gallon; Settlement based on NYMEX heating oil	A3/BBB+
114,000 gallons	July 1, 2011	June 30, 2012	Pay \$2.10 per gallon; Settlement based on NYH RBOB Gasoline	A3/BBB+

The fair value of the fuel hedging instruments was an asset of \$2,333,719 at June 30, 2011, which has been recorded in other current assets in the Statement of Net Assets. 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 based on regression analysis; accordingly, the change in fair value of the hedges is a deferred outflow.

The Metropolitan Government is exposed to credit risk on hedging derivative instruments that are in asset positions. The aggregate fair value of hedging derivative instruments in asset positions at June 30, 2011 was \$2,333,719. This represents the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. The Metropolitan Government is exposed to basis risk on its fuel hedging contracts because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the forward contract is expected to settle (NYMEX). The Metropolitan Government or its counterparty may terminate the contracts if the other party fails to perform under the terms of the contract. If at the time of termination a hedging derivative instrument is in a liability position, the Metropolitan Government would be liable to the counterparty for a payment equal to the liability.

NOTE 15 – EXTRAORDINARY ITEM

The Metropolitan Government experienced significant damage and loss in connection with heavy rainfall and flooding in the Metropolitan Nashville and Davidson County area in early May 2010. The flooding resulted in the declaration of a Federal Disaster area by the Federal Emergency Management Agency. The extraordinary item for June 30, 2011 represents flood recovery expenses in excess of actual and anticipated government and insurance recoveries.

NOTE 16 – SUBSEQUENT EVENTS

Primary Government

On September 29, 2011, the Government issued \$89,480,000 General Obligation Refunding Bonds, Series 2011, maturing on July 1, 2023, with interest rates ranging from 2.00% to 5.00%. The Series 2011 Bonds refunded certain maturities of various outstanding Bond Series. By issuing the Series 2011 Bonds, the Government obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of \$4,594,232. The refunding will reduce the Government's debt service payments over the next thirteen years by an estimated \$5,290,431.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Component Units

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 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 \$1,254,000 interest through the judgment date and 10% interest per annum on the balance of the unpaid judgment. A motion for a new trial has been filed by MDHA asking that the verdict be set aside. Although the ultimate outcome of this litigation cannot be determined at present, the Authority has recorded a liability of \$15,554,000 related to this matter. MDHA has asserted that the trial evidence preponderated against the verdict and that the judgment should not stand. Accordingly, the verdict is being contested vigorously.

There are two additional condemnation cases related to parcels for which a total of \$6,575,000 has been deposited with the court. Neither case is currently set for trial.

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

<u>2011</u>		<u>2010</u>		<u>2009</u>	
52.7	%	70.0	%	77.5	%

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 2011. The condition of groups 2 and 5 was last assessed in fiscal 2010. 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 noted in the table above, the percentage of lane miles in fair or better condition declined significantly in 2011. As noted in the actual maintenance expenditures in the table below, the Government's maintenance spending which includes resurfacing increased significantly in 2011 after four years of decreased spending. This is a result of the Government's effort in fiscal 2011 to increase the resurfacing effort in order to maintain an acceptable percentage of roads and streets in fair or better condition.

There are currently 5,796 lane miles of roads and streets in the transportation network.

Comparison of Needed to Actual Maintenance

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Needed/Budgeted	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 16,000,000	\$ 15,900,000
Actual Spent	<u>10,247,615</u>	<u>4,244,056</u>	<u>6,950,344</u>	<u>9,391,344</u>	<u>13,931,706</u>
Difference	<u>\$ (9,752,385)</u>	<u>\$ (15,755,944)</u>	<u>\$ (13,049,656)</u>	<u>\$ (6,608,656)</u>	<u>\$ (1,968,294)</u>

During fiscal year 2011, the actual amount spent on roadway paving and surface treatment was lower than the needed amount due in part to the analysis and prioritization of the entire Government's capital needs. Maintaining the condition of the roads and streets in accordance with the policy referenced above continues to be a priority. Despite this effort, however, the percentage of roads and streets in fair or better condition declined because the area assessed was heavily impacted by the May 2010 flood, which was followed by an unusually hard winter with heavy snowfall and heavy road salt usage.

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

2011	2010	2009	2008	2007	2006
98.8 %	98.3 %	(a)	98.0 %	(a)	95.3 %

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 2009 and reported for fiscal 2010. 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. Due to the completion of two bridge replacement projects in fiscal 2011, the condition for 2011 reflects an increase.

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 107 Federal Aid Urban bridges and underpasses in the transportation network determined from the final analysis of the 2009 inspection as compared to 219 Non-Federal Aid and 108 Federal Aid Urban bridges and underpasses from the final analysis of the 2007 inspection. The 2009 inspection decreased the number of bridges and underpasses by a net total of 1 with 4 additional bridges and the removal of 5 bridges from the network. Total square feet of deck area is estimated to be 1,350,579. Deck area is calculated based on TDOT inspection reports for bridges conveying vehicular traffic only.

Comparison of Needed to Actual Maintenance

	2011	2010	2009	2008	2007
Needed/Budgeted	\$ 14,862,000	\$ 17,352,000	\$ 18,749,000	\$ 12,465,000	\$ 4,920,000
Actual Spent	2,305,765	2,538,480	2,083,245	2,990,038	5,505,805
Difference	\$ (12,556,235)	\$ (14,813,520)	\$ (16,665,755)	\$ (9,474,962)	\$ 585,805

During fiscal year 2011, the actual amount spent on bridge and underpass repair and maintenance was significantly lower than the needed amount due in part to the analysis and prioritization of the entire Government's capital needs. However, maintaining the condition of bridges and underpasses in accordance with the Government's policy referenced above continues to be a priority.

THE 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, 2005	\$ 348,492	\$ 17,422,321	\$ 17,073,829	2.00 %
July 1, 2006	711,665	16,971,095	16,259,430	4.19
July 1, 2007	1,129,978	15,393,075	14,263,097	7.34
July 1, 2008	1,455,077	14,299,429	12,844,352	10.18
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
Metro Plan				
July 1, 2005	1,602,285,363	1,818,206,856	215,921,493	88.12
July 1, 2006	1,706,677,125	1,959,952,204	253,275,079	87.08
July 1, 2007	1,921,193,702	2,144,144,792	222,951,090	89.60
July 1, 2008	2,119,228,659	2,323,837,472	204,608,813	91.20
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
County Education Plan (a)				
July 1, 2005	930,671	46,129,614	45,198,943	2.02
July 1, 2006	2,409,417	44,732,388	42,322,971	5.39
July 1, 2007	3,787,317	42,140,201	38,352,884	8.99
July 1, 2008	4,936,879	40,178,889	35,242,010	12.29
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
Metro Education Plan				
July 1, 2005	90,047,496	233,143,995	143,096,499	38.62
July 1, 2006	84,919,612	232,911,728	147,992,116	36.46
July 1, 2007	81,844,272	228,229,232	146,384,960	35.86
July 1, 2008	76,820,678	226,313,635	149,492,957	33.95
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

(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
\$ -	- %
-	-
-	-
-	-
-	-
-	-
474,531,741	45.50
515,500,760	49.13
529,100,577	42.14
555,972,878	36.81
562,015,408	62.29
554,606,279	39.20
69,331	65,192.98
68,834	61,485.56
71,769	53,439.35
73,418	48,001.87
76,707	43,256.38
-	-
806,833	17,735.58
622,419	23,776.93
374,495	39,088.63
384,557	38,874.07
318,242	51,276.67
114,820	138,737.57

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - PENSION PLANS (b)

Unaudited - See Accompanying Accountants' Report

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

(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 EMPLOYER CONTRIBUTIONS - PENSION PLANS

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
County Plan		
2006	\$ 2,226,235	113.84 %
2007	2,193,202	112.55
2008	2,046,891	117.43
2009	1,979,968	100.99
2010	2,076,270	91.91
2011	2,094,405	88.37
Metro Plan		
2006	78,948,767	86.99
2007	85,874,502	99.48
2008	68,265,903	133.19
2009	61,635,311	117.73
2010	98,164,477	73.60
2011	81,903,804	99.51
County Education Plan		
2006	5,894,471	128.77
2007	5,708,861	131.48
2008	5,504,007	133.67
2009	5,432,587	112.91
2010	5,560,085	105.56
2011	5,580,909	98.30
Metro Education Plan		
2006	13,140,571	53.29
2007	13,535,466	54.24
2008	13,592,019	58.06
2009	14,112,255	86.39
2010	15,687,599	85.28
2011	15,624,045	93.37

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLANS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
City Plan		
2006	\$ 10,198,923	114.01 %
2007	10,118,539	114.24
2008	9,885,825	115.06
2009	9,516,767	98.68
2010	9,650,296	90.82
2011	9,418,080	88.35
City Education Plan		
2006	3,664,376	128.79
2007	3,462,604	133.18
2008	3,216,757	139.28
2009	3,165,266	119.94
2010	3,150,541	114.26
2011	3,181,252	103.22

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

Unaudited - See Accompanying Accountants' Report

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio
Metro Employees' Medical Benefit Plan				
July 1, 2007	\$ -	\$ 1,664,761,000	\$ 1,664,761,000	- %
July 1, 2008	-	1,779,497,000	1,779,497,000	-
July 1, 2009	-	2,023,428,000	2,023,428,000	-
July 1, 2010	-	2,108,602,000	2,108,602,000	-
School Professional Employees' Insurance Plan				
July 1, 2007	-	555,403,000	555,403,000	-
July 1, 2008	-	570,753,000	570,753,000	-
July 1, 2009	-	584,937,000	584,937,000	-
July 1, 2010	-	586,069,000	586,069,000	-

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

Unaudited - See Accompanying Accountants' Report

<u>Covered Payroll</u>	<u>Unfunded AAL as a Percentage of Covered Payroll</u>
\$ 537,281,000	309.85 %
543,891,000	327.18
538,151,000	376.00
520,121,000	405.41
294,779,000	188.41
304,145,000	187.66
319,424,000	183.12
318,672,000	183.91

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFIT PLANS

Unaudited - See Accompanying Accountants' Report

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
Metro Employees' Medical Benefit Plan		
2008	\$ 159,616,000	29.53 %
2009	175,384,000	26.22
2010	197,193,000	26.31
2011	200,212,000	27.78
School Professional Employees' Insurance Plan		
2008	42,974,000	42.11
2009	46,885,000	38.75
2010	50,435,000	37.77
2011	52,095,000	37.47



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

Special Revenue Funds

	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations	Stormwater Grants
ASSETS:				
Cash and cash equivalents	\$ -	\$ 52,913,176	\$ 4,929,969	\$ 693,286
Accounts receivable	1,369,048	-	944,465	6,024,817
Accrued interest receivable	40	6,209	494	221
Due from other funds of the primary government	1,022,444	2,721,352	210,666	1,223,521
Due from component units	-	-	-	-
Inventories of supplies	-	-	-	-
Other assets	2,057	-	-	-
Total assets	\$ 2,393,589	\$ 55,640,737	\$ 6,085,594	\$ 7,941,845
LIABILITIES:				
Accounts payable	\$ 671,429	\$ 1,375,793	\$ 1,857,111	\$ 250,443
Accrued payroll	724,080	-	231,569	-
Due to other funds of the primary government	900,579	2,086,743	18,145	410
Due to component units	-	-	-	-
Deferred revenue	-	-	-	6,024,817
Commercial paper payable	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	2,296,088	3,462,536	2,106,825	6,275,670
FUND BALANCES (DEFICITS):				
Nonspendable	-	-	-	-
Restricted for other purposes	97,501	-	316,626	1,666,175
Committed for:				
Debt service	-	-	-	-
Equipment acquisitions	-	52,178,201	-	-
Other purposes	-	-	3,662,143	-
Unassigned	-	-	-	-
Total fund balances (deficits)	97,501	52,178,201	3,978,769	1,666,175
Total liabilities and fund balances (deficits)	\$ 2,393,589	\$ 55,640,737	\$ 6,085,594	\$ 7,941,845

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, 2011

Special Revenue Funds						
Flood 2010 Recovery	Education Services	Nashville Career Advancement Center	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	Other Government Services
\$ 19,233,390	\$ 8,673,010	\$ -	\$ 3,159,954	\$ 1,422,963	\$ 603,660	\$ 17,503,823
43,164,213	15,867,409	688,957	4,396,335	1,461,492	317,861	12,872,873
5,460	628	-	276	106	113	2,368
901,703	28,827	383,501	1,775,792	-	-	1,925,056
284,756	-	-	-	-	-	-
-	908,495	-	-	-	-	135,999
-	5,583	-	500,000	-	-	13,787
<u>\$ 63,589,522</u>	<u>\$ 25,483,952</u>	<u>\$ 1,072,458</u>	<u>\$ 9,832,357</u>	<u>\$ 2,884,561</u>	<u>\$ 921,634</u>	<u>\$ 32,453,906</u>
\$ 8,106,645	\$ 3,984,815	\$ 647,388	\$ 1,988,398	\$ -	\$ 250,000	\$ 6,688,654
15,358	423,406	186,137	-	-	-	1,489,800
37,484,203	3,332,381	206,710	974,964	1,775,792	-	1,460,069
-	-	-	5,471,306	1,108,769	-	-
25,955,679	2,883,911	-	-	-	-	1,115,522
21,115,522	-	-	-	-	-	-
-	-	-	-	-	-	2,246,316
<u>92,677,407</u>	<u>10,624,513</u>	<u>1,040,235</u>	<u>8,434,668</u>	<u>2,884,561</u>	<u>250,000</u>	<u>13,000,361</u>
-	914,078	-	-	-	-	137,103
-	13,945,361	32,223	1,397,689	-	671,634	17,813,831
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,571,908
(29,087,885)	-	-	-	-	-	(1,069,297)
<u>(29,087,885)</u>	<u>14,859,439</u>	<u>32,223</u>	<u>1,397,689</u>	<u>-</u>	<u>671,634</u>	<u>19,453,545</u>
<u>\$ 63,589,522</u>	<u>\$ 25,483,952</u>	<u>\$ 1,072,458</u>	<u>\$ 9,832,357</u>	<u>\$ 2,884,561</u>	<u>\$ 921,634</u>	<u>\$ 32,453,906</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2011

	Debt	Permanent Funds		Total Nonmajor Governmental Funds
	Service Fund	General Government	Education	
	Correctional Facility Revenue Bonds			
ASSETS:				
Cash and cash equivalents	\$ 1,622,950	\$ 205,276	\$ 196,163	\$ 111,157,620
Accounts receivable	-	-	-	87,107,470
Accrued interest receivable	-	24	22	15,961
Due from other funds of the primary government	-	-	-	10,192,862
Due from component units	-	-	-	284,756
Inventories of supplies	-	-	-	1,044,494
Other assets	-	-	-	521,427
Total assets	\$ 1,622,950	\$ 205,300	\$ 196,185	\$ 210,324,590
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 1,500	\$ 25,822,176
Accrued payroll	-	-	-	3,070,350
Due to other funds of the primary government	-	-	-	48,239,996
Due to component units	-	-	-	6,580,075
Deferred revenue	-	-	-	35,979,929
Commercial paper payable	-	-	-	21,115,522
Other liabilities	-	-	-	2,246,316
Total liabilities	-	-	1,500	143,054,364
FUND BALANCES (DEFICITS):				
Nonspendable	-	105,994	79,118	1,236,293
Restricted for other purposes	-	99,306	115,567	36,155,913
Committed for:				
Debt service	1,622,950	-	-	1,622,950
Equipment acquisitions	-	-	-	52,178,201
Other purposes	-	-	-	6,234,051
Unassigned	-	-	-	(30,157,182)
Total fund balances (deficits)	1,622,950	205,300	194,685	67,270,226
Total liabilities and fund balances (deficits)	\$ 1,622,950	\$ 205,300	\$ 196,185	\$ 210,324,590

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Special Revenue Funds			
	Metropolitan Action Commission	General Fund 4% Reserve	Solid Waste Operations	Stormwater Grants
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes, licenses and permits	-	-	-	-
Fines, forfeits and penalties	-	-	-	-
Revenues from the use of money or property	62	44,037	3,020	3,919
Revenues from other governmental agencies	22,231,249	-	624,481	1,137,921
Commissions and fees	-	-	-	-
Charges for current services	139,682	-	4,875,633	-
Compensation for loss, sale or damage to property	812	-	-	-
Contributions and gifts	60,316	-	-	-
Miscellaneous	-	-	219,697	-
Total revenues	<u>22,432,121</u>	<u>44,037</u>	<u>5,722,831</u>	<u>1,141,840</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Law enforcement and care of prisoners	-	-	-	-
Public welfare	25,614,687	-	-	-
Public health and hospitals	-	-	-	-
Public library system	-	-	-	-
Public works, highways and streets	-	-	19,857,175	-
Recreational and cultural	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay	85,362	8,861,570	-	9,418,793
Total expenditures	<u>25,700,049</u>	<u>8,861,570</u>	<u>19,857,175</u>	<u>9,418,793</u>
Excess (deficiency) of revenues over expenditures	<u>(3,267,928)</u>	<u>(8,817,533)</u>	<u>(14,134,344)</u>	<u>(8,276,953)</u>
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	-	-
Transfers in	3,405,300	23,233,192	18,775,700	4,662,478
Transfers out	(135,105)	(14,361,136)	(1,902,100)	-
Total other financing sources (uses)	<u>3,270,195</u>	<u>8,872,056</u>	<u>16,873,600</u>	<u>4,662,478</u>
Net change in fund balances (deficits)	2,267	54,523	2,739,256	(3,614,475)
FUND BALANCES (DEFICITS), beginning of year	<u>95,234</u>	<u>52,123,678</u>	<u>1,239,513</u>	<u>5,280,650</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 97,501</u>	<u>\$ 52,178,201</u>	<u>\$ 3,978,769</u>	<u>\$ 1,666,175</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

Special Revenue Funds						
Flood 2010 Recovery	Education Services	Nashville Career Advancement Center	Hotel Occupancy Tax	Convention Center Tax	Events And Marketing	Other Government Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,688,198
-	-	-	-	-	-	15,628
-	-	-	27,310,608	10,667,642	2,293,952	153,665
-	-	-	-	-	-	4,830,023
17,986	4,627	17	3,009	793	697	18,039
20,212,289	134,488,531	9,231,053	-	-	-	61,324,377
-	-	-	-	-	-	8,282,460
-	16,194,447	-	-	-	-	5,694,264
57,144	-	-	-	-	-	43,645
10,000	918,332	-	-	-	-	1,449,631
-	-	-	-	-	-	362,619
<u>20,297,419</u>	<u>151,605,937</u>	<u>9,231,070</u>	<u>27,313,617</u>	<u>10,668,435</u>	<u>2,294,649</u>	<u>83,862,549</u>
44,301,898	-	-	23,630,909	10,668,435	2,138,350	15,486,232
-	-	-	-	-	-	33,779,726
-	-	9,113,110	-	-	-	-
-	-	-	-	-	-	23,538,028
-	-	-	-	-	-	772,565
-	-	-	-	-	-	8,730,592
-	-	-	-	-	-	1,780,171
-	155,944,290	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,509,796</u>	<u>814,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,925,102</u>
<u>69,811,694</u>	<u>156,759,019</u>	<u>9,113,110</u>	<u>23,630,909</u>	<u>10,668,435</u>	<u>2,138,350</u>	<u>87,012,416</u>
<u>(49,514,275)</u>	<u>(5,153,082)</u>	<u>117,960</u>	<u>3,682,708</u>	<u>-</u>	<u>156,299</u>	<u>(3,149,867)</u>
37,000,000	-	-	-	-	-	-
-	11,335,406	94,900	-	-	-	4,963,097
<u>(1,340,141)</u>	<u>(5,613,730)</u>	<u>(212,000)</u>	<u>(4,552,045)</u>	<u>-</u>	<u>-</u>	<u>(4,709,322)</u>
<u>35,659,859</u>	<u>5,721,676</u>	<u>(117,100)</u>	<u>(4,552,045)</u>	<u>-</u>	<u>-</u>	<u>253,775</u>
<u>(13,854,416)</u>	<u>568,594</u>	<u>860</u>	<u>(869,337)</u>	<u>-</u>	<u>156,299</u>	<u>(2,896,092)</u>
<u>(15,233,469)</u>	<u>14,290,845</u>	<u>31,363</u>	<u>2,267,026</u>	<u>-</u>	<u>515,335</u>	<u>22,349,637</u>
<u>\$ (29,087,885)</u>	<u>\$ 14,859,439</u>	<u>\$ 32,223</u>	<u>\$ 1,397,689</u>	<u>\$ -</u>	<u>\$ 671,634</u>	<u>\$ 19,453,545</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Debt		Permanent Funds		Total Nonmajor Governmental Funds
	Service Fund	Correctional Facility Revenue Bonds	General Government	Education	
REVENUES:					
Property taxes	\$ -		\$ -	\$ -	\$ 1,688,198
Local option sales taxes	-		-	-	15,628
Other taxes, licenses and permits	-		-	-	40,425,867
Fines, forfeits and penalties	-		-	-	4,830,023
Revenues from the use of money or property	13		178	171	96,568
Revenues from other governmental agencies	2,031,375		-	-	251,281,276
Commissions and fees	-		-	-	8,282,460
Charges for current services	-		-	-	26,904,026
Compensation for loss, sale or damage to property	-		-	-	101,601
Contributions and gifts	-		-	-	2,438,279
Miscellaneous	-		-	-	582,316
Total revenues	<u>2,031,388</u>		<u>178</u>	<u>171</u>	<u>336,646,242</u>
EXPENDITURES:					
Current:					
General government	-		-	-	96,225,824
Law enforcement and care of prisoners	-		-	-	33,779,726
Public welfare	-		-	-	34,727,797
Public health and hospitals	-		-	-	23,538,028
Public library system	-		-	-	772,565
Public works, highways and streets	-		-	-	28,587,767
Recreational and cultural	-		-	-	1,780,171
Education	-		-	2,605	155,946,895
Debt service:					
Principal retirement	1,885,000		-	-	1,885,000
Interest	146,375		-	-	146,375
Capital outlay	-		-	-	47,615,352
Total expenditures	<u>2,031,375</u>		<u>-</u>	<u>2,605</u>	<u>425,005,500</u>
Excess (deficiency) of revenues over expenditures	<u>13</u>		<u>178</u>	<u>(2,434)</u>	<u>(88,359,258)</u>
OTHER FINANCING SOURCES (USES):					
Insurance recovery	-		-	-	37,000,000
Transfers in	-		-	-	66,470,073
Transfers out	-		-	-	(32,825,579)
Total other financing sources (uses)	<u>-</u>		<u>-</u>	<u>-</u>	<u>70,644,494</u>
Net change in fund balances (deficits)	13		178	(2,434)	(17,714,764)
FUND BALANCES (DEFICITS), beginning of year	<u>1,622,937</u>		<u>205,122</u>	<u>197,119</u>	<u>84,984,990</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 1,622,950</u>		<u>\$ 205,300</u>	<u>\$ 194,685</u>	<u>\$ 67,270,226</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 80,437,300	\$ 80,437,300	\$ 74,995,233	\$ (5,442,067)
Local option sales tax	1,600,000	1,600,000	1,643,404	43,404
Fines, forfeits and penalties	522,500	522,500	494,577	(27,923)
Revenues from the use of money or property	-	-	3,803	3,803
Revenues from other governmental agencies	1,350,800	1,350,800	2,562,683	1,211,883
Charges for current services	975,300	975,300	-	(975,300)
Total revenues	84,885,900	84,885,900	79,699,700	(5,186,200)
EXPENDITURES:				
Interest	50,213,100	50,213,100	50,791,975	(578,875)
Fiscal charges	1,558,600	1,558,600	2,530,559	(971,959)
Debt issue costs	-	-	956,225	(956,225)
Total expenditures	51,771,700	51,771,700	54,278,759	(2,507,059)
Excess (deficiency) of revenues over expenditures	33,114,200	33,114,200	25,420,941	(7,693,259)
OTHER FINANCING SOURCES (USES):				
Issuance of refunding debt	-	-	144,150,016	144,150,016
Debt issue premium (discount)	-	-	21,597,714	21,597,714
Payments to refunded bond escrow agent	-	-	(164,791,084)	(164,791,084)
Bond interest tax credit	-	-	3,326,271	3,326,271
Transfers in	5,143,900	5,143,900	8,774,770	3,630,870
Transfers out	(38,258,100)	(38,258,100)	(38,258,100)	-
Total other financing sources (uses)	(33,114,200)	(33,114,200)	(25,200,413)	7,913,787
Net change in fund balances	-	-	220,528	220,528
FUND BALANCES, beginning of year	8,406,361	8,406,361	8,406,361	-
FUND BALANCES, end of year	\$ 8,406,361	\$ 8,406,361	\$ 8,626,889	\$ 220,528

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 28,779,600	\$ 28,779,600	\$ 31,646,331	\$ 2,866,731
Revenues from the use of money or property	-	-	112,581	112,581
Revenues from other governmental agencies	-	-	1,114,330	1,114,330
Total revenues	28,779,600	28,779,600	32,873,242	4,093,642
EXPENDITURES:				
Principal retirement	-	-	1,512,777	(1,512,777)
Interest	31,790,200	31,790,200	27,369,644	4,420,556
Fiscal charges	627,100	627,100	600,699	26,401
Debt issue costs	-	-	796,864	(796,864)
Total expenditures	32,417,300	32,417,300	30,279,984	2,137,316
Excess (deficiency) of revenues over expenditures	(3,637,700)	(3,637,700)	2,593,258	6,230,958
OTHER FINANCING SOURCES (USES):				
Issuance of refunding debt	-	-	120,126,326	120,126,326
Debt issue premium (discount)	-	-	17,998,459	17,998,459
Payments to refunded bond escrow agent	-	-	(137,328,679)	(137,328,679)
Bond interest tax credit	-	-	1,395,046	1,395,046
Transfers in	3,637,700	3,637,700	3,824,315	186,615
Total other financing sources (uses)	3,637,700	3,637,700	6,015,467	2,377,767
Net change in fund balances	-	-	8,608,725	8,608,725
FUND BALANCE, beginning of year	14,559,256	14,559,256	14,559,256	-
FUND BALANCE, end of year	\$ 14,559,256	\$ 14,559,256	\$ 23,167,981	\$ 8,608,725

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 14,395,300	\$ 14,395,300	\$ 14,162,926	\$ (232,374)
Revenues from the use of money or property	-	-	1,468	1,468
Total revenues	14,395,300	14,395,300	14,164,394	(230,906)
EXPENDITURES:				
Interest	9,128,500	9,128,500	6,815,868	2,312,632
Fiscal charges	396,100	396,100	274,890	121,210
Debt issue costs	-	-	171,977	(171,977)
Total expenditures	9,524,600	9,524,600	7,262,735	2,261,865
Excess (deficiency) of revenues over expenditures	4,870,700	4,870,700	6,901,659	2,030,959
OTHER FINANCING SOURCES (USES):				
Issuance of refunding debt	-	-	25,925,413	25,925,413
Debt issue premium (discount)	-	-	3,884,315	3,884,315
Payments to refunded bond escrow agent	-	-	(29,637,414)	(29,637,414)
Bond interest tax credit	-	-	605,988	605,988
Transfers in	1,031,700	1,031,700	1,397,864	366,164
Transfers out	(5,902,400)	(5,902,400)	(5,902,400)	-
Total other financing sources (uses)	(4,870,700)	(4,870,700)	(3,726,234)	1,144,466
Net change in fund balances	-	-	3,175,425	3,175,425
FUND BALANCES, beginning of year	2,984,488	2,984,488	2,984,488	-
FUND BALANCES, end of year	\$ 2,984,488	\$ 2,984,488	\$ 6,159,913	\$ 3,175,425

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

METROPOLITAN ACTION COMMISSION FUND

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

GENERAL 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.

NASHVILLE CAREER ADVANCEMENT CENTER FUND

The Nashville Career Advancement Center Fund accounts for funds received under the Federal Workforce Investment Act. These funds are utilized to provide employment and training opportunities for senior citizens and economically disadvantaged, unemployed or underemployed individuals.

HOTEL OCCUPANCY TAX FUND

The Hotel Occupancy Tax Fund is under the administrative responsibility of the Finance Department and was established to account for hotel occupancy tax receipts first levied in 1976. Currently these tax receipts are utilized one-third for direct promotion of tourism, one-sixth for tourist-related activities, one-sixth for the operation of the existing Convention Center, one-sixth for the construction, financing and operation of a new Convention Center, and one-sixth for distribution to the General Fund.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CONVENTION CENTER TAX FUND

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

EVENTS AND MARKETING FUND

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

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.

DEBT SERVICE FUND

CORRECTIONAL FACILITY REVENUE BONDS FUND

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

PERMANENT FUNDS

GENERAL GOVERNMENT FUND

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

EDUCATION FUND

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





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS

June 30, 2011

<u>ASSETS</u>	<u>Nashville Convention Center</u>	<u>Board of Fair Commissioners</u>	<u>Farmers Market</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 3,270,961	\$ 1,218,395	\$ 38,595
Accounts receivable	567,429	15,451	-
Allowance for doubtful accounts	(27,217)	-	-
Accrued interest receivable	306	128	1
Due from other funds of the primary government	-	-	4,559
Other current assets	-	2,513	-
Total current assets	<u>3,811,479</u>	<u>1,236,487</u>	<u>43,155</u>
CAPITAL AND OTHER NONCURRENT ASSETS:			
Capital assets:			
Land	6,056,529	175,293	-
Buildings and improvements	52,668,319	8,952,480	3,218,375
Improvements other than buildings	50,220	3,765,391	151,939
Furniture, machinery and equipment	672,209	546,584	180,090
Property under capital lease	-	-	3,645,000
Construction work in progress	-	-	364,572
Less accumulated depreciation	(27,765,263)	(8,788,465)	(1,951,124)
Capital assets - net	<u>31,682,014</u>	<u>4,651,283</u>	<u>5,608,852</u>
Other noncurrent assets	300,000	-	-
Total capital and other noncurrent assets	<u>31,982,014</u>	<u>4,651,283</u>	<u>5,608,852</u>
Total assets	<u>\$ 35,793,493</u>	<u>\$ 5,887,770</u>	<u>\$ 5,652,007</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2011

<u>Police Secondary Employment</u>	<u>Surplus Property Auction</u>	<u>Municipal Auditorium</u>	<u>Police Impound</u>	<u>Stormwater Operations</u>
\$ 587,900	\$ 799,920	\$ 378,557	\$ -	\$ 7,246,340
122,142	108,725	-	-	3,380,050
(744)	-	-	-	(551,484)
70	62	34	-	736
-	-	574,100	34,222	912,052
-	-	-	-	-
<u>709,368</u>	<u>908,707</u>	<u>952,691</u>	<u>34,222</u>	<u>10,987,694</u>
-	-	587,400	-	-
-	-	9,802,827	-	-
-	-	84,651	-	-
60,000	-	351,479	-	-
-	-	-	-	-
-	-	630,618	-	-
<u>(60,000)</u>	<u>-</u>	<u>(7,870,724)</u>	<u>-</u>	<u>-</u>
-	-	<u>3,586,251</u>	-	-
-	-	-	-	-
-	-	<u>3,586,251</u>	-	-
<u>\$ 709,368</u>	<u>\$ 908,707</u>	<u>\$ 4,538,942</u>	<u>\$ 34,222</u>	<u>\$ 10,987,694</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2011

<u>ASSETS</u>	Community Education Commission	Total Nonmajor Enterprise Funds
CURRENT ASSETS:		
Cash and cash equivalents	\$ 353,917	\$ 13,894,585
Accounts receivable	-	4,193,797
Allowance for doubtful accounts	-	(579,445)
Accrued interest receivable	41	1,378
Due from other funds of the primary government	-	1,524,933
Other current assets	1,350	3,863
	<hr/>	<hr/>
Total current assets	355,308	19,039,111
CAPITAL AND OTHER NONCURRENT ASSETS:		
Capital assets:		
Land	-	6,819,222
Buildings and improvements	-	74,642,001
Improvements other than buildings	-	4,052,201
Furniture, machinery and equipment	-	1,810,362
Property under capital lease	-	3,645,000
Construction work in progress	-	995,190
Less accumulated depreciation	-	(46,435,576)
	<hr/>	<hr/>
Capital assets - net	-	45,528,400
Other noncurrent assets	-	300,000
	<hr/>	<hr/>
Total capital and other noncurrent assets	-	45,828,400
	<hr/>	<hr/>
Total assets	\$ 355,308	\$ 64,867,511

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2011

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 998,925	\$ 82,614	\$ 298,488
Accrued payroll	434,424	168,120	74,268
Due to other funds of the primary government	3,353	11,296	671
Due to component units	-	-	-
Customer deposits	104,969	41,040	10,190
Unearned revenue	714,123	34,484	-
Current portion of capitalized lease obligations	-	-	205,000
Other current liabilities	-	-	-
Total current liabilities	<u>2,255,794</u>	<u>337,554</u>	<u>588,617</u>
NONCURRENT LIABILITIES:			
Capitalized lease obligations	-	-	695,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>695,000</u>
Total liabilities	<u>2,255,794</u>	<u>337,554</u>	<u>1,283,617</u>
NET ASSETS (DEFICIT):			
Invested in capital assets, net of related debt	31,682,014	4,651,283	4,708,852
Unrestricted	1,855,685	898,933	(340,462)
Total net assets (deficit)	<u>\$ 33,537,699</u>	<u>\$ 5,550,216</u>	<u>\$ 4,368,390</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2011

<u>Police Secondary Employment</u>	<u>Surplus Property Auction</u>	<u>Municipal Auditorium</u>	<u>Police Impound</u>	<u>Stormwater Operations</u>
\$ 2,078	\$ 46,482	\$ 107,755	\$ 34,798	\$ 445,166
53,342	75,186	110,374	165,965	549,597
39,634	331,633	2,239	2,751,344	638,494
-	12	-	-	-
-	-	-	-	-
-	-	304,629	-	-
-	-	-	-	-
44,174	-	-	-	-
<u>139,228</u>	<u>453,313</u>	<u>524,997</u>	<u>2,952,107</u>	<u>1,633,257</u>
-	-	-	-	-
-	-	-	-	-
<u>139,228</u>	<u>453,313</u>	<u>524,997</u>	<u>2,952,107</u>	<u>1,633,257</u>
-	-	3,586,251	-	-
570,140	455,394	427,694	(2,917,885)	9,354,437
<u>\$ 570,140</u>	<u>\$ 455,394</u>	<u>\$ 4,013,945</u>	<u>\$ (2,917,885)</u>	<u>\$ 9,354,437</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2011

<u>LIABILITIES AND NET ASSETS</u>	<u>Community Education Commission</u>	<u>Total Nonmajor Enterprise Funds</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 12,730	\$ 2,029,036
Accrued payroll	4,526	1,635,802
Due to other funds of the primary government	1,597	3,780,261
Due to component units	-	12
Customer deposits	-	156,199
Unearned revenue	-	1,053,236
Current portion of capitalized lease obligations	-	205,000
Other current liabilities	-	44,174
	<u>18,853</u>	<u>8,903,720</u>
NONCURRENT LIABILITIES:		
Capitalized lease obligations	-	695,000
	<u>-</u>	<u>695,000</u>
Total noncurrent liabilities	-	695,000
	<u>-</u>	<u>695,000</u>
Total liabilities	<u>18,853</u>	<u>9,598,720</u>
NET ASSETS (DEFICIT):		
Invested in capital assets, net of related debt	-	44,628,400
Unrestricted	336,455	10,640,391
	<u>336,455</u>	<u>10,640,391</u>
Total net assets (deficit)	<u>\$ 336,455</u>	<u>\$ 55,268,791</u>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
OPERATING REVENUES:			
Charges for services	\$ 5,403,535	\$ 2,108,539	\$ 745,330
Other	-	-	-
Total operating revenues	<u>5,403,535</u>	<u>2,108,539</u>	<u>745,330</u>
OPERATING EXPENSES:			
Personal services	2,889,861	1,294,767	357,301
Contractual services	2,444,195	934,842	442,351
Supplies and materials	75,777	99,353	48,715
Depreciation	1,441,251	395,014	263,192
Other	124,276	69,568	7,759
Total operating expenses	<u>6,975,360</u>	<u>2,793,544</u>	<u>1,119,318</u>
OPERATING INCOME (LOSS)	<u>(1,571,825)</u>	<u>(685,005)</u>	<u>(373,988)</u>
NONOPERATING REVENUE (EXPENSE):			
Investment income	3,104	1,089	21
Interest expense	-	-	(62,220)
Gain (loss) on sale of property	-	-	(19,530)
Other	(400,000)	-	-
Total nonoperating revenue (expense)	<u>(396,896)</u>	<u>1,089</u>	<u>(81,729)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(1,968,721)</u>	<u>(683,916)</u>	<u>(455,717)</u>
TRANSFERS IN	-	-	570,359
TRANSFERS OUT	(95,800)	(90,500)	(62,800)
CHANGE IN NET ASSETS	(2,064,521)	(774,416)	51,842
NET ASSETS (DEFICIT), beginning of year	<u>35,602,220</u>	<u>6,324,632</u>	<u>4,316,548</u>
NET ASSETS (DEFICIT), end of year	<u>\$ 33,537,699</u>	<u>\$ 5,550,216</u>	<u>\$ 4,368,390</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
\$ 1,103,076	\$ 1,081,027	\$ 1,369,336	\$ 1,270,976	\$ 14,197,941
-	-	-	299	-
<u>1,103,076</u>	<u>1,081,027</u>	<u>1,369,336</u>	<u>1,271,275</u>	<u>14,197,941</u>
826,439	381,175	577,169	867,878	6,429,845
20,130	318,926	934,158	418,034	3,369,487
8,921	4,534	52,969	3,997	361,922
-	-	181,615	-	-
<u>3,013</u>	<u>10,447</u>	<u>38,811</u>	<u>8,688</u>	<u>-</u>
<u>858,503</u>	<u>715,082</u>	<u>1,784,722</u>	<u>1,298,597</u>	<u>10,161,254</u>
<u>244,573</u>	<u>365,945</u>	<u>(415,386)</u>	<u>(27,322)</u>	<u>4,036,687</u>
443	506	350	-	1,238
-	-	-	(4,934)	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>443</u>	<u>506</u>	<u>350</u>	<u>(4,934)</u>	<u>1,238</u>
<u>245,016</u>	<u>366,451</u>	<u>(415,036)</u>	<u>(32,256)</u>	<u>4,037,925</u>
-	-	1,303,193	-	-
<u>(338,559)</u>	<u>(95,100)</u>	<u>(66,800)</u>	<u>(409,900)</u>	<u>(1,245,677)</u>
(93,543)	271,351	821,357	(442,156)	2,792,248
<u>663,683</u>	<u>184,043</u>	<u>3,192,588</u>	<u>(2,475,729)</u>	<u>6,562,189</u>
<u>\$ 570,140</u>	<u>\$ 455,394</u>	<u>\$ 4,013,945</u>	<u>\$ (2,917,885)</u>	<u>\$ 9,354,437</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Community Education Commission	Total Nonmajor Enterprise Funds
OPERATING REVENUES:		
Charges for services	\$ 18,414	\$ 27,298,174
Other	-	299
	<u>18,414</u>	<u>27,298,473</u>
Total operating revenues	<u>18,414</u>	<u>27,298,473</u>
OPERATING EXPENSES:		
Personal services	198,221	13,822,656
Contractual services	52,717	8,934,840
Supplies and materials	26,465	682,653
Depreciation	-	2,281,072
Other	3,838	266,400
	<u>281,241</u>	<u>25,987,621</u>
Total operating expenses	<u>281,241</u>	<u>25,987,621</u>
OPERATING INCOME (LOSS)	<u>(262,827)</u>	<u>1,310,852</u>
NONOPERATING REVENUE (EXPENSE):		
Investment income	289	7,040
Interest expense	-	(67,154)
Gain (loss) on sale of property	-	(19,530)
Other	-	(400,000)
	<u>289</u>	<u>(479,644)</u>
Total nonoperating revenue (expense)	<u>289</u>	<u>(479,644)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(262,538)</u>	<u>831,208</u>
TRANSFERS IN	343,900	2,217,452
TRANSFERS OUT	(34,100)	(2,439,236)
CHANGE IN NET ASSETS	47,262	609,424
NET ASSETS (DEFICIT), beginning of year	<u>289,193</u>	<u>54,659,367</u>
NET ASSETS (DEFICIT), end of year	<u>\$ 336,455</u>	<u>\$ 55,268,791</u>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2011

	Nashville Convention Center	Board of Fair Commissioners	Farmers Market
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,655,816	\$ 2,131,743	\$ 740,901
Payments to suppliers	(2,980,808)	(1,157,013)	(233,482)
Payments to employees	(2,868,419)	(1,279,043)	(361,140)
Net cash provided by (used in) operating activities	<u>(1,193,411)</u>	<u>(304,313)</u>	<u>146,279</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	570,359
Transfers out	(95,800)	(90,500)	(62,800)
Advances from other funds of the primary government	-	-	-
Interest paid	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(95,800)</u>	<u>(90,500)</u>	<u>507,559</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(28,980)	-	(480,459)
Principal payments on borrowings	-	-	(195,000)
Interest paid	-	-	(62,220)
Net cash provided by (used in) capital and related financing activities	<u>(28,980)</u>	<u>-</u>	<u>(737,679)</u>
Cash flows from investing activities:			
Interest on investments	<u>3,235</u>	<u>1,122</u>	<u>25</u>
Net cash provided by (used in) investing activities	<u>3,235</u>	<u>1,122</u>	<u>25</u>
Net changes in cash and cash equivalents	(1,314,956)	(393,691)	(83,816)
Cash and cash equivalents at beginning of year	<u>4,585,917</u>	<u>1,612,086</u>	<u>122,411</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,270,961</u></u>	<u><u>\$ 1,218,395</u></u>	<u><u>\$ 38,595</u></u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
\$ 1,250,528	\$ 1,054,406	\$ 1,514,023	\$ 1,285,108	\$ 16,006,511
(24,703)	(305,036)	(1,594,970)	(449,758)	(2,924,671)
(804,950)	(374,819)	(578,530)	(915,252)	(6,388,154)
<u>420,875</u>	<u>374,551</u>	<u>(659,477)</u>	<u>(79,902)</u>	<u>6,693,686</u>
-	-	729,093	-	-
(338,559)	(95,100)	(66,800)	(409,900)	(1,245,677)
-	-	-	494,736	-
-	-	-	(4,934)	-
<u>(338,559)</u>	<u>(95,100)</u>	<u>662,293</u>	<u>79,902</u>	<u>(1,245,677)</u>
-	-	(745,969)	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(745,969)</u>	<u>-</u>	<u>-</u>
422	490	434	-	719
<u>422</u>	<u>490</u>	<u>434</u>	<u>-</u>	<u>719</u>
82,738	279,941	(742,719)	-	5,448,728
505,162	519,979	1,121,276	-	1,797,612
<u>\$ 587,900</u>	<u>\$ 799,920</u>	<u>\$ 378,557</u>	<u>\$ -</u>	<u>\$ 7,246,340</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	Community Education Commission	Total Nonmajor Enterprise Funds
Cash flows from operating activities:		
Receipts from customers and users	\$ 18,414	\$ 28,657,450
Payments to suppliers	(85,538)	(9,755,979)
Payments to employees	(291,440)	(13,861,747)
	<u>(358,564)</u>	<u>(13,890,272)</u>
Net cash provided by (used in) operating activities	<u>(358,564)</u>	<u>5,039,724</u>
Cash flows from noncapital financing activities:		
Transfers in	343,900	1,643,352
Transfers out	(34,100)	(2,439,236)
Advances from other funds of the primary government	-	494,736
Interest paid	-	(4,934)
	<u>309,800</u>	<u>(306,082)</u>
Net cash provided by (used in) noncapital financing activities	<u>309,800</u>	<u>(306,082)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(1,255,408)
Principal payments on borrowings	-	(195,000)
Interest paid	-	(62,220)
	<u>-</u>	<u>(1,512,628)</u>
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1,512,628)</u>
Cash flows from investing activities:		
Interest on investments	290	6,737
	<u>290</u>	<u>6,737</u>
Net cash provided by (used in) investing activities	<u>290</u>	<u>6,737</u>
Net changes in cash and cash equivalents	(48,474)	3,227,751
Cash and cash equivalents at beginning of year	402,391	10,666,834
	<u>402,391</u>	<u>10,666,834</u>
Cash and cash equivalents at end of year	<u>\$ 353,917</u>	<u>\$ 13,894,585</u>

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	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)	\$ (1,571,825)	\$ (685,005)	\$ (373,988)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,441,251	395,014	263,192
Provision for doubtful accounts	(815)	-	-
Other receipts (payments)	(400,000)	-	-
Changes in assets and liabilities:			
Accounts receivable	(112,288)	19,114	-
Due from other funds of the primary government	-	9,206	(4,429)
Other current assets	-	-	-
Other noncurrent assets	(300,000)	-	-
Accounts payable	(51,352)	(47,291)	267,097
Accrued payroll	21,442	15,724	(3,839)
Due to other funds of the primary government	(285,208)	(3,675)	(1,754)
Due to component units	-	-	-
Customer deposits	-	(2,058)	-
Unearned revenue	65,384	(3,058)	-
Other current liabilities	-	(2,284)	-
Total adjustments	378,414	380,692	520,267
Net cash provided by (used in) operating activities	\$ (1,193,411)	\$ (304,313)	\$ 146,279

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, 2011

Police Secondary Employment	Surplus Property Auction	Municipal Auditorium	Police Impound	Stormwater Operations
\$ 244,573	\$ 365,945	\$ (415,386)	\$ (27,322)	\$ 4,036,687
-	-	181,615	-	-
(1,302)	-	-	-	127,491
-	-	-	-	-
148,754	(108,725)	1,907	4,850	(98,159)
-	1,043	-	8,983	1,779,238
-	-	-	-	-
-	-	-	-	-
1,089	28,871	31,825	(15,884)	242,999
21,489	6,356	(1,361)	(47,374)	41,691
8,102	81,119	(600,857)	(3,155)	563,739
-	(58)	-	-	-
-	-	-	-	-
-	-	142,780	-	-
(1,830)	-	-	-	-
<u>176,302</u>	<u>8,606</u>	<u>(244,091)</u>	<u>(52,580)</u>	<u>2,656,999</u>
<u>\$ 420,875</u>	<u>\$ 374,551</u>	<u>\$ (659,477)</u>	<u>\$ (79,902)</u>	<u>\$ 6,693,686</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	Community Education Commission	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (262,827)	\$ 1,310,852
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	2,281,072
Provision for doubtful accounts	-	125,374
Other receipts (payments)	-	(400,000)
Changes in assets and liabilities:		
Accounts receivable	-	(144,547)
Due from other funds of the primary government	-	1,794,041
Other current assets	(1,350)	(1,350)
Other noncurrent assets	-	(300,000)
Accounts payable	(1,774)	455,580
Accrued payroll	(93,219)	(39,091)
Due to other funds of the primary government	665	(241,024)
Due to component units	-	(58)
Customer deposits	-	(2,058)
Unearned revenue	-	205,106
Other current liabilities	(59)	(4,173)
Total adjustments	(95,737)	3,728,872
Net cash provided by (used in) operating activities	\$ (358,564)	\$ 5,039,724

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2011

<u>ASSETS</u>	<u>Office of Fleet Management</u>	<u>Information Systems</u>	<u>Radio Shop</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ -	\$ 5,105,439	\$ 3,526,362
Accounts receivable	3,551	30,442	54,082
Accrued interest receivable	-	636	406
Due from other funds of the primary government	1,829,327	307,055	226,879
Due from component units	-	757	-
Inventories of supplies	1,599,900	-	324,653
Other current assets	-	-	-
Total current assets	3,432,778	5,444,329	4,132,382
CAPITAL ASSETS:			
Buildings and improvements	-	-	126,643
Improvements other than buildings	-	-	-
Furniture, machinery and equipment	128,351,407	5,785,625	6,251,677
Construction work in progress	978	-	6,632,770
Less accumulated depreciation	(94,248,219)	(4,629,176)	(2,952,766)
Capital assets - net	34,104,166	1,156,449	10,058,324
Total assets	37,536,944	6,600,778	14,190,706
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable	1,980,998	519,134	130,471
Accrued payroll	739,544	1,462,498	156,760
Claims payable	-	-	-
Due to other funds of the primary government	689,137	1,788	1,792
Total current liabilities	3,409,679	1,983,420	289,023
NET ASSETS (DEFICIT):			
Invested in capital assets, net of related debt	34,104,166	1,156,449	10,058,324
Unrestricted	23,099	3,460,909	3,843,359
Total net assets (deficit)	\$ 34,127,265	\$ 4,617,358	\$ 13,901,683

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2011

<u>School Self Insurance</u>	<u>General Government Self Insurance</u>	<u>School Professional Employees' Insurance</u>	<u>Employees' Medical Benefit</u>	<u>Injured on Duty</u>
\$ 1,803,596	\$ 20,787,711	\$ -	\$ 43,436,160	\$ 2,103,710
-	-	2,867,814	914,054	-
214	2,406	-	4,901	424
-	542	115,252	2,571,892	-
-	-	-	-	-
-	-	-	-	-
-	-	1,486,843	-	-
<u>1,803,810</u>	<u>20,790,659</u>	<u>4,469,909</u>	<u>46,927,007</u>	<u>2,104,134</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,803,810</u>	<u>20,790,659</u>	<u>4,469,909</u>	<u>46,927,007</u>	<u>2,104,134</u>
167,703	179,049	920,897	3,044,488	-
-	-	-	-	-
1,691,489	6,339,403	7,017,505	15,011,000	6,503,000
175	1,425	6,806,870	2,689	294,629
<u>1,859,367</u>	<u>6,519,877</u>	<u>14,745,272</u>	<u>18,058,177</u>	<u>6,797,629</u>
-	-	-	-	-
(55,557)	14,270,782	(10,275,363)	28,868,830	(4,693,495)
<u>\$ (55,557)</u>	<u>\$ 14,270,782</u>	<u>\$ (10,275,363)</u>	<u>\$ 28,868,830</u>	<u>\$ (4,693,495)</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2011

<u>ASSETS</u>	School Central Storeroom	Metro Postal Service	Treasury Management	Technology Revolving
CURRENT ASSETS:				
Cash and cash equivalents	\$ -	\$ 752,483	\$ 96,148	\$ -
Accounts receivable	-	16	-	768
Accrued interest receivable	-	89	-	3
Due from other funds of the primary government	-	79,135	112,899	766,200
Due from component units	-	29	-	1,545
Inventories of supplies	-	-	-	-
Other current assets	-	14,050	7,221	-
Total current assets	-	845,802	216,268	768,516
CAPITAL ASSETS:				
Buildings and improvements	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture, machinery and equipment	-	-	10,626	-
Construction work in progress	-	-	-	-
Less accumulated depreciation	-	-	(10,626)	-
Capital assets - net	-	-	-	-
Total assets	-	845,802	216,268	768,516
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	-	7,918	603	524,628
Accrued payroll	-	44,758	84,750	-
Claims payable	-	-	-	-
Due to other funds of the primary government	-	-	179,216	220,869
Total current liabilities	-	52,676	264,569	745,497
NET ASSETS (DEFICIT):				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	-	793,126	(48,301)	23,019
Total net assets (deficit)	\$ -	\$ 793,126	\$ (48,301)	\$ 23,019

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS (CONTINUED)

June 30, 2011

General Services	School Print Shop	Total Internal Service Funds
\$ 4,231,121	\$ 509,474	\$ 82,352,204
315	-	3,871,042
566	59	9,704
63,295	29,352	6,101,828
-	-	2,331
-	-	1,924,553
-	4,551	1,512,665
<u>4,295,297</u>	<u>543,436</u>	<u>95,774,327</u>
222,365	-	349,008
29,031	-	29,031
192,559	367,351	140,959,245
-	-	6,633,748
(97,924)	(293,155)	(102,231,866)
<u>346,031</u>	<u>74,196</u>	<u>45,739,166</u>
<u>4,641,328</u>	<u>617,632</u>	<u>141,513,493</u>
1,652,531	14,686	9,143,106
443,924	37,671	2,969,905
-	-	36,562,397
47,998	8,313	8,254,901
<u>2,144,453</u>	<u>60,670</u>	<u>56,930,309</u>
346,031	74,196	45,739,166
<u>2,150,844</u>	<u>482,766</u>	<u>38,844,018</u>
<u>\$ 2,496,875</u>	<u>\$ 556,962</u>	<u>\$ 84,583,184</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Office of Fleet Management	Information Systems	Radio Shop
OPERATING REVENUES:			
Charges for services	\$ 15,107,264	\$ 14,698,618	\$ 2,909,590
Other	-	-	-
Total operating revenues	<u>15,107,264</u>	<u>14,698,618</u>	<u>2,909,590</u>
OPERATING EXPENSES:			
Personal services	5,234,842	8,864,366	955,157
Contractual services	1,843,526	3,459,670	1,217,937
Supplies and materials	9,705,162	28,852	215,402
Depreciation	12,072,467	538,745	617,555
Compensation for damages to property	-	-	-
Medical and insurance benefits	-	-	-
Other	150,508	1,976,882	38,094
Total operating expenses	<u>29,006,505</u>	<u>14,868,515</u>	<u>3,044,145</u>
OPERATING INCOME (LOSS)	<u>(13,899,241)</u>	<u>(169,897)</u>	<u>(134,555)</u>
NONOPERATING REVENUE (EXPENSE):			
Investment income	-	4,003	2,772
Interest expense	(898)	-	-
Gain (loss) on sale of property	741,351	(1,808)	3,658
Other	272,037	-	-
Total nonoperating revenue (expense)	<u>1,012,490</u>	<u>2,195</u>	<u>6,430</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(12,886,751)</u>	<u>(167,702)</u>	<u>(128,125)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	8,605	-	-
TRANSFERS IN	14,386,524	350,573	6,632,770
TRANSFERS OUT	<u>(21,105)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	1,487,273	182,871	6,504,645
NET ASSETS (DEFICIT), beginning of year	<u>32,639,992</u>	<u>4,434,487</u>	<u>7,397,038</u>
NET ASSETS (DEFICIT), end of year	<u>\$ 34,127,265</u>	<u>\$ 4,617,358</u>	<u>\$ 13,901,683</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty
\$ -	\$ 5,569,073	\$ 76,905,290	\$ 180,624,128	\$ 3,905,200
-	1,139	1,985,779	2,276,724	106,481
-	<u>5,570,212</u>	<u>78,891,069</u>	<u>182,900,852</u>	<u>4,011,681</u>
149,702	484,881	94,113	344,083	-
384,120	431,002	5,390,071	8,233,111	1,554,393
-	17,516	605	-	-
-	-	-	-	-
781,868	2,231,327	-	-	-
-	-	75,432,832	167,369,853	17,745,190
2,903	2,451,679	-	15,800	1,600
<u>1,318,593</u>	<u>5,616,405</u>	<u>80,917,621</u>	<u>175,962,847</u>	<u>19,301,183</u>
<u>(1,318,593)</u>	<u>(46,193)</u>	<u>(2,026,552)</u>	<u>6,938,005</u>	<u>(15,289,502)</u>
1,416	17,827	887	31,648	3,578
-	-	(8,782)	-	-
-	-	-	-	-
113,923	105,000	(52,317)	-	-
<u>115,339</u>	<u>122,827</u>	<u>(60,212)</u>	<u>31,648</u>	<u>3,578</u>
<u>(1,203,254)</u>	<u>76,634</u>	<u>(2,086,764)</u>	<u>6,969,653</u>	<u>(15,285,924)</u>
-	-	-	-	-
1,250,000	205,342	-	1,782,035	12,246,900
-	(1,937,800)	(189)	(116,000)	-
46,746	(1,655,824)	(2,086,953)	8,635,688	(3,039,024)
<u>(102,303)</u>	<u>15,926,606</u>	<u>(8,188,410)</u>	<u>20,233,142</u>	<u>(1,654,471)</u>
<u>\$ (55,557)</u>	<u>\$ 14,270,782</u>	<u>\$ (10,275,363)</u>	<u>\$ 28,868,830</u>	<u>\$ (4,693,495)</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	School Central Storeroom	Metro Postal Service	Treasury Management	Technology Revolving
OPERATING REVENUES:				
Charges for services	\$ -	\$ 938,955	\$ 727,750	\$ 342,673
Other	-	-	-	-
Total operating revenues	<u>-</u>	<u>938,955</u>	<u>727,750</u>	<u>342,673</u>
OPERATING EXPENSES:				
Personal services	-	229,583	646,877	-
Contractual services	-	532,401	71,024	7,865
Supplies and materials	-	3,917	5,888	2,783,413
Depreciation	-	-	-	-
Compensation for damages to property	-	-	-	-
Medical and insurance benefits	-	-	-	-
Other	-	16,862	5,973	-
Total operating expenses	<u>-</u>	<u>782,763</u>	<u>729,762</u>	<u>2,791,278</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>156,192</u>	<u>(2,012)</u>	<u>(2,448,605)</u>
NONOPERATING REVENUE (EXPENSE):				
Investment income	-	598	11	112
Interest expense	-	-	-	-
Gain (loss) on sale of property	-	-	-	-
Other	-	-	-	-
Total nonoperating revenue (expense)	<u>-</u>	<u>598</u>	<u>11</u>	<u>112</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>-</u>	<u>156,790</u>	<u>(2,001)</u>	<u>(2,448,493)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	-	-	-	-
TRANSFERS IN	-	-	-	2,262,156
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	-	156,790	(2,001)	(186,337)
NET ASSETS (DEFICIT), beginning of year	<u>-</u>	<u>636,336</u>	<u>(46,300)</u>	<u>209,356</u>
NET ASSETS (DEFICIT), end of year	<u>\$ -</u>	<u>\$ 793,126</u>	<u>\$ (48,301)</u>	<u>\$ 23,019</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

General Services	School Print Shop	Total Internal Service Funds
\$ 19,124,140	\$ 539,735	\$ 321,392,416
648	-	4,370,771
<u>19,124,788</u>	<u>539,735</u>	<u>325,763,187</u>
2,429,850	312,908	19,746,362
15,404,534	28,630	38,558,284
260,648	107,213	13,128,616
30,198	20,566	13,279,531
-	-	3,013,195
-	-	260,547,875
249,654	97,217	5,007,172
<u>18,374,884</u>	<u>566,534</u>	<u>353,281,035</u>
<u>749,904</u>	<u>(26,799)</u>	<u>(27,517,848)</u>
3,234	477	66,563
-	-	(9,680)
-	-	743,201
-	-	438,643
<u>3,234</u>	<u>477</u>	<u>1,238,727</u>
<u>753,138</u>	<u>(26,322)</u>	<u>(26,279,121)</u>
-	-	8,605
-	-	39,116,300
-	(945)	(2,076,039)
753,138	(27,267)	10,769,745
<u>1,743,737</u>	<u>584,229</u>	<u>73,813,439</u>
<u>\$ 2,496,875</u>	<u>\$ 556,962</u>	<u>\$ 84,583,184</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2011

	Office of Fleet Management	Information Systems	Radio Shop
Cash flows from operating activities:			
Receipts from customers and users	\$ 14,535,546	\$ 14,663,907	\$ 2,916,352
Payments to suppliers	(12,369,226)	(5,454,922)	(1,570,250)
Payments to employees	(5,212,466)	(8,846,928)	(971,534)
Other receipts	273,044	-	-
Other payments	-	-	-
Net cash provided by (used in) operating activities	<u>(2,773,102)</u>	<u>362,057</u>	<u>374,568</u>
Cash flows from noncapital financing activities:			
Transfers in	14,386,524	350,573	6,632,770
Transfers out	(21,105)	-	-
Advances from other funds of the primary government	685,532	-	-
Interest paid	(835)	-	-
Net cash provided by (used in) noncapital financing activities	<u>15,050,116</u>	<u>350,573</u>	<u>6,632,770</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(14,136,525)	(350,573)	(6,632,770)
Proceeds from the sale of property	971,853	-	3,658
Net cash provided by (used in) capital and related financing activities	<u>(13,164,672)</u>	<u>(350,573)</u>	<u>(6,629,112)</u>
Cash flows from investing activities:			
Interest on investments	-	3,915	2,703
Net cash provided by (used in) investing activities	<u>-</u>	<u>3,915</u>	<u>2,703</u>
Net changes in cash and cash equivalents	(887,658)	365,972	380,929
Cash and cash equivalents at beginning of year	<u>887,658</u>	<u>4,739,467</u>	<u>3,145,433</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 5,105,439</u>	<u>\$ 3,526,362</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

School Self Insurance	General Government Self Insurance	School Professional Employees' Insurance	Employees' Medical Benefit	Injured On Duty
\$ -	\$ 5,569,734	\$ 76,028,393	\$ 181,801,017	\$ 4,011,681
(1,761,298)	(4,651,473)	(82,717,410)	(173,815,133)	(17,995,894)
-	-	(94,113)	(344,083)	-
113,923	105,000	-	-	-
-	-	(52,317)	-	-
<u>(1,647,375)</u>	<u>1,023,261</u>	<u>(6,835,447)</u>	<u>7,641,801</u>	<u>(13,984,213)</u>
1,250,000	205,342	-	1,782,035	12,246,900
-	(1,937,800)	(189)	(116,000)	-
-	-	6,803,950	-	-
-	-	(8,782)	-	-
<u>1,250,000</u>	<u>(1,732,458)</u>	<u>6,794,979</u>	<u>1,666,035</u>	<u>12,246,900</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,440</u>	<u>17,730</u>	<u>1,104</u>	<u>30,601</u>	<u>3,692</u>
<u>1,440</u>	<u>17,730</u>	<u>1,104</u>	<u>30,601</u>	<u>3,692</u>
(395,935)	(691,467)	(39,364)	9,338,437	(1,733,621)
<u>2,199,531</u>	<u>21,479,178</u>	<u>39,364</u>	<u>34,097,723</u>	<u>3,837,331</u>
<u>\$ 1,803,596</u>	<u>\$ 20,787,711</u>	<u>\$ -</u>	<u>\$ 43,436,160</u>	<u>\$ 2,103,710</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	School Central Storeroom	Metro Postal Service	Treasury Management	Technology Revolving
Cash flows from operating activities:				
Receipts from customers and users	\$ 27,507	\$ 932,491	\$ 726,877	\$ (389,662)
Payments to suppliers	(27,507)	(578,083)	(81,467)	(2,338,860)
Payments to employees	-	(228,170)	(637,846)	-
Other receipts	-	-	-	-
Other payments	-	-	-	-
Net cash provided by (used in) operating activities	-	126,238	7,564	(2,728,522)
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	2,262,156
Transfers out	-	-	-	-
Advances from other funds of the primary government	-	-	-	220,869
Interest paid	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	2,483,025
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	-	576	17	152
Net cash provided by (used in) investing activities	-	576	17	152
Net changes in cash and cash equivalents	-	126,814	7,581	(245,345)
Cash and cash equivalents at beginning of year	-	625,669	88,567	245,345
Cash and cash equivalents at end of year	\$ -	\$ 752,483	\$ 96,148	\$ -

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, 2011

General Services	School Print Shop	Total Internal Service Funds
\$ 19,163,325	\$ 529,417	\$ 320,516,585
(15,522,549)	(241,361)	(319,125,433)
(2,409,055)	(340,954)	(19,085,149)
-	-	491,967
-	-	(52,317)
<u>1,231,721</u>	<u>(52,898)</u>	<u>(17,254,347)</u>
-	-	39,116,300
-	(945)	(2,076,039)
-	-	7,710,351
-	-	(9,617)
<u>-</u>	<u>(945)</u>	<u>44,740,995</u>
(50,370)	-	(21,170,238)
-	-	975,511
<u>(50,370)</u>	<u>-</u>	<u>(20,194,727)</u>
<u>3,041</u>	<u>480</u>	<u>65,451</u>
<u>3,041</u>	<u>480</u>	<u>65,451</u>
1,184,392	(53,363)	7,357,372
<u>3,046,729</u>	<u>562,837</u>	<u>74,994,832</u>
<u>\$ 4,231,121</u>	<u>\$ 509,474</u>	<u>\$ 82,352,204</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	Office of Fleet Management	Information Systems	Radio Shop
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (13,899,241)	\$ (169,897)	\$ (134,555)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	12,072,467	538,745	617,555
Other receipts (payments)	273,044	-	-
Changes in assets and liabilities:			
Accounts receivable	1,484	5,992	5,967
Due from other funds of the primary government	(574,577)	(42,166)	795
Due from component units	1,375	1,463	-
Inventories of supplies	(117,930)	-	(7,024)
Other current assets	-	-	-
Accounts payable	(553,681)	9,365	(92,168)
Accrued payroll	22,376	17,438	(16,377)
Claims payable	-	-	-
Due to other funds of the primary government	1,581	1,117	375
Other current liabilities	-	-	-
Total adjustments	11,126,139	531,954	509,123
Net cash provided by (used in) operating activities	\$ (2,773,102)	\$ 362,057	\$ 374,568
<u>Non-Cash Capital, Financing and Investing Activities:</u>			
Transfer of capital assets from (to) other funds	\$ 8,605	\$ -	\$ -

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, 2011

<u>School Self Insurance</u>	<u>General Government Self Insurance</u>	<u>School Professional Employees' Insurance</u>	<u>Employees' Medical Benefit</u>	<u>Injured On Duty</u>
\$ (1,318,593)	\$ (46,193)	\$ (2,026,552)	\$ 6,938,005	\$ (15,289,502)
-	-	-	-	-
113,923	105,000	(52,317)	-	-
-	-	(2,840,775)	(914,054)	-
-	(478)	93,351	(185,781)	-
-	-	(115,252)	-	-
-	-	-	-	-
-	-	260,866	-	-
(954,124)	37,175	(1,575,192)	916,942	-
-	-	-	-	-
511,308	926,739	(579,933)	884,000	1,334,000
111	1,018	357	2,689	(28,711)
-	-	-	-	-
<u>(328,782)</u>	<u>1,069,454</u>	<u>(4,808,895)</u>	<u>703,796</u>	<u>1,305,289</u>
<u>\$ (1,647,375)</u>	<u>\$ 1,023,261</u>	<u>\$ (6,835,447)</u>	<u>\$ 7,641,801</u>	<u>\$ (13,984,213)</u>
\$ -	\$ -	\$ -	\$ -	\$ -

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	School Central Storeroom	Metro Postal Service	Treasury Management	Technology Revolving
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ -	\$ 156,192	\$ (2,012)	\$ (2,448,605)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	-	-
Other receipts (payments)	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	-	-	-	1,385
Due from other funds of the primary government	27,507	(7,284)	(873)	(734,557)
Due from component units	-	820	-	837
Inventories of supplies	-	-	-	-
Other current assets	-	(265)	-	-
Accounts payable	(19,810)	(24,638)	(105)	452,418
Accrued payroll	-	1,413	9,031	-
Claims payable	-	-	-	-
Due to other funds of the primary government	(7,697)	-	1,523	-
Other current liabilities	-	-	-	-
Total adjustments	-	(29,954)	9,576	(279,917)
Net cash provided by (used in) operating activities	\$ -	\$ 126,238	\$ 7,564	\$ (2,728,522)

Non-Cash Capital, Financing and Investing Activities:

Transfer of capital assets from (to) other funds	\$ -	\$ -	\$ -	\$ -
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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, 2011

General Services	School Print Shop	Total Internal Service Funds
<u>\$ 749,904</u>	<u>\$ (26,799)</u>	<u>\$ (27,517,848)</u>
30,198	20,566	13,279,531
-	-	439,650
690	-	(3,739,311)
36,768	(10,318)	(1,397,613)
1,079	-	(109,678)
-	-	(124,954)
-	(4,551)	256,050
356,321	(169)	(1,447,666)
20,795	(28,046)	26,630
-	-	3,076,114
35,966	(3,581)	4,748
-	-	-
<u>481,817</u>	<u>(26,099)</u>	<u>10,263,501</u>
<u>\$ 1,231,721</u>	<u>\$ (52,898)</u>	<u>\$ (17,254,347)</u>
\$ -	\$ -	\$ 8,605

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DESCRIPTION OF PROPRIETARY FUNDS

NONMAJOR ENTERPRISE FUNDS

NASHVILLE CONVENTION CENTER

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

BOARD OF FAIR COMMISSIONERS

The Board of Fair Commissioners performs administrative and fiscal duties relative to the Tennessee State Fair and fairgrounds. Revenues are derived primarily from the annual State Fair, monthly flea markets and the Nashville Speedway.

FARMERS MARKET

The Farmers Market provides farmers with a setting in which to sell their agricultural products to the general public. Revenues are derived from fees collected from vendors for indoor retail space, farmers for display space, and other private vendors for flea market space.

POLICE SECONDARY EMPLOYMENT

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

SURPLUS PROPERTY AUCTION

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

MUNICIPAL AUDITORIUM

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

POLICE IMPOUND

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

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.

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

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. Community Education Commission began operations in fiscal 2010 and assumed the activities previously performed by School Community Education.

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.

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

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.

SCHOOL CENTRAL STOREROOM FUND

The School Central Storeroom Fund is under the administrative responsibility of the Metropolitan Nashville Public Schools. It was used to account for the operations of the central storeroom and derived its revenues from internal charges to schools for supplies. The Fund was closed effective July 1, 2010.

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.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2011

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
ASSETS:				
Cash and cash equivalents	\$ -	\$ 134,619,879	\$ -	\$ 25,721,110
Investments, at fair value:				
U.S. fixed income funds	-	158,987,971	-	12,949,582
U.S. government agencies	-	22,575,418	-	-
U.S. private placements	-	59,310,138	-	-
Foreign government bonds and agencies	-	45,129,484	-	-
Government mortgage backed securities	-	36,481,851	-	-
Corporate bonds and notes	-	166,052,221	-	-
Common stock	1,556,603	1,024,561,758	5,653,023	10,340,045
Preferred stock	-	414,184	-	-
Municipals	-	2,287,510	-	-
Commercial mortgage backed securities	-	6,415,340	-	-
Collateralized mortgage obligations - government	-	1,541,158	-	-
Collateralized mortgage obligations - corporate	-	10,056,529	-	-
Asset backed securities	-	6,272,866	-	-
Mortgages and real estate	-	146,808,056	-	-
Venture capital and partnerships	-	279,131,036	-	-
Cash collateral received - securities lending program	-	172,655,255	-	2,886,518
Annuities	-	173,821	-	-
Accounts receivable	-	214,422,841	276,937	1,196,909
Accrued interest receivable	-	4,787,078	4	-
Due from other funds of the primary government	-	53,647	-	602,819
Total assets	1,556,603	2,492,738,041	5,929,964	53,696,983
LIABILITIES:				
Accounts payable	2	1,297,542	-	89,915
Due to brokers	-	174,884,552	-	-
Payable for collateral received - securities lending program	-	172,655,255	-	2,886,518
Due to other funds of the primary government	-	175,744	-	-
Total liabilities	2	349,013,093	-	2,976,433
NET ASSETS:				
Held in trust for pension benefits (A Schedule of Funding Progress for each pension plan is presented as Required Supplementary Information.)	1,556,601	2,143,724,948	5,929,964	50,720,550
Held in trust for other employee benefits	-	-	-	-
Total net assets	\$ 1,556,601	\$ 2,143,724,948	\$ 5,929,964	\$ 50,720,550

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2011

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
\$ -	\$ 2	\$ 2,888,579	\$ 169,178	\$ 163,398,748
-	-	-	-	171,937,553
-	-	-	-	22,575,418
-	-	-	-	59,310,138
-	-	-	-	45,129,484
-	-	-	-	36,481,851
-	-	-	-	166,052,221
7,274,900	3,581,030	-	-	1,052,967,359
-	-	-	-	414,184
-	-	-	-	2,287,510
-	-	-	-	6,415,340
-	-	-	-	1,541,158
-	-	-	-	10,056,529
-	-	-	-	6,272,866
-	-	-	-	146,808,056
-	-	-	-	279,131,036
-	-	-	-	175,541,773
-	-	-	-	173,821
-	187,997	59,538	-	216,144,222
-	3	326	23	4,787,434
-	-	953	-	657,419
<u>7,274,900</u>	<u>3,769,032</u>	<u>2,949,396</u>	<u>169,201</u>	<u>2,568,084,120</u>
8	-	57,032	20,164	1,464,663
-	-	-	-	174,884,552
-	-	-	-	175,541,773
-	-	1,782,033	33	1,957,810
<u>8</u>	<u>-</u>	<u>1,839,065</u>	<u>20,197</u>	<u>353,848,798</u>
7,274,892	3,769,032	-	-	2,212,975,987
-	-	1,110,331	149,004	1,259,335
<u>\$ 7,274,892</u>	<u>\$ 3,769,032</u>	<u>\$ 1,110,331</u>	<u>\$ 149,004</u>	<u>\$ 2,214,235,322</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 AGENCY FUNDS

June 30, 2011

	Richard R. Rooker, Circuit Court Clerk	Cristi Scott, Clerk and Master	John Arriola, County Clerk	David Torrence, Criminal Court Clerk	Bill Garrett, County Register
ASSETS:					
Cash and cash equivalents	\$ 22,232,319	\$ 4,781,832	\$ 1,089,804	\$ 9,199,017	\$ 2,975,069
Investments:					
Mortgages and real estate	-	-	-	1,454,900	-
Mutual funds	-	12,408	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other funds of the primary government	-	-	-	-	-
Other assets	-	-	-	-	23,293
Total assets	\$ 22,232,319	\$ 4,794,240	\$ 1,089,804	\$ 10,653,917	\$ 2,998,362
LIABILITIES:					
Funds held in custody for others	\$ 10,945,256	\$ 4,785,032	\$ -	\$ 9,419,182	\$ -
Other liabilities	11,287,063	9,208	1,089,804	1,234,735	2,998,362
Total liabilities	\$ 22,232,319	\$ 4,794,240	\$ 1,089,804	\$ 10,653,917	\$ 2,998,362

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

June 30, 2011

David Smith, Juvenile Court Clerk	Sold Property Tax Receivables	Sheriff Work Release and Inmate Trust	Planning Performance Bonds	Total Agency Funds
\$ 2,444,822	\$ 110,612	\$ 370,906	\$ 2,045,248	\$ 45,249,629
-	-	-	-	1,454,900
-	-	-	-	12,408
-	288	-	-	288
-	6,159,386	-	-	6,159,386
-	-	-	-	23,293
<u>\$ 2,444,822</u>	<u>\$ 6,270,286</u>	<u>\$ 370,906</u>	<u>\$ 2,045,248</u>	<u>\$ 52,899,904</u>
\$ 1,912,172	\$ 6,270,286	\$ 370,906	\$ 2,045,248	\$ 35,748,082
532,650	-	-	-	17,151,822
<u>\$ 2,444,822</u>	<u>\$ 6,270,286</u>	<u>\$ 370,906</u>	<u>\$ 2,045,248</u>	<u>\$ 52,899,904</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Davidson County Employees' Retirement	Metropolitan Employees' Benefit Trust	Employees' Pension and Insurance	Teachers' Retirement Plan
ADDITIONS:				
Investment income:				
Interest and dividend income	\$ 16,196	\$ 57,670,071	\$ 58,826	\$ 593,904
Net appreciation (depreciation) of investments	219,986	318,511,588	798,987	10,897,606
Miscellaneous	-	80,748	-	41
Net increase (decrease) in fair value of investments	236,182	376,262,407	857,813	11,491,551
Net income earned on securities lending transactions:				
Securities lending income	-	973,158	-	22,302
Securities lending expense	-	(194,597)	-	(4,453)
Net income earned on securities lending transactions	-	778,561	-	17,849
Less investment expenses	(41)	(6,131,672)	(26)	(346,892)
Net investment income (loss)	236,141	370,909,296	857,787	11,162,508
Contributions:				
Employee contributions	-	85,347	-	3,497
Employer contributions	1,850,741	81,502,645	5,486,094	14,587,819
Transfers in	-	143,835	-	-
Contributions from the State of Tennessee	-	-	2,688,141	14,854,973
Miscellaneous	-	-	-	-
Total contributions	1,850,741	81,731,827	8,174,235	29,446,289
Total additions	2,086,882	452,641,123	9,032,022	40,608,797
DEDUCTIONS:				
Pension and other employee benefits	1,850,702	113,399,881	8,116,537	35,624,998
Refunds of contributions	-	138,344	-	-
Administrative expenses	-	2,846,717	-	92,138
Transfers out	-	-	-	-
Total deductions	1,850,702	116,384,942	8,116,537	35,717,136
Change in net assets	236,180	336,256,181	915,485	4,891,661
NET ASSETS, beginning of year	1,320,421	1,807,468,767	5,014,479	45,828,889
NET ASSETS, end of year	\$ 1,556,601	\$ 2,143,724,948	\$ 5,929,964	\$ 50,720,550

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

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
\$ 75,695	\$ 37,261	\$ 1,673	\$ 128	\$ 58,453,754
1,028,122	506,086	-	-	331,962,375
-	-	-	-	80,789
1,103,817	543,347	1,673	128	390,496,918
-	-	-	-	995,460
-	-	-	-	(199,050)
-	-	-	-	796,410
(186)	(9)	-	-	(6,478,826)
1,103,631	543,338	1,673	128	384,814,502
-	-	1,227,218	877,043	2,193,105
8,321,076	3,283,823	-	-	115,032,198
-	-	-	-	143,835
-	1,790,072	-	-	19,333,186
-	-	2,109,719	-	2,109,719
8,321,076	5,073,895	3,336,937	877,043	138,812,043
9,424,707	5,617,233	3,338,610	877,171	523,626,545
8,320,898	5,034,680	1,363,667	746,791	174,458,154
-	-	-	-	138,344
-	-	-	-	2,938,855
-	-	1,782,035	-	1,782,035
8,320,898	5,034,680	3,145,702	746,791	179,317,388
1,103,809	582,553	192,908	130,380	344,309,157
6,171,083	3,186,479	917,423	18,624	1,869,926,165
\$ 7,274,892	\$ 3,769,032	\$ 1,110,331	\$ 149,004	\$ 2,214,235,322

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, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Richard R. Rooker, Circuit Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 23,910,603	\$ 72,774,302	\$ 74,452,586	\$ 22,232,319
LIABILITIES:				
Funds held in custody for others	\$ 10,513,232	\$ 6,677,526	\$ 6,245,502	\$ 10,945,256
Other liabilities	13,397,371	66,096,776	68,207,084	11,287,063
Total liabilities	<u>\$ 23,910,603</u>	<u>\$ 72,774,302</u>	<u>\$ 74,452,586</u>	<u>\$ 22,232,319</u>
 <u>Cristi Scott, Clerk and Master</u>				
ASSETS:				
Cash and cash equivalents	\$ 6,091,273	\$ 18,040,169	\$ 19,349,610	\$ 4,781,832
Mutual funds	11,462	946	-	12,408
Total assets	<u>\$ 6,102,735</u>	<u>\$ 18,041,115</u>	<u>\$ 19,349,610</u>	<u>\$ 4,794,240</u>
LIABILITIES:				
Funds held in custody for others	\$ 6,088,535	\$ 16,509,207	\$ 17,812,710	\$ 4,785,032
Other liabilities	14,200	1,531,908	1,536,900	9,208
Total liabilities	<u>\$ 6,102,735</u>	<u>\$ 18,041,115</u>	<u>\$ 19,349,610</u>	<u>\$ 4,794,240</u>
 <u>John Arriola, County Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 1,102,915	\$ 18,601,685	\$ 18,614,796	\$ 1,089,804
LIABILITIES:				
Other liabilities	<u>\$ 1,102,915</u>	<u>\$ 18,601,685</u>	<u>\$ 18,614,796</u>	<u>\$ 1,089,804</u>
 <u>David Torrence, Criminal Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	\$ 8,494,656	\$ 11,850,605	\$ 11,146,244	\$ 9,199,017
Mortgages and real estate	1,969,218	-	514,318	1,454,900
Total assets	<u>\$ 10,463,874</u>	<u>\$ 11,850,605</u>	<u>\$ 11,660,562</u>	<u>\$ 10,653,917</u>
LIABILITIES:				
Funds held in custody for others	\$ 9,509,588	\$ 710,681	\$ 801,087	\$ 9,419,182
Other liabilities	954,286	11,139,924	10,859,475	1,234,735
Total liabilities	<u>\$ 10,463,874</u>	<u>\$ 11,850,605</u>	<u>\$ 11,660,562</u>	<u>\$ 10,653,917</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Bill Garrett, County Register</u>				
ASSETS:				
Cash and cash equivalents	\$ 3,190,973	\$ 20,223,324	\$ 20,439,228	\$ 2,975,069
Other assets	20,834	1,792,290	1,789,831	23,293
Total assets	<u>\$ 3,211,807</u>	<u>\$ 22,015,614</u>	<u>\$ 22,229,059</u>	<u>\$ 2,998,362</u>
LIABILITIES:				
Other liabilities	<u>\$ 3,211,807</u>	<u>\$ 22,015,614</u>	<u>\$ 22,229,059</u>	<u>\$ 2,998,362</u>
 <u>David Smith, Juvenile Court Clerk</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 2,227,865</u>	<u>\$ 6,417,877</u>	<u>\$ 6,200,920</u>	<u>\$ 2,444,822</u>
LIABILITIES:				
Funds held in custody for others	\$ 1,932,087	\$ 1,790,570	\$ 1,810,485	\$ 1,912,172
Other liabilities	295,778	4,627,307	4,390,435	532,650
Total liabilities	<u>\$ 2,227,865</u>	<u>\$ 6,417,877</u>	<u>\$ 6,200,920</u>	<u>\$ 2,444,822</u>
 <u>Sold Property Tax Receivables</u>				
ASSETS:				
Cash and cash equivalents	\$ 1,350,964	\$ 37,762,723	\$ 39,003,075	\$ 110,612
Accounts receivable	1,398,574	-	1,398,574	-
Accrued interest receivable	203	809	724	288
Due from other funds of the primary government	-	6,159,386	-	6,159,386
Total assets	<u>\$ 2,749,741</u>	<u>\$ 43,922,918</u>	<u>\$ 40,402,373</u>	<u>\$ 6,270,286</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 2,749,741</u>	<u>\$ 43,922,918</u>	<u>\$ 40,402,373</u>	<u>\$ 6,270,286</u>
 <u>Sheriff Work Release and Inmate Trust</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 360,626</u>	<u>\$ 2,911,153</u>	<u>\$ 2,900,873</u>	<u>\$ 370,906</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 360,626</u>	<u>\$ 2,911,153</u>	<u>\$ 2,900,873</u>	<u>\$ 370,906</u>
 <u>Planning Performance Bonds</u>				
ASSETS:				
Cash and cash equivalents	<u>\$ 2,354,801</u>	<u>\$ 272,864</u>	<u>\$ 582,417</u>	<u>\$ 2,045,248</u>
LIABILITIES:				
Funds held in custody for others	<u>\$ 2,354,801</u>	<u>\$ 272,864</u>	<u>\$ 582,417</u>	<u>\$ 2,045,248</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Totals - All Agency Funds</u>				
ASSETS:				
Cash and cash equivalents	\$ 49,084,676	\$ 188,854,702	\$ 192,689,749	\$ 45,249,629
Investments:				
Mortgages and real estate	1,969,218	-	514,318	1,454,900
Mutual funds	11,462	946	-	12,408
Accounts receivable	1,398,574	-	1,398,574	-
Accrued interest receivable	203	809	724	288
Due from other funds of the primary government	-	6,159,386	-	6,159,386
Other assets	20,834	1,792,290	1,789,831	23,293
Total assets	<u>\$ 52,484,967</u>	<u>\$ 196,808,133</u>	<u>\$ 196,393,196</u>	<u>\$ 52,899,904</u>
LIABILITIES:				
Funds held in custody for others	\$ 33,508,610	\$ 72,794,919	\$ 70,555,447	\$ 35,748,082
Other liabilities	18,976,357	124,013,214	125,837,749	17,151,822
Total liabilities	<u>\$ 52,484,967</u>	<u>\$ 196,808,133</u>	<u>\$ 196,393,196</u>	<u>\$ 52,899,904</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DESCRIPTION OF FIDUCIARY FUNDS

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

DAVIDSON COUNTY EMPLOYEES' RETIREMENT FUND

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

METROPOLITAN EMPLOYEES' BENEFIT TRUST FUND

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

EMPLOYEES' PENSION AND INSURANCE FUND

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

TEACHERS' RETIREMENT PLAN FUND

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

CLOSED CITY PLAN FUND

This fund accounts for two closed plans.

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

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

TEACHERS' CIVIL SERVICE AND PENSION FUND

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

METROPOLITAN EMPLOYEES' FLEXIBLE BENEFITS PLAN FUND

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

EDUCATION FLEXIBLE BENEFITS PLAN FUND

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

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

AGENCY FUNDS

ELECTED OFFICIALS

The following agency funds are used to account for assets held by the Elected Officials as agents for individuals, governmental entities and others. These include:

Richard R. Rooker, Circuit Court Clerk
Cristi Scott, Clerk and Master
John Arriola, County Clerk
David Torrence, Criminal Court Clerk
Bill Garrett, County Register
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 buyer of certain property tax receivable balances.

SHERIFF WORK RELEASE AND INMATE TRUST FUND

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

PLANNING PERFORMANCE BONDS FUND

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BALANCE SHEET
SPORTS AUTHORITY FUND

June 30, 2011

ASSETS:

Cash and cash equivalents	\$	11,517,686
Investments		470,774
Accounts receivable		2,075,058
Accrued interest receivable		606
Due from the primary government		<u>1,556,059</u>
Total assets	\$	<u><u>15,620,183</u></u>

LIABILITIES:

Accounts payable	\$	2,548,381
Accrued payroll		8,305
Due to the primary government		221
Deferred revenue		<u>428,339</u>
Total liabilities		<u>2,985,246</u>

FUND BALANCES:

Restricted for debt service		5,177,827
Unassigned		<u>7,457,110</u>
Total fund balances		<u>12,634,937</u>
Total liabilities and fund balances	\$	<u><u>15,620,183</u></u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 SPORTS AUTHORITY

June 30, 2011

Fund balances	\$	12,634,937
<p>Amounts reported in the Statement of Net Assets are different because:</p>		
<p>Capital assets of governmental component units are not financial resources and therefore not reported in the Balance Sheet. However, they are reported in the Statement of Net Assets. This amount represents the net book value of capital assets at year-end.</p>		
		319,830,470
<p>Long-term liabilities, including revenue bonds payable, are not due and payable in the current period and therefore are not reported by governmental component units in the Balance Sheet. However, they are reported in the Statement of Net Assets. Additionally, related interest is accrued when incurred in the Statement of Net Assets.</p>		
Revenue bonds payable		(65,790,000)
Less deferred charge on refunding		3,687,090
Less deferred charge for issuance costs		506,622
Add bond premium		(971,074)
Accrued interest payable		(1,566,777)
Compensated absences		(25,333)
<p>Deferred revenues reported in the governmental component unit funds are recognized as revenues in the governmental component unit activities.</p>		
		428,339
Net assets	\$	268,734,274

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, 2011

REVENUES:	
Local option sales tax	\$ 1,466,391
Other taxes, licenses and permits	4,096,480
Revenues from the use of money or property	7,934
Revenues from other governmental agencies	27,321,430
Charges for current services	2,181,139
Compensation for loss, sale or damage to property	693,033
Contributions and gifts	<u>400,000</u>
 Total revenues	 <u>36,166,407</u>
EXPENDITURES:	
Personal services	168,697
Contractual services	24,530,372
Supplies and materials	721
Other costs	332,892
Capital outlay	884,786
Compensation for damages	84,000
Debt service:	
Principal retirement	3,475,000
Interest	<u>3,202,525</u>
 Total expenditures	 <u>32,678,993</u>
 Net change in fund balances	 3,487,414
 FUND BALANCES, beginning of year	 <u>9,147,523</u>
 FUND BALANCES, end of year	 <u><u>\$ 12,634,937</u></u>

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

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

For the Year Ended June 30, 2011

Net change in fund balances	\$	3,487,414
<p>Amounts reported in the Statement of Activities are different because:</p>		
<p>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.</p>		
Acquisition of capital assets		884,786
Depreciation expense		(10,416,485)
<p>Governmental component units report the repayment of bond principal and the payment of interest as expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances. However, principal repayments reduce liabilities and interest expense is accrued when incurred in the Statement of Net Assets. Also, governmental component units report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized for the Statement of Activities.</p>		
Principal repayments		3,475,000
Amortization of deferred charge on refunding		(245,806)
Amortization of issuance costs		(33,775)
Amortization of premium		64,738
Change in accrued interest		68,972
<p>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.</p>		
		(7,301)
<p>Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.</p>		
		63,181
Change in net assets	\$	(2,659,276)

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, 2011

ASSETS:

Cash and cash equivalents	\$	111,530
Accrued interest receivable		<u>13</u>
Total assets	\$	<u><u>111,543</u></u>

LIABILITIES:

Accounts payable	\$	<u>25,313</u>
Total liabilities		<u>25,313</u>

FUND BALANCES:

Unassigned		<u>86,230</u>
Total fund balances		<u>86,230</u>
Total liabilities and fund balances	\$	<u><u>111,543</u></u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
INDUSTRIAL DEVELOPMENT BOARD FUND

For the Year Ended June 30, 2011

REVENUES:	
Revenue from the use of money or property	\$ 152
Revenue from other governmental agencies	3,520,936
Charges for current services	4,100
Compensation for loss, sale or damage to property	<u>77,547</u>
Total revenues	<u>3,602,735</u>
EXPENDITURES:	
Contractual services	103,082
Supplies and materials	220
Other costs	<u>3,642,226</u>
Total expenditures	<u>3,745,528</u>
Net change in fund balances	(142,793)
FUND BALANCES, beginning of year	<u>229,023</u>
FUND BALANCES, end of year	<u><u>\$ 86,230</u></u>

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





THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF COMBINING BALANCE SHEETS
GENERAL FUND

June 30, 2011

	General Services District	Urban Services District	Total General Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 49,454,424	\$ 21,934,226	\$ 71,388,650
Sales tax receivable	12,043,304	-	12,043,304
Accounts receivable	44,455,844	4,155,997	48,611,841
Accrued interest receivable	6,522	2,002	8,524
Property taxes receivable	347,159,599	72,403,083	419,562,682
Allowance for doubtful accounts	(14,540,674)	(1,271,108)	(15,811,782)
Due from other funds of the primary government	6,337,341	777,970	7,115,311
Due from component units	8,425,706	-	8,425,706
Inventories of supplies	296,555	-	296,555
Other assets	191,279	-	191,279
	<u>453,829,900</u>	<u>98,002,170</u>	<u>551,832,070</u>
Total assets	<u>\$ 453,829,900</u>	<u>\$ 98,002,170</u>	<u>\$ 551,832,070</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 12,542,072	\$ 937,182	\$ 13,479,254
Accrued payroll	21,460,947	2,479,752	23,940,699
Due to other funds of the primary government	13,836,132	492,416	14,328,548
Due to component units	1,556,047	-	1,556,047
Deferred revenue	354,031,116	72,100,643	426,131,759
Other liabilities	4,909,619	-	4,909,619
	<u>408,335,933</u>	<u>76,009,993</u>	<u>484,345,926</u>
Total liabilities	<u>408,335,933</u>	<u>76,009,993</u>	<u>484,345,926</u>
FUND BALANCES:			
Nonspendable	473,335	-	473,335
Committed for subsequent year budgetary appropriations	-	13,435,500	13,435,500
Assigned for specific projects	442,575	-	442,575
Unassigned	44,578,057	8,556,677	53,134,734
	<u>45,493,967</u>	<u>21,992,177</u>	<u>67,486,144</u>
Total fund balances	<u>45,493,967</u>	<u>21,992,177</u>	<u>67,486,144</u>
Total liabilities and fund balances	<u>\$ 453,829,900</u>	<u>\$ 98,002,170</u>	<u>\$ 551,832,070</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	General Services District	Urban Services District	Total General Fund
REVENUES:			
Property taxes	\$ 356,193,968	\$ 82,218,191	\$ 438,412,159
Local option sales tax	81,191,512	-	81,191,512
Other taxes, licenses and permits	85,617,388	16,313,857	101,931,245
Fines, forfeits and penalties	13,245,652	-	13,245,652
Revenues from the use of money or property	14,367	6,515	20,882
Revenues from other governmental agencies	76,525,619	1,969,191	78,494,810
Commissions and fees	15,177,986	-	15,177,986
Charges for current services	27,683,764	1,431,705	29,115,469
Compensation for loss, sale or damage to property	502,104	-	502,104
Contributions and gifts	533,958	-	533,958
Miscellaneous	1,770,865	-	1,770,865
Total revenues	<u>658,457,183</u>	<u>101,939,459</u>	<u>760,396,642</u>
EXPENDITURES:			
General government	24,920,818	-	24,920,818
Fiscal administration	23,760,394	-	23,760,394
Administration of justice	55,407,798	-	55,407,798
Law enforcement and care of prisoners	215,945,118	-	215,945,118
Fire prevention and control	46,960,545	62,147,722	109,108,267
Regulation and inspection	7,867,410	-	7,867,410
Conservation of natural resources	340,296	-	340,296
Public welfare	6,658,098	-	6,658,098
Public health and hospitals	62,481,289	-	62,481,289
Public library system	19,769,677	-	19,769,677
Public works, highways and streets	21,744,515	7,819,441	29,563,956
Recreational and cultural	31,849,947	-	31,849,947
Employee benefits	48,527,747	20,799,471	69,327,218
Miscellaneous	69,601,391	1,465,758	71,067,149
Total expenditures	<u>635,835,043</u>	<u>92,232,392</u>	<u>728,067,435</u>
Excess of revenues over expenditures	<u>22,622,140</u>	<u>9,707,067</u>	<u>32,329,207</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	41,898,124	-	41,898,124
Transfers out	(55,659,136)	(11,980,900)	(67,640,036)
Total other financing sources (uses)	<u>(13,761,012)</u>	<u>(11,980,900)</u>	<u>(25,741,912)</u>
Net change in fund balances	8,861,128	(2,273,833)	6,587,295
FUND BALANCES, beginning of year	<u>36,632,839</u>	<u>24,266,010</u>	<u>60,898,849</u>
FUND BALANCES, end of year	<u>\$ 45,493,967</u>	<u>\$ 21,992,177</u>	<u>\$ 67,486,144</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	General Services District			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Property taxes	\$ 363,941,700	\$ 363,941,700	\$ 356,193,968	\$ (7,747,732)
Local option sales tax	83,853,400	83,853,400	81,191,512	(2,661,888)
Other taxes, licenses and permits	85,105,200	85,105,200	85,617,388	512,188
Fines, forfeits and penalties	13,718,300	13,718,300	13,245,652	(472,648)
Revenues from the use of money or property	-	-	14,367	14,367
Revenues from other governmental agencies	72,401,500	72,401,500	76,525,619	4,124,119
Commissions and fees	13,171,500	13,171,500	15,177,986	2,006,486
Charges for current services	24,828,200	24,828,200	27,683,764	2,855,564
Compensation for loss, sale or damage to property	361,100	361,100	502,104	141,004
Contributions and gifts	601,000	601,400	533,958	(67,442)
Miscellaneous	1,403,600	1,403,600	1,770,865	367,265
Total revenues	<u>659,385,500</u>	<u>659,385,900</u>	<u>658,457,183</u>	<u>(928,717)</u>
EXPENDITURES:				
General government	25,472,300	26,285,400	24,920,818	1,364,582
Fiscal administration	23,545,300	24,620,400	23,760,394	860,006
Administration of justice	54,915,400	56,556,400	55,407,798	1,148,602
Law enforcement and care of prisoners	207,800,100	216,338,560	215,945,118	393,442
Fire prevention and control	44,953,400	47,058,400	46,960,545	97,855
Regulation and inspection	8,478,100	8,688,600	7,867,410	821,190
Conservation of natural resources	384,400	393,900	340,296	53,604
Public welfare	6,644,100	6,863,400	6,658,098	205,302
Public health and hospitals	62,249,100	62,983,000	62,481,289	501,711
Public library system	19,334,400	20,206,200	19,769,677	436,523
Public works, highways and streets	20,835,300	22,014,000	21,744,515	269,485
Recreational and cultural	31,287,600	32,076,000	31,849,947	226,053
Employee benefits	45,982,500	45,982,500	48,527,747	(2,545,247)
Miscellaneous	94,934,400	74,925,540	69,601,391	5,324,149
Total expenditures	<u>646,816,400</u>	<u>644,992,300</u>	<u>635,835,043</u>	<u>9,157,257</u>
Excess (deficiency) of revenues over expenditures	<u>12,569,100</u>	<u>14,393,600</u>	<u>22,622,140</u>	<u>8,228,540</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	41,296,600	41,296,600	41,898,124	601,524
Transfers out	(53,865,700)	(56,053,500)	(55,659,136)	394,364
Total other financing sources (uses)	<u>(12,569,100)</u>	<u>(14,756,900)</u>	<u>(13,761,012)</u>	<u>995,888</u>
Net change in fund balances	-	(363,300)	8,861,128	9,224,428
FUND BALANCES, beginning of year	<u>36,632,839</u>	<u>36,632,839</u>	<u>36,632,839</u>	-
FUND BALANCES, end of year	<u>\$ 36,632,839</u>	<u>\$ 36,269,539</u>	<u>\$ 45,493,967</u>	<u>\$ 9,224,428</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

Urban Services District				Total General Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 84,770,000	\$ 84,770,000	\$ 82,218,191	\$ (2,551,809)	\$ 448,711,700	\$ 448,711,700	\$ 438,412,159	\$ (10,299,541)
-	-	-	-	83,853,400	83,853,400	81,191,512	(2,661,888)
15,762,700	15,762,700	16,313,857	551,157	100,867,900	100,867,900	101,931,245	1,063,345
-	-	-	-	13,718,300	13,718,300	13,245,652	(472,648)
-	-	6,515	6,515	-	-	20,882	20,882
4,260,400	4,260,400	1,969,191	(2,291,209)	76,661,900	76,661,900	78,494,810	1,832,910
-	-	-	-	13,171,500	13,171,500	15,177,986	2,006,486
825,900	825,900	1,431,705	605,805	25,654,100	25,654,100	29,115,469	3,461,369
100,000	100,000	-	(100,000)	461,100	461,100	502,104	41,004
-	-	-	-	601,000	601,400	533,958	(67,442)
-	-	-	-	1,403,600	1,403,600	1,770,865	367,265
<u>105,719,000</u>	<u>105,719,000</u>	<u>101,939,459</u>	<u>(3,779,541)</u>	<u>765,104,500</u>	<u>765,104,900</u>	<u>760,396,642</u>	<u>(4,708,258)</u>
-	-	-	-	25,472,300	26,285,400	24,920,818	1,364,582
-	-	-	-	23,545,300	24,620,400	23,760,394	860,006
-	-	-	-	54,915,400	56,556,400	55,407,798	1,148,602
-	-	-	-	207,800,100	216,338,560	215,945,118	393,442
59,394,700	62,161,000	62,147,722	13,278	104,348,100	109,219,400	109,108,267	111,133
-	-	-	-	8,478,100	8,688,600	7,867,410	821,190
-	-	-	-	384,400	393,900	340,296	53,604
-	-	-	-	6,644,100	6,863,400	6,658,098	205,302
-	-	-	-	62,249,100	62,983,000	62,481,289	501,711
-	-	-	-	19,334,400	20,206,200	19,769,677	436,523
7,779,300	7,893,600	7,819,441	74,159	28,614,600	29,907,600	29,563,956	343,644
-	-	-	-	31,287,600	32,076,000	31,849,947	226,053
20,967,100	20,967,100	20,799,471	167,629	66,949,600	66,949,600	69,327,218	(2,377,618)
5,583,300	3,195,100	1,465,758	1,729,342	100,517,700	78,120,640	71,067,149	7,053,491
<u>93,724,400</u>	<u>94,216,800</u>	<u>92,232,392</u>	<u>1,984,408</u>	<u>740,540,800</u>	<u>739,209,100</u>	<u>728,067,435</u>	<u>11,141,665</u>
<u>11,994,600</u>	<u>11,502,200</u>	<u>9,707,067</u>	<u>(1,795,133)</u>	<u>24,563,700</u>	<u>25,895,800</u>	<u>32,329,207</u>	<u>6,433,407</u>
-	-	-	-	41,296,600	41,296,600	41,898,124	601,524
(11,994,600)	(11,994,600)	(11,980,900)	13,700	(65,860,300)	(68,048,100)	(67,640,036)	408,064
<u>(11,994,600)</u>	<u>(11,994,600)</u>	<u>(11,980,900)</u>	<u>13,700</u>	<u>(24,563,700)</u>	<u>(26,751,500)</u>	<u>(25,741,912)</u>	<u>1,009,588</u>
-	(492,400)	(2,273,833)	(1,781,433)	-	(855,700)	6,587,295	7,442,995
<u>24,266,010</u>	<u>24,266,010</u>	<u>24,266,010</u>	<u>-</u>	<u>60,898,849</u>	<u>60,898,849</u>	<u>60,898,849</u>	<u>-</u>
<u>\$ 24,266,010</u>	<u>\$ 23,773,610</u>	<u>\$ 21,992,177</u>	<u>\$ (1,781,433)</u>	<u>\$ 60,898,849</u>	<u>\$ 60,043,149</u>	<u>\$ 67,486,144</u>	<u>\$ 7,442,995</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>GENERAL GOVERNMENT:</u>				
Legislative (Office of Clerk and Council)	\$ 2,765,300	\$ 2,800,800	\$ 2,755,548	\$ 45,252
Executive (Office of the Mayor)	2,986,000	3,078,200	2,918,638	159,562
Election Commission	3,550,400	3,610,600	3,330,859	279,741
Department of Law	5,154,500	5,371,000	5,330,272	40,728
Planning Commission	3,841,200	3,953,700	3,797,755	155,945
Human Resources	4,260,100	4,430,100	3,898,709	531,391
County Register of Deeds	324,500	324,500	302,061	22,439
General Services	1,238,900	1,293,800	1,225,403	68,397
Historical Commission	593,000	626,100	599,418	26,682
Telecommunications	758,400	796,600	762,155	34,445
Total General Government	25,472,300	26,285,400	24,920,818	1,364,582
<u>FISCAL ADMINISTRATION:</u>				
Department of Finance	8,703,500	9,009,300	8,761,233	248,067
Assessor of Property	7,096,900	7,412,000	7,147,492	264,508
Metropolitan Trustee	2,201,200	2,278,300	2,263,187	15,113
County Clerk	4,320,800	4,561,000	4,483,628	77,372
Internal Audit	1,222,900	1,359,800	1,104,854	254,946
Total Fiscal Administration	23,545,300	24,620,400	23,760,394	860,006
<u>ADMINISTRATION OF JUSTICE:</u>				
District Attorney	4,774,200	4,952,100	4,923,210	28,890
Public Defender	5,524,600	5,772,000	5,716,142	55,858
Juvenile Court Clerk	1,487,700	1,516,500	1,487,363	29,137
Circuit Court Clerk	3,986,500	4,063,900	3,785,559	278,341
Criminal Court Clerk	5,226,500	5,449,600	5,383,351	66,249
Clerk and Master	1,603,600	1,651,000	1,600,948	50,052
Juvenile Court	11,845,400	11,716,400	11,235,661	480,739
General Sessions Court	10,163,400	10,681,300	10,657,323	23,977
State Trial Courts	7,827,600	8,180,700	8,117,411	63,289
Justice Information System	2,072,900	2,157,600	2,098,137	59,463
Criminal Justice Planning	403,000	415,300	402,693	12,607
Total Administration of Justice	54,915,400	56,556,400	55,407,798	1,148,602
<u>LAW ENFORCEMENT AND CARE OF PRISONERS:</u>				
Sheriff	56,071,100	58,597,400	58,469,937	127,463
Police Department	140,094,300	145,485,460	145,479,505	5,955
Emergency Communication Center	11,634,700	12,255,700	11,995,676	260,024
Total Law Enforcement and Care of Prisoners	207,800,100	216,338,560	215,945,118	393,442
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	44,953,400	47,058,400	46,960,545	97,855
<u>REGULATION AND INSPECTION:</u>				
Department of Codes Administration	7,635,800	7,825,600	7,044,168	781,432
Taxicab and Wrecker Licensing Board	512,700	519,300	486,035	33,265
Beer Board	329,600	343,700	337,207	6,493
Total Regulation and Inspection	8,478,100	8,688,600	7,867,410	821,190

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>CONSERVATION OF NATURAL RESOURCES:</u>				
Agricultural Extension Service	\$ 308,700	\$ 313,400	\$ 260,184	\$ 53,216
Soil and Water Conservation	75,700	80,500	80,112	388
Total Conservation of Natural Resources	384,400	393,900	340,296	53,604
<u>PUBLIC WELFARE:</u>				
Social Services Commission	6,222,800	6,438,300	6,236,578	201,722
Human Relations Commission	421,300	425,100	421,520	3,580
Total Public Welfare	6,644,100	6,863,400	6,658,098	205,302
<u>PUBLIC HEALTH AND HOSPITALS:</u>				
Board of Health	19,058,400	19,792,300	19,290,589	501,711
Hospital Authority	43,190,700	43,190,700	43,190,700	-
Total Public Health and Hospitals	62,249,100	62,983,000	62,481,289	501,711
<u>PUBLIC LIBRARY SYSTEM:</u>				
Public Library	19,334,400	20,206,200	19,769,677	436,523
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	20,835,300	22,014,000	21,744,515	269,485
<u>RECREATIONAL AND CULTURAL:</u>				
Parks and Recreation	28,364,500	29,112,600	28,888,637	223,963
Arts Commission	2,440,900	2,468,400	2,466,310	2,090
Sports Authority	482,200	495,000	495,000	-
Total Recreational and Cultural	31,287,600	32,076,000	31,849,947	226,053
<u>EMPLOYEE BENEFITS:</u>				
Contribution to Closed Pension Plans	10,402,300	10,402,300	10,402,300	-
Employer's Contribution for Group Health Insurance	33,032,300	33,032,300	35,835,142	(2,802,842)
Unemployment Compensation	861,200	861,200	487,555	373,645
Employer's Contribution for Group Life Insurance	1,686,700	1,686,700	1,802,750	(116,050)
Total Employee Benefits	45,982,500	45,982,500	48,527,747	(2,545,247)

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>MISCELLANEOUS:</u>				
Contributions and Community Support	\$ 16,361,900	\$ 16,361,900	\$ 16,278,623	\$ 83,277
Subsidies	30,147,800	30,147,800	30,228,969	(81,169)
Administration and Internal Support	48,424,700	28,415,840	23,093,799	5,322,041
Total Miscellaneous	94,934,400	74,925,540	69,601,391	5,324,149
Total Expenditures	<u>\$ 646,816,400</u>	<u>\$ 644,992,300</u>	<u>\$ 635,835,043</u>	<u>\$ 9,157,257</u>
<u>TRANSFERS IN:</u>				
USD General Fund	\$ 481,000	\$ 481,000	\$ 481,000	\$ -
General Purpose School Fund	192,000	192,000	192,000	-
GSD General Purpose Debt Service Fund	22,652,000	22,652,000	22,652,000	-
GSD Capital Projects Fund	30,000	30,000	30,000	-
Nonmajor Governmental Funds	8,864,100	8,864,100	9,520,578	656,478
District Energy System	8,300	8,300	24,900	16,600
Water and Sewerage Services	5,771,400	5,771,400	5,172,585	(598,815)
Nonmajor Enterprise Funds	1,360,000	1,360,000	1,887,261	527,261
Internal Service Funds	1,937,800	1,937,800	1,937,800	-
Total Transfers In	41,296,600	41,296,600	41,898,124	601,524
<u>TRANSFERS OUT:</u>				
GSD General Purpose Debt Service Fund	(3,200,000)	(3,521,300)	(3,521,300)	-
Nonmajor Governmental Funds	(36,190,400)	(37,710,900)	(37,273,421)	437,479
District Energy System	(2,444,100)	(2,444,100)	(2,444,100)	-
Nonmajor Enterprise Funds	(973,700)	(1,032,800)	(1,032,800)	-
Internal Service Funds	(11,057,500)	(11,307,500)	(11,337,512)	(30,012)
Fiduciary Funds	-	(36,900)	(50,003)	(13,103)
Total Transfers Out	(53,865,700)	(56,053,500)	(55,659,136)	394,364
Total Other Financing Sources (Uses)	<u>\$ (12,569,100)</u>	<u>\$ (14,756,900)</u>	<u>\$ (13,761,012)</u>	<u>\$ 995,888</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>FIRE PREVENTION AND CONTROL:</u>				
Fire Department	\$ 59,394,700	\$ 62,161,000	\$ 62,147,722	\$ 13,278
<u>PUBLIC WORKS, HIGHWAYS AND STREETS:</u>				
Public Works	7,779,300	7,893,600	7,819,441	74,159
<u>EMPLOYEE BENEFITS:</u>				
Contribution to Closed Pension Plans	18,890,100	18,890,100	18,890,100	-
Employer's Contribution for Group Health Insurance	1,994,900	1,994,900	1,833,231	161,669
Employer's Contribution for Group Life Insurance	82,100	82,100	76,140	5,960
Total Employee Benefits	20,967,100	20,967,100	20,799,471	167,629
<u>MISCELLANEOUS:</u>				
Administration and Internal Support	5,583,300	3,195,100	1,465,758	1,729,342
Total Miscellaneous	5,583,300	3,195,100	1,465,758	1,729,342
Total Expenditures	\$ 93,724,400	\$ 94,216,800	\$ 92,232,392	\$ 1,984,408
<u>TRANSFERS OUT:</u>				
GSD General Fund	\$ (481,000)	\$ (481,000)	\$ (481,000)	\$ -
General Purpose School Fund	(779,500)	(779,500)	(779,500)	-
Nonmajor Governmental Funds	(9,344,700)	(9,344,700)	(9,331,000)	13,700
Internal Service Funds	(1,389,400)	(1,389,400)	(1,389,400)	-
Total Transfers Out	(11,994,600)	(11,994,600)	(11,980,900)	13,700
Total Other Financing Sources (Uses)	\$ (11,994,600)	\$ (11,994,600)	\$ (11,980,900)	\$ 13,700

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY FUND

June 30, 2011

	Total Delinquent Property Taxes Receivable	General Services District				
		Total	General Fund	School Fund	Debt Service Fund	School Debt Service Fund
2010 Realty	\$ 6,085,114	\$ 5,333,473	\$ 2,685,735	\$ 1,780,389	\$ 639,091	\$ 228,258
2010 Personalty	1,799,548	1,577,477	794,592	526,423	188,973	67,489
2010 Public Utility	136,341	122,780	62,045	40,839	14,660	5,236
Total 2010 Property Taxes	8,021,003	7,033,730	3,542,372	2,347,651	842,724	300,983
2009 Realty	1,031,681	902,482	439,680	311,197	111,709	39,896
2009 Personalty	875,273	772,693	389,545	257,634	92,770	32,744
2009 Public Utility	180,986	155,362	78,055	51,983	18,660	6,664
Total 2009 Property Taxes	2,087,940	1,830,537	907,280	620,814	223,139	79,304
2008 & Prior - Realty	1,882,770	1,606,303	684,139	591,566	247,478	83,120
2008 & Prior - Personalty	5,366,510	4,688,098	2,357,196	1,535,436	578,723	216,743
2008 & Prior - Public Utility	1,548,300	1,298,885	644,630	435,275	154,124	64,856
Total 2008 & Prior Property Taxes	8,797,580	7,593,286	3,685,965	2,562,277	980,325	364,719
Total Delinquent Property Taxes Receivable *	\$ 18,906,523	\$ 16,457,553	\$ 8,135,617	\$ 5,530,742	\$ 2,046,188	\$ 745,006

* Excludes 2011 Property Tax Levy

See accompanying accountants' report.

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

June 30, 2011

Urban Services District		
Total	General Fund	Debt Service Fund
\$ 751,641	\$ 620,303	\$ 131,338
222,071	183,903	38,168
13,561	11,230	2,331
987,273	815,436	171,837
129,199	106,849	22,350
102,580	84,949	17,631
25,624	21,221	4,403
257,403	213,019	44,384
276,467	244,886	31,581
678,412	589,545	88,867
249,415	218,889	30,526
1,204,294	1,053,320	150,974
\$ 2,448,970	\$ 2,081,775	\$ 367,195

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE - BY TYPE

June 30, 2011

	Year of Levy	Realty	Personalty	Public Utility	Total
General Services District	2010	\$ 5,333,473	\$ 1,577,477	\$ 122,780	\$ 7,033,730
	2009	902,482	772,693	155,362	1,830,537
	2008	320,306	889,949	42,871	1,253,126
	2007	375,347	1,078,519	325,584	1,779,450
	2006	172,713	639,931	53,418	866,062
	2005	132,506	457,380	68,859	658,745
	2004	140,959	329,614	89,811	560,384
	2003	92,230	333,171	254,500	679,901
	2002	157,280	286,168	295,145	738,593
	2001	191,584	304,689	134,432	630,705
	2000	23,378	368,677	34,265	426,320
Total General Services District		<u>7,842,258</u>	<u>7,038,268</u>	<u>1,577,027</u>	<u>16,457,553</u>
Urban Services District	2010	751,641	222,071	13,561	987,273
	2009	129,199	102,580	25,624	257,403
	2008	63,434	126,630	8,221	198,285
	2007	50,915	156,861	58,088	265,864
	2006	51,478	96,996	8,726	157,200
	2005	33,845	68,909	9,174	111,928
	2004	32,825	59,591	19,878	112,294
	2003	(2,078)	50,276	50,801	98,999
	2002	19,172	51,863	57,935	128,970
	2001	26,140	47,951	27,236	101,327
	2000	736	19,335	9,356	29,427
Total Urban Services District		<u>1,157,307</u>	<u>1,003,063</u>	<u>288,600</u>	<u>2,448,970</u>
Total Delinquent Property Taxes Receivable *		<u>\$ 8,999,565</u>	<u>\$ 8,041,331</u>	<u>\$ 1,865,627</u>	<u>\$ 18,906,523</u>

* Excludes 2011 Property Tax Levy

See accompanying accountants' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE
GENERAL SERVICES DISTRICT

June 30, 2011

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

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE (CONTINUED)
GENERAL SERVICES DISTRICT

June 30, 2011

<u>Date of Final Maturity</u>	<u>Amount of Issue</u>	<u>Principal Amount Outstanding June 30, 2011</u>	<u>Interest to Maturity as of June 30, 2011</u>
Oct. 15, 2016	\$ 43,633,148	\$ 14,958,351	\$ 2,268,335
June 1, 2024	33,825,000	1,680,000	265,937
Nov. 15, 2016	48,367,055	25,318,749	5,114,723
Jan. 1, 2025	49,817,419	28,565,324	12,176,014
Jan. 1, 2020	107,433,445	63,965,956	16,237,706
Feb. 1, 2026	150,292,131	62,820,706	31,931,130
Feb. 1, 2026	113,783,394	90,082,602	42,426,202
May 15, 2030	125,908,003	124,099,524	66,933,455
Jan. 1, 2028	174,880,074	172,750,852	106,955,206
July 1, 2026	159,008,728	159,008,728	71,261,436
July 1, 2034	197,442,392	197,442,392	224,577,030
July 1, 2015	25,653,536	25,653,536	2,658,082
July 1, 2024	144,150,016	144,150,016	51,497,341
	<u>1,374,194,341</u>	<u>1,110,496,736</u>	<u>634,302,597</u>
Oct. 15, 2016	30,111,852	10,391,649	2,005,434
June 1, 2024	26,170,000	1,320,000	205,355
Nov. 15, 2016	2,972,945	1,556,251	314,383
Jan. 1, 2025	79,503,345	45,369,782	19,431,624
Jan. 1, 2020	77,018,422	46,549,007	11,405,099
Feb. 1, 2026	43,740,078	18,282,944	9,293,036
Feb. 1, 2026	69,160,188	54,754,295	25,787,629
May 15, 2030	58,421,307	57,630,890	29,044,038
Jan. 1, 2028	95,095,340	93,937,523	58,159,522
July 1, 2026	114,567,598	114,567,598	50,195,766
July 1, 2034	38,039,016	38,039,016	43,266,743
July 1, 2015	20,052,863	20,052,863	2,077,770
July 1, 2024	120,126,326	120,126,326	42,914,920
	<u>774,979,280</u>	<u>622,578,144</u>	<u>294,101,319</u>
	<u>2,149,173,621</u>	<u>1,733,074,880</u>	<u>928,403,916</u>
Sep. 1, 2011	<u>16,265,000</u>	<u>1,985,000</u>	<u>49,625</u>
	<u>16,265,000</u>	<u>1,985,000</u>	<u>49,625</u>
	<u>\$ 2,165,438,621</u>	<u>\$ 1,735,059,880</u>	<u>\$ 928,453,541</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE (CONTINUED)
URBAN SERVICES DISTRICT

June 30, 2011

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>
<u>GENERAL OBLIGATION BONDS PAYABLE</u>		
USD G.O. (Tax Exempt) Thermal Refunding Bonds, 2002	4.25 - 5.25	April 1, 2002
USD G.O. (Taxable) Thermal Refunding Bonds, 2002	5.90 - 6.00	April 1, 2002
USD G.O. Multi-purpose Bonds, Series 2004	5.00 - 5.25	July 15, 2004
USD G.O. Multi-purpose Bonds, Series 2005A	4.25 - 5.25	May 1, 2005
USD G.O. Multi-purpose Refunding Bonds, Series 2005B	4.125 - 5.00	May 1, 2005
USD G.O. Multi-purpose Bonds, Series 2005C	3.625 - 5.00	Nov. 1, 2005
USD G.O. Bonds, Series 2006B	4.00 - 5.00	June 15, 2006
USD G.O. Refunding Bonds, Series 2007A	4.00 - 5.00	April 15, 2007
USD G.O. Bonds, Series 2008A	4.00 - 5.00	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
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)	2.75 - 5.00	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
Total General Obligation Bonds Payable (business-type activities)		
Total General Obligation Bonds Payable - Urban Services District		
<u>REVENUE BONDS PAYABLE</u>		
Dept. of Water and Sewerage Revenue Refunding Bonds of 1986	7.30 - 7.70	Oct. 1, 1986
Dept. of Water and Sewerage Revenue Bonds, Series 1993	5.20 - 6.50	Aug. 1, 1993
Dept. of Water and Sewerage Revenue Bonds, Series of 1998B	4.55 - 5.25	Feb. 15, 1998
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 2008B	3.45 - 4.84	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
Total Revenue Bonds Payable - Department of Water and Sewerage		
District Energy System Revenue Bonds, Series 2002A	3.25 - 5.25	Oct. 1, 2002
Total Revenue Bonds Payable - Urban Services District		
Total Bonds Payable - Urban Services District		

(1) 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 accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF BONDS PAYABLE (CONTINUED)
URBAN SERVICES DISTRICT

June 30, 2011

<u>Date of Final Maturity</u>	<u>Amount of Issue</u>	<u>Principal Amount Outstanding June 30, 2011</u>	<u>Interest to Maturity as of June 30, 2011</u>
July 1, 2014	\$ 31,065,000	\$ 7,770,000	\$ 987,393
July 1, 2012	27,000,000	1,235,000	62,950
June 1, 2024	5,760,000	280,000	45,309
Jan. 1, 2025	13,979,236	7,977,461	3,416,704
Jan. 1, 2020	6,008,527	3,600,037	900,466
Feb. 1, 2026	19,967,790	8,346,350	4,242,364
Feb. 1, 2026	20,371,418	16,128,103	7,595,852
May 15, 2030	2,560,691	2,524,586	1,333,311
Jan. 1, 2028	38,024,587	37,561,625	23,255,522
July 1, 2026	22,899,473	22,899,473	8,949,449
July 1, 2034	16,523,592	16,523,592	18,794,441
July 1, 2015	5,488,045	5,488,045	568,642
July 1, 2024	25,925,413	25,925,413	9,261,808
	<u>235,573,772</u>	<u>156,259,685</u>	<u>79,414,211</u>
Jan. 1, 2025	7,695,000	4,472,433	1,972,598
July 1, 2026	274,201	274,201	73,614
July 1, 2015	290,556	290,556	38,289
July 1, 2024	1,158,245	1,158,245	413,781
	<u>9,418,002</u>	<u>6,195,435</u>	<u>2,498,282</u>
	<u>244,991,774</u>	<u>162,455,120</u>	<u>81,912,493</u>
Jan. 1, 2016	339,866,665	26,370,000	2,030,490
Jan. 1, 2013	157,475,000	21,215,000	1,903,200
Jan. 1, 2014	55,000,000	17,685,000	2,332,838
Jan. 1, 2016	36,240,000	35,580,000	5,437,450
Jan. 1, 2022	122,530,000	117,405,000	41,857,175
Jan. 1, 2016	27,950,000	27,650,000	5,493,948
July 1, 2027	104,050,000	104,050,000	49,227,798
July 1, 2037	135,000,000	135,000,000	125,167,038
July 1, 2041	75,000,000	75,000,000	79,805,860
July 1, 2018	7,610,000	7,610,000	2,200,371
	<u>1,060,721,665</u>	<u>567,565,000</u>	<u>315,456,168</u>
Oct. 1, 2033	66,700,000	59,060,000	40,144,184
	<u>1,127,421,665</u>	<u>626,625,000</u>	<u>355,600,352</u>
	<u>\$ 1,372,413,439</u>	<u>\$ 789,080,120</u>	<u>\$ 437,512,845</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS OF BONDS PAYABLE
GENERAL SERVICES DISTRICT

Based on Bonded Debt as of June 30, 2011

Year Ending June 30	Total Bonded Debt			General Obligation Bonds		
	Principal	Interest	Total	Total General Obligation Bonds		
				Principal	Interest	Total
2012	\$ 8,320,846	\$ 84,658,280	\$ 92,979,126	\$ 6,335,846	\$ 84,608,655	\$ 90,944,501
2013	40,174,120	83,819,739	123,993,859	40,174,120	83,819,739	123,993,859
2014	81,717,702	81,725,458	163,443,160	81,717,702	81,725,458	163,443,160
2015	95,390,688	77,763,439	173,154,127	95,390,688	77,763,439	173,154,127
2016	101,035,345	73,676,767	174,712,112	101,035,345	73,676,767	174,712,112
2017	107,326,838	68,069,925	175,396,763	107,326,838	68,069,925	175,396,763
2018	110,228,149	63,317,182	173,545,331	110,228,149	63,317,182	173,545,331
2019	115,732,954	58,134,987	173,867,941	115,732,954	58,134,987	173,867,941
2020	103,958,469	52,900,350	156,858,819	103,958,469	52,900,350	156,858,819
2021	100,385,095	47,892,405	148,277,500	100,385,095	47,892,405	148,277,500
2022	106,180,449	42,856,267	149,036,716	106,180,449	42,856,267	149,036,716
2023	110,883,872	37,920,573	148,804,445	110,883,872	37,920,573	148,804,445
2024	115,091,993	32,489,372	147,581,365	115,091,993	32,489,372	147,581,365
2025	107,737,830	27,146,816	134,884,646	107,737,830	27,146,816	134,884,646
2026	85,924,656	22,009,553	107,934,209	85,924,656	22,009,553	107,934,209
2027	74,112,168	17,812,328	91,924,496	74,112,168	17,812,328	91,924,496
2028	62,783,354	14,363,866	77,147,220	62,783,354	14,363,866	77,147,220
2029	30,118,056	11,026,633	41,144,689	30,118,056	11,026,633	41,144,689
2030	31,292,834	9,339,751	40,632,585	31,292,834	9,339,751	40,632,585
2031	27,159,251	7,587,376	34,746,627	27,159,251	7,587,376	34,746,627
2032	28,191,798	6,007,933	34,199,731	28,191,798	6,007,933	34,199,731
2033	29,266,394	4,368,363	33,634,757	29,266,394	4,368,363	33,634,757
2034	30,378,368	2,666,400	33,044,768	30,378,368	2,666,400	33,044,768
2035	31,668,651	899,778	32,568,429	31,668,651	899,778	32,568,429
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
	<u>\$ 1,735,059,880</u>	<u>\$ 928,453,541</u>	<u>\$ 2,663,513,421</u>	<u>\$ 1,733,074,880</u>	<u>\$ 928,403,916</u>	<u>\$ 2,661,478,796</u>

See accompanying accountants' report.

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

Based on Bonded Debt as of June 30, 2011

General Obligation Bonds					
For General Purposes			For School Purposes		
Principal	Interest	Total	Principal	Interest	Total
\$ 4,105,394	\$ 55,119,598	\$ 59,224,992	\$ 2,230,452	\$ 29,489,057	\$ 31,719,509
24,588,045	54,598,681	79,186,726	15,586,075	29,221,058	44,807,133
50,389,402	53,307,440	103,696,842	31,328,300	28,418,018	59,746,318
58,230,082	50,852,810	109,082,892	37,160,606	26,910,629	64,071,235
61,956,113	48,318,842	110,274,955	39,079,232	25,357,925	64,437,157
63,325,319	44,918,016	108,243,335	44,001,519	23,151,909	67,153,428
64,235,424	42,158,348	106,393,772	45,992,725	21,158,834	67,151,559
67,021,770	38,931,993	105,953,763	48,711,184	19,202,994	67,914,178
62,137,318	35,732,174	97,869,492	41,821,151	17,168,176	58,989,327
59,720,170	32,730,221	92,450,391	40,664,925	15,162,184	55,827,109
63,129,211	29,734,313	92,863,524	43,051,238	13,121,954	56,173,192
68,268,313	26,780,431	95,048,744	42,615,559	11,140,142	53,755,701
70,947,918	23,431,417	94,379,335	44,144,075	9,057,955	53,202,030
67,340,854	20,110,161	87,451,015	40,396,976	7,036,655	47,433,631
56,232,893	16,866,217	73,099,110	29,691,763	5,143,336	34,835,099
49,867,474	14,039,407	63,906,881	24,244,694	3,772,921	28,017,615
45,502,103	11,611,164	57,113,267	17,281,251	2,752,702	20,033,953
24,770,272	9,201,028	33,971,300	5,347,784	1,825,605	7,173,389
25,733,960	7,808,357	33,542,317	5,558,874	1,531,394	7,090,268
22,772,021	6,361,732	29,133,753	4,387,230	1,225,644	5,612,874
23,637,773	5,037,428	28,675,201	4,554,025	970,505	5,524,530
24,538,782	3,662,710	28,201,492	4,727,612	705,653	5,433,265
25,471,130	2,235,677	27,706,807	4,907,238	430,723	5,337,961
26,574,995	754,432	27,329,427	5,093,656	145,346	5,239,002
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,110,496,736</u>	<u>\$ 634,302,597</u>	<u>\$ 1,744,799,333</u>	<u>\$ 622,578,144</u>	<u>\$ 294,101,319</u>	<u>\$ 916,679,463</u>

See accompanying accountants' report.

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

Based on Bonded Debt as of June 30, 2011

Year Ending June 30	Correctional Facility Revenue Bonds		
	Principal	Interest	Total
2012	\$ 1,985,000	\$ 49,625	\$ 2,034,625
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
	<u>\$ 1,985,000</u>	<u>\$ 49,625</u>	<u>\$ 2,034,625</u>

See accompanying accountants' report.



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

Based on Bonded Debt as of June 30, 2011

Year Ending June 30	Total Bonded Debt			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 40,129,154	\$ 37,738,930	\$ 77,868,084	\$ 1,049,154	\$ 7,823,217	\$ 8,872,371
2013	47,255,880	34,372,734	81,628,614	5,510,880	7,693,963	13,204,843
2014	36,327,298	32,057,259	68,384,557	8,802,298	7,424,749	16,227,047
2015	65,579,312	29,907,231	95,486,543	10,604,312	6,987,637	17,591,949
2016	35,089,655	27,211,013	62,300,668	7,644,655	6,606,426	14,251,081
2017	29,548,189	25,535,902	55,084,091	9,253,189	6,174,992	15,428,181
2018	33,066,876	24,165,278	57,232,154	11,526,876	5,749,008	17,275,884
2019	34,282,068	22,587,170	56,869,238	11,732,068	5,206,089	16,938,157
2020	33,511,536	20,956,349	54,467,885	9,871,536	4,711,463	14,582,999
2021	34,229,826	19,331,281	53,561,107	9,374,826	4,241,770	13,616,596
2022	35,904,551	17,601,777	53,506,328	9,924,551	3,770,910	13,695,461
2023	21,326,128	15,786,814	37,112,942	10,631,128	3,312,853	13,943,981
2024	21,843,007	14,727,965	36,570,972	11,028,007	2,789,104	13,817,111
2025	22,007,170	13,672,260	35,679,430	10,242,170	2,277,399	12,519,569
2026	20,485,344	12,613,983	33,099,327	8,165,344	1,795,847	9,961,191
2027	20,932,832	11,576,034	32,508,866	7,162,832	1,392,767	8,555,599
2028	19,631,646	10,610,715	30,242,361	6,041,646	1,064,285	7,105,931
2029	15,996,945	9,687,091	25,684,036	1,836,945	748,305	2,585,250
2030	16,682,165	8,951,785	25,633,950	1,907,165	642,376	2,549,541
2031	17,325,749	8,184,840	25,510,589	1,905,749	532,402	2,438,151
2032	18,068,202	7,381,234	25,449,436	1,978,202	421,573	2,399,775
2033	18,858,606	6,535,783	25,394,389	2,053,606	306,526	2,360,132
2034	19,681,632	5,653,381	25,335,013	2,131,632	187,100	2,318,732
2035	16,046,349	4,830,005	20,876,354	2,076,349	51,732	2,128,081
2036	14,565,000	4,169,165	18,734,165	-	-	-
2037	15,190,000	3,534,015	18,724,015	-	-	-
2038	15,840,000	2,887,305	18,727,305	-	-	-
2039	16,485,000	2,261,422	18,746,422	-	-	-
2040	17,095,000	1,643,357	18,738,357	-	-	-
2041	17,720,000	1,002,561	18,722,561	-	-	-
2042	18,375,000	338,206	18,713,206	-	-	-
	<u>\$ 789,080,120</u>	<u>\$ 437,512,845</u>	<u>\$ 1,226,592,965</u>	<u>\$ 162,455,120</u>	<u>\$ 81,912,493</u>	<u>\$ 244,367,613</u>

See accompanying accountants' report.

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

Based on Bonded Debt as of June 30, 2011

Revenue Bonds					
Department of Water and Sewerage Services			District Energy System Bonds, Series 2002A		
Principal	Interest	Total	Principal	Interest	Total
\$ 37,830,000	\$ 26,998,169	\$ 64,828,169	\$ 1,250,000	\$ 2,917,544	\$ 4,167,544
40,195,000	23,827,027	64,022,027	1,550,000	2,851,744	4,401,744
25,980,000	21,855,332	47,835,332	1,545,000	2,777,178	4,322,178
53,350,000	20,224,664	73,574,664	1,625,000	2,694,930	4,319,930
25,735,000	17,997,199	43,732,199	1,710,000	2,607,388	4,317,388
18,495,000	16,843,785	35,338,785	1,800,000	2,517,125	4,317,125
19,650,000	15,994,132	35,644,132	1,890,000	2,422,138	4,312,138
20,560,000	15,059,876	35,619,876	1,990,000	2,321,205	4,311,205
21,550,000	14,029,861	35,579,861	2,090,000	2,215,025	4,305,025
22,655,000	12,987,098	35,642,098	2,200,000	2,102,413	4,302,413
23,665,000	11,846,748	35,511,748	2,315,000	1,984,119	4,299,119
8,255,000	10,614,111	18,869,111	2,440,000	1,859,850	4,299,850
8,665,000	10,191,111	18,856,111	2,150,000	1,747,750	3,897,750
9,100,000	9,762,111	18,862,111	2,665,000	1,632,750	4,297,750
9,525,000	9,321,886	18,846,886	2,795,000	1,496,250	4,291,250
9,980,000	8,844,536	18,824,536	3,790,000	1,338,731	5,128,731
10,480,000	8,367,261	18,847,261	3,110,000	1,179,169	4,289,169
10,905,000	7,912,911	18,817,911	3,255,000	1,025,875	4,280,875
11,355,000	7,450,409	18,805,409	3,420,000	859,000	4,279,000
11,830,000	6,968,688	18,798,688	3,590,000	683,750	4,273,750
12,320,000	6,459,911	18,779,911	3,770,000	499,750	4,269,750
12,850,000	5,922,632	18,772,632	3,955,000	306,625	4,261,625
13,395,000	5,362,406	18,757,406	4,155,000	103,875	4,258,875
13,970,000	4,778,273	18,748,273	-	-	-
14,565,000	4,169,165	18,734,165	-	-	-
15,190,000	3,534,015	18,724,015	-	-	-
15,840,000	2,887,305	18,727,305	-	-	-
16,485,000	2,261,422	18,746,422	-	-	-
17,095,000	1,643,357	18,738,357	-	-	-
17,720,000	1,002,561	18,722,561	-	-	-
18,375,000	338,206	18,713,206	-	-	-
<u>\$ 567,565,000</u>	<u>\$ 315,456,168</u>	<u>\$ 883,021,168</u>	<u>\$ 59,060,000</u>	<u>\$ 40,144,184</u>	<u>\$ 99,204,184</u>

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

GENERAL SERVICES DISTRICT

For the Year July 1, 2011 Through June 30, 2012
(Unaudited)

<u>SOURCE OF REVENUE:</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>School Debt Service Fund</u>	<u>School Funds</u>	<u>Total</u>
Property Taxes - Current Year	\$ 323,451,200	\$ 77,361,800	\$ 27,420,900	\$ 214,456,300	\$ 642,690,200
Property Taxes - Non Current Year	37,247,600	2,679,800	953,700	10,147,000	51,028,100
Local Option Sales Tax	87,428,700	1,910,600	-	174,857,300	264,196,600
Other Taxes, Licenses and Permits	100,508,900	-	-	4,802,300	105,311,200
Fines, Forfeits, and Penalties	12,519,500	452,000	-	6,200	12,977,700
Other Agencies - Federal Direct	1,258,000	-	-	100,000	1,358,000
Other Agencies - Federal Through State	766,500	-	-	100,000	866,500
Other Agencies - Other Pass-Through	6,170,900	-	-	-	6,170,900
Other Agencies - State Direct	62,474,100	2,802,600	-	230,866,700	296,143,400
Other Agencies - Other Governments	5,437,500	-	-	5,000	5,442,500
Commissions and Fees	13,515,400	-	-	-	13,515,400
Charges for Current Services	26,264,700	-	-	760,000	27,024,700
Compensation from Property	355,900	-	-	428,000	783,900
Contributions and Gifts	413,300	-	-	300,000	713,300
Miscellaneous	1,527,000	-	-	45,000	1,572,000
Subtotal	<u>679,339,200</u>	<u>85,206,800</u>	<u>28,374,600</u>	<u>636,873,800</u>	<u>1,429,794,400</u>
Operating Transfers In	30,817,600	10,405,600	3,096,100	37,161,000	81,480,300
Non-Operating Transfers In	<u>8,946,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,946,500</u>
Subtotal	<u>39,764,100</u>	<u>10,405,600</u>	<u>3,096,100</u>	<u>37,161,000</u>	<u>90,426,800</u>
Appropriated Unreserved Fund Balances	<u>-</u>	<u>-</u>	<u>11,161,900</u>	<u>-</u>	<u>11,161,900</u>
Total Available for GSD Appropriations	<u>\$ 719,103,300</u>	<u>\$ 95,612,400</u>	<u>\$ 42,632,600</u>	<u>\$ 674,034,800</u>	<u>\$ 1,531,383,100</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2011-913 for the 2011-2012 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

URBAN SERVICES DISTRICT

For the Year July 1, 2011 Through June 30, 2012
(Unaudited)

<u>SOURCE OF REVENUE:</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Property Taxes - Current Year	\$ 68,162,700	\$ 13,411,200	\$ 81,573,900
Property Taxes - Non Current Year	17,989,600	436,100	18,425,700
Other Taxes, Licenses, and Permits	3,703,500	-	3,703,500
Other Agencies - State Direct	4,310,400	-	4,310,400
Charges for Current Services	859,700	-	859,700
Compensation from Property	100,000	-	100,000
Operating Transfers In	-	1,031,700	1,031,700
Subtotal	<u>95,125,900</u>	<u>14,879,000</u>	<u>110,004,900</u>
Appropriated Unreserved Fund Balances	<u>13,435,500</u>	<u>-</u>	<u>13,435,500</u>
Total Available for USD Appropriations	<u>\$ 108,561,400</u>	<u>\$ 14,879,000</u>	<u>\$ 123,440,400</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2011-913 for the 2011-2012 fiscal year.

See accompanying accountants' report.

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

For the Year July 1, 2011 Through June 30, 2012
(Unaudited)

<u>GENERAL FUND</u>	General Services District	Urban Services District	Duplicated By Interdistrict Interfund Transfers	Appropriation By Function And/Or Fund
General Government	\$ 150,697,000	\$ 24,535,400	\$ -	\$ 175,232,400
Fiscal Administration	22,808,900	-	-	22,808,900
Administration of Justice	54,888,300	-	-	54,888,300
Law Enforcement and Care of Prisoners	205,571,200	481,000	481,000	205,571,200
Fire Prevention and Control	46,080,200	61,024,400	-	107,104,600
Regulation, Inspection, & Economic Development	30,315,400	1,581,600	-	31,897,000
Conservation of Natural Resources	519,100	-	-	519,100
Public Welfare	8,087,500	-	-	8,087,500
Public Health	77,768,400	-	-	77,768,400
Public Library System	20,183,400	-	-	20,183,400
Recreational, Cultural, & Community Support	42,223,300	200,000	-	42,423,300
Public Works, Highways and Streets	59,960,600	16,808,700	-	76,769,300
Transfers	-	3,930,300	3,930,300	-
Total General Funds	719,103,300	108,561,400	4,411,300	823,253,400
<u>DEBT SERVICE FUNDS</u> (See detail on succeeding pages)	138,245,000	14,879,000	5,896,900	147,227,100
<u>SCHOOL FUNDS</u> (See detail on succeeding pages)	674,034,800	-	-	674,034,800
Total Appropriations By District	1,531,383,100	123,440,400	10,308,200	1,644,515,300
<u>LESS GSD INTERFUND TRANSFER:</u>				
GSD Debt to GSD General	(12,007,600)	-	-	(12,007,600)
GSD General to GSD Debt	(8,548,300)	-	-	(8,548,300)
Schools to GSD Debt	(971,200)	-	-	(971,200)
Schools to GSD General	(224,200)	-	-	(224,200)
GSD Debt to GSD Schools	(27,389,200)	-	-	(27,389,200)
Schools to School Debt	(3,096,100)	-	-	(3,096,100)
Schools Debt to Schools	(6,500,000)	-	-	(6,500,000)
Net Appropriation by District	\$ 1,472,646,500	\$ 123,440,400	\$ 10,308,200	\$ 1,585,778,700

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2011-913 for the 2011-2012 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

DEBT SERVICE FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2011 Through June 30, 2012
(Unaudited)

	<u>Principal/Interest</u>	<u>Other</u>	<u>Total</u>
<u>SCHOOL DEBT SERVICE FUND</u>			
Outstanding General Obligation Bonds	\$ 31,719,500	\$ -	\$ 31,719,500
Redemption and Cremation Fees	-	53,600	53,600
Internal Service Fees	-	87,100	87,100
Qualified Zone Academy Bonds	-	315,000	315,000
Quallified School Capital Projects	-	1,536,000	1,536,000
Quallified School Capital Projects	-	1,905,600	1,905,600
Tax Increment Payment - MDHA	-	515,800	515,800
GSD Schools	-	6,500,000	6,500,000
	<hr/>	<hr/>	<hr/>
Total GSD School Purposes Debt Service Fund	31,719,500	10,913,100	42,632,600
<u>GENERAL PURPOSES DEBT SERVICE FUND</u>			
Outstanding General Obligation Bonds:			
Public Works	6,310,500	-	6,310,500
Auditorium	93,200	-	93,200
Hospital	445,000	-	445,000
Library	3,747,200	-	3,747,200
Parks	6,556,300	-	6,556,300
Social Services	17,300	-	17,300
Convention Center	115,000	-	115,000
Other Public Buildings	2,267,500	-	2,267,500
Bridgestone Arena	5,880,900	-	5,880,900
Law Enforcement and Care of Prisoners	2,802,200	-	2,802,200
Traffic and Parking	75,100	-	75,100
Public Transportation	1,911,000	-	1,911,000
Fire Protection	421,000	-	421,000
Health	152,700	-	152,700
Nashville Coliseum	1,390,300	-	1,390,300
Information Technology	851,800	-	851,800
Finance	8,589,000	-	8,589,000
MAC	493,200	-	493,200
MDHA	681,900	-	681,900
General Services	444,300	-	444,300
E-911	339,600	-	339,600
Other	5,045,600	-	5,045,600
Public Art	18,100	-	18,100
Self-Funding Projects	1,298,200	-	1,298,200
	<hr/>	<hr/>	<hr/>
Subtotal Outstanding General Obligation Bonds	49,946,900	-	49,946,900
Redemption, Cremation and Management Fees	-	67,200	67,200
Internal Service Fees	-	154,800	154,800
Property Tax Increment Payment	-	1,444,100	1,444,100
GSD General Fund	-	12,007,600	12,007,600
GSD School Operating	-	27,389,200	27,389,200
	<hr/>	<hr/>	<hr/>
Subtotal	-	41,062,900	41,062,900
TMBF Loan	4,602,600	-	4,602,600
	<hr/>	<hr/>	<hr/>
Total General Purposes Debt Service Fund	54,549,500	41,062,900	95,612,400
	<hr/>	<hr/>	<hr/>
Total General Services District	<u>\$ 86,269,000</u>	<u>\$ 51,976,000</u>	<u>\$ 138,245,000</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2011-913 for the 2011-2012 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
 BUDGETARY SCHEDULE OF REQUIREMENTS OF THE DEBT SERVICE FUNDS BY FUNCTION *

DEBT SERVICE FUNDS - URBAN SERVICES DISTRICT

For the Year July 1, 2011 Through June 30, 2012
 (Unaudited)

<u>URBAN SERVICES DISTRICT DEBT SERVICE FUND</u>	<u>Principal/Interest</u>	<u>Other</u>	<u>Total</u>
Outstanding General Obligation Bonds:			
Fire Protection	\$ 792,500	\$ -	\$ 792,500
Public Works	6,648,800	-	6,648,800
Finance	194,000	-	194,000
General Services	36,500	-	36,500
ITS	12,400	-	12,400
MTA	5,600	-	5,600
MDHA	153,600	-	153,600
Law Enforcement and Care of Prisoners	132,300	-	132,300
Traffic & Parking	35,400	-	35,400
DES	132,500	-	132,500
Other	422,600	-	422,600
	<hr/>	<hr/>	<hr/>
Subtotal Outstanding General Obligation Bonds	8,566,200	-	8,566,200
Redemption and Cremation Fees	-	15,000	15,000
Internal Service Fees	-	22,700	22,700
Tax Increment Payment - MDHA	-	378,200	378,200
Transfer GSD School Operating	-	5,896,900	5,896,900
	<hr/>	<hr/>	<hr/>
Subtotal	-	6,312,800	6,312,800
	<hr/>	<hr/>	<hr/>
Total Urban Services District Debt Service Fund	\$ 8,566,200	\$ 6,312,800	\$ 14,879,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2011-913 for the 2011-2012 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BUDGETARY SCHEDULE OF APPROPRIATIONS*

SCHOOL FUNDS - GENERAL SERVICES DISTRICT

For the Year July 1, 2011 Through June 30, 2012
(Unaudited)

GENERAL PURPOSE SCHOOL FUND:

General Purpose School Fund: Operational	\$ 670,012,100
Property Tax Increment	<u>4,022,700</u>
Total General Purpose School Fund	<u>\$ 674,034,800</u>

* Excerpts from the Metropolitan Council Budget Substitute Bill Number BL2011-913 for the 2011-2012 fiscal year.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SUMMARY OF SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

June 30, 2011

NAME OF OFFICIAL	TITLE	ANNUAL SALARY	AMOUNT OF SURETY BOND
Karl Dean	Mayor	\$ 136,500	\$ 50,000
Richard M. Riebeling	Director of Finance	150,000	250,000
Lannie B. Holland	Treasurer	111,599	2,000,000
Jeff Gossage	Purchasing Agent	100,737	25,000
Kim McDoniel	Chief Accountant	113,568	25,000
Rita Roberts-Turner	Human Resources Director	111,000	25,000
Richard R. Rooker	Circuit Court Clerk	125,597	50,000
Richard R. Rooker	Probate Clerk	-	250,000
William B. Garrett, Jr.	Register of Deeds	109,921	25,000
Charles E. Cardwell	Trustee	114,906	16,000,000
John Arriola	County Clerk	114,906	500,000
David Torrence	Criminal Court Clerk	114,906	150,000
J. Daron Hall	Sheriff	138,956	50,000
George L. Rooker, Jr.	Assessor of Property	114,906	10,000
Cristi Scott	Clerk & Master	114,906	50,000
David A. Smith	Juvenile Court Clerk	114,906	50,000
Jeanan M. Stuart	Public Guardian	-	200,000
Peggy Duncan Mathes	Public Administrator	-	100,000
Michael M. Castellarin	Public Trustee	-	200,000
Richard Rooker	Commissioner & Receiver	-	5,000
Richard Rooker	Official Revenue	-	25,000
Emmett Edwards	Executive Director Sports Authority	71,400	50,000
Chris Henson	MNPS Assistant Superintendent of Business, Facility and Services	133,409	1,000,000

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF UTILITY RATES
DEPARTMENT OF WATER AND SEWERAGE SERVICES

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, 2011:

METER:	Water				Sewer			
	Residential	Small Commercial	Intermediate Commercial	Large Commercial	Residential	Small Commercial	Intermediate Commercial	Large Commercial
5/8"	\$ 3.13	\$ 3.98	\$ 13.85	\$ 597.23	\$ 7.62	\$ 8.51	\$ 27.89	\$ 1,076.37
3/4"	10.62	11.32	19.64	603.69	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	51.57	57.75	65.73	1,114.18
3"	33.38	35.61	40.84	624.04	68.04	76.21	82.26	1,124.65
4"	54.41	58.03	64.65	650.65	110.88	124.18	130.22	1,172.65
6"	85.42	91.12	99.81	689.96	174.12	195.01	201.05	1,243.48
8"	133.59	142.50	155.38	755.41	272.29	304.96	312.96	1,361.43
10"	133.59	142.50	155.38	755.41	272.29	304.96	312.96	1,361.43

VOLUME:

Water usage charges per 100 cubic feet
(For usage over 200 cubic feet)

Sewer usage charges per 100 cubic feet
(For usage over 200 cubic feet)

\$ 2.33	\$ 2.48	\$ 2.14	\$ 1.81	\$ 4.74	\$ 5.30	\$ 4.32	\$ 3.26
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See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF NUMBER OF CUSTOMERS
DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2011

	<u>Residential</u>	<u>Commercial</u>	<u>Unclassified (2)</u>	<u>Total</u>
Water:				
Billed by Department	<u>162,423</u>	<u>15,050</u>	<u>-</u>	<u>177,473</u>
Total Water Customers	<u><u>162,423</u></u>	<u><u>15,050</u></u>	<u><u>-</u></u>	<u><u>177,473</u></u>
Sewer:				
Billed by Department	155,652	12,805	-	168,457
Not Billed by Department (1)	<u>5,413</u>	<u>-</u>	<u>16,020</u>	<u>21,433</u>
Total Sewer Customers	<u><u>161,065</u></u>	<u><u>12,805</u></u>	<u><u>16,020</u></u>	<u><u>189,890</u></u>

(1) Not Billed by Department represents sewer services provided to customers of other water utility districts that bill their customers and then pay the Department of Water and Sewerage Services.

(2) Unclassified represents sewer services provided to customers of another water utility district that does not differentiate between residential and commercial customers.

See accompanying accountants' report.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

SCHEDULE OF UNACCOUNTED FOR WATER
DEPARTMENT OF WATER AND SEWERAGE SERVICES

June 30, 2011

(All amounts in gallons)

Water Treated and Purchased:		
Water Pumped (potable)	32,070,355,000	
Water Purchased	<u>77,538,000</u>	
Total Water Customers		32,147,893,000
Accounted for Water:		
Water Sold	22,571,077,000	
Metered for Consumption (in house usage)	33,942,000	
Fire Departments Usage	68,927,000	
Flushing	29,854,000	
Tank Cleaning/Filling	7,000,000	
Street/Sewer Cleaning	3,530,000	
Bulk Sales	-	
Water Bill Adjustments	<u>-</u>	
Total Accounted for Water		<u>22,714,330,000</u>
Unaccounted for Water		<u>9,433,563,000</u>
Percent Unaccounted for Water		29.34%

See accompanying accountants' report.



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATISTICAL SECTION (UNAUDITED)

TABLE OF CONTENTS

This section of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Government's overall financial health.

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	<u>2002</u>	<u>2003 (1)</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 857,993	\$ 1,009,271	\$ 1,120,156	\$ 1,018,806
Restricted	79,462	131,272	114,155	97,629
Unrestricted (2)	<u>351,753</u>	<u>224,192</u>	<u>78,630</u>	<u>162,068</u>
Total governmental activities net assets	<u>1,289,208</u>	<u>1,364,735</u>	<u>1,312,941</u>	<u>1,278,503</u>
Business-type activities				
Invested in capital assets, net of related debt	699,546	748,195	815,902	993,216
Restricted (3)	281,313	269,111	238,071	69,305
Unrestricted	<u>69,982</u>	<u>67,552</u>	<u>37,319</u>	<u>33,223</u>
Total business-type activities net assets	<u>1,050,841</u>	<u>1,084,858</u>	<u>1,091,292</u>	<u>1,095,744</u>
Primary government				
Invested in capital assets, net of related debt	1,557,539	1,757,466	1,936,058	2,012,022
Restricted	360,775	400,383	352,226	166,934
Unrestricted	<u>421,735</u>	<u>291,744</u>	<u>115,949</u>	<u>195,291</u>
Total primary government net assets	<u>\$ 2,340,049</u>	<u>\$ 2,449,593</u>	<u>\$ 2,404,233</u>	<u>\$ 2,374,247</u>

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

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2006	2007	2008	2009	2010	2011
\$ 1,030,056	\$ 1,042,013	\$ 1,044,125	\$ 1,083,097	\$ 1,099,333	\$ 1,010,874
67,840	63,371	47,527	22,917	31,994	42,860
142,056	165,333	92,637	(91,699)	(373,993)	(553,658)
<u>1,239,952</u>	<u>1,270,717</u>	<u>1,184,289</u>	<u>1,014,315</u>	<u>757,334</u>	<u>500,076</u>
1,010,626	1,061,440	1,160,088	1,196,149	1,217,101	1,220,912
70,023	73,134	29,090	22,587	21,481	46,256
24,569	25,441	34,774	20,184	31,533	45,444
<u>1,105,218</u>	<u>1,160,015</u>	<u>1,223,952</u>	<u>1,238,920</u>	<u>1,270,115</u>	<u>1,312,612</u>
2,040,682	2,103,453	2,204,213	2,279,246	2,316,434	2,231,786
137,863	136,505	76,617	45,504	53,475	89,116
166,625	190,774	127,411	(71,515)	(342,460)	(508,214)
<u>\$ 2,345,170</u>	<u>\$ 2,430,732</u>	<u>\$ 2,408,241</u>	<u>\$ 2,253,235</u>	<u>\$ 2,027,449</u>	<u>\$ 1,812,688</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2002	2003 (1)	2004	2005
Expenses				
Governmental activities				
General government	\$ 66,207	\$ 70,884	\$ 94,175	\$ 80,425
Fiscal administration	25,006	34,840	22,063	31,182
Administration of justice	55,740	57,535	65,069	66,879
Law enforcement and care of prisoners	180,267	203,351	215,912	231,516
Fire prevention and control	89,799	99,895	97,965	120,679
Regulation and inspection	7,800	7,772	8,465	8,711
Conservation of natural resources	355	335	426	396
Public welfare	42,568	54,875	53,435	51,636
Public health and hospitals	70,580	75,401	80,730	76,115
Public library system	24,044	23,926	25,448	26,165
Public works, highways and streets	85,901	94,482	105,618	93,785
Recreational and cultural	46,790	49,770	54,459	51,336
Education	543,635	575,834	620,518	640,655
Interest and other debt related costs	58,343	57,289	62,492	57,819
Total governmental activities	<u>1,297,035</u>	<u>1,406,189</u>	<u>1,506,775</u>	<u>1,537,299</u>
Business-type activities				
Department of Water and Sewerage Services	149,242	143,526	148,814	150,091
District Energy System	-	40	8,078	18,565
Nashville Convention Center	6,567	6,319	6,384	7,131
Board of Fair Commissioners	3,733	4,175	4,055	3,580
Farmers Market	1,136	1,112	1,159	1,216
Police Secondary Employment	2,526	1,679	1,017	1,153
Surplus Property Auction	-	9	3,252	2,554
Municipal Auditorium	-	-	-	-
Police Impound	-	-	-	-
School Community Education	-	-	-	-
Stormwater Operations	-	-	-	-
Community Education Commission	-	-	-	-
Total business-type activities	<u>163,204</u>	<u>156,860</u>	<u>172,759</u>	<u>184,290</u>
Total primary government	<u>\$ 1,460,239</u>	<u>\$ 1,563,049</u>	<u>\$ 1,679,534</u>	<u>\$ 1,721,589</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 7,209	\$ 11,604	\$ 12,769	\$ 10,132
Fiscal administration	3,755	3,703	4,082	4,640
Administration of justice	19,788	23,255	23,559	28,589
Law enforcement and care of prisoners	23,554	25,524	25,240	25,213
Fire prevention and control	7,472	7,955	8,737	11,710
Regulation and inspection	7,054	6,712	7,944	10,535
Public welfare	2,127	1,934	2,029	1,523
Public health and hospitals	3,779	4,457	9,265	9,429
Public library system	489	570	732	684
Public works, highways and streets	7,515	6,397	5,518	8,682
Recreational and cultural	9,822	9,729	9,931	11,087
Education	20,720	17,474	18,420	18,551
Operating grants and contributions	251,234	267,904	272,414	291,220
Capital grants and contributions (2)	6,635	24,487	58,451	25,954
Total governmental activities	<u>371,153</u>	<u>411,705</u>	<u>459,091</u>	<u>457,949</u>

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2006	2007	2008	2009	2010	2011
\$	64,844	\$ 57,026	\$ 69,053	\$ 83,668	\$ 85,444	\$ 122,913
	44,110	33,876	24,837	34,264	35,358	33,613
	73,025	75,705	86,417	85,723	89,601	87,374
	241,487	258,824	289,629	304,917	321,175	322,782
	130,416	128,067	148,089	143,912	150,117	149,619
	8,770	9,002	7,971	9,910	10,170	10,248
	457	447	502	491	471	445
	47,150	58,709	55,272	51,362	60,159	59,386
	151,706	111,396	130,293	131,677	170,662	132,993
	26,757	27,818	28,231	29,754	28,742	30,033
	128,171	130,081	143,076	125,490	130,469	144,012
	67,284	72,024	72,547	76,290	68,667	59,421
	654,801	684,711	780,706	808,285	839,760	869,449
	62,460	75,443	77,628	85,823	76,553	101,743
	<u>1,701,438</u>	<u>1,723,129</u>	<u>1,914,251</u>	<u>1,971,566</u>	<u>2,067,348</u>	<u>2,124,031</u>
	155,647	157,872	162,688	177,984	173,896	187,544
	19,253	21,073	19,483	20,261	17,908	17,886
	7,068	7,246	7,601	7,572	7,134	7,539
	4,110	4,116	4,360	4,428	4,195	2,814
	1,136	1,156	1,161	1,215	1,080	1,193
	1,063	1,248	944	881	1,545	855
	788	983	961	806	735	734
	1,885	1,979	2,052	1,738	1,654	1,801
	1,919	2,177	1,882	1,882	1,687	1,320
	912	915	1,193	1,050	192	-
	-	-	-	-	10,598	10,669
	-	-	-	-	358	302
	<u>193,781</u>	<u>198,765</u>	<u>202,325</u>	<u>217,817</u>	<u>220,982</u>	<u>232,657</u>
\$	<u>1,895,219</u>	<u>1,921,894</u>	<u>2,116,576</u>	<u>2,189,383</u>	<u>2,288,330</u>	<u>2,356,688</u>
\$	7,367	\$ 7,808	\$ 9,552	\$ 7,292	\$ 6,550	\$ 6,908
	3,994	4,675	4,533	4,591	4,176	5,286
	30,664	35,213	39,554	34,567	34,344	33,745
	26,572	26,787	29,806	31,053	31,282	30,637
	11,401	14,199	13,619	14,358	10,939	16,395
	11,933	12,093	10,587	7,060	7,552	8,858
	1,257	1,291	1,166	1,313	1,367	1,352
	9,646	9,775	13,436	12,788	8,943	9,902
	705	665	634	579	494	484
	7,717	9,673	10,184	9,295	9,343	11,191
	8,471	8,872	9,246	9,111	8,618	9,068
	19,253	17,946	17,203	16,216	18,225	17,838
	299,203	314,334	338,746	351,066	390,732	432,938
	16,268	42,275	48,808	56,163	41,648	38,595
	<u>454,451</u>	<u>505,606</u>	<u>547,074</u>	<u>555,452</u>	<u>574,213</u>	<u>623,197</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2002	2003 (1)	2004	2005
Program Revenues (Continued)				
Business-type activities				
Charges for services:				
Department of Water and Sewerage Services	\$ 152,943	\$ 146,847	\$ 152,786	\$ 151,971
District Energy System	-	-	8,302	15,347
Nashville Convention Center	3,819	4,187	3,561	4,680
Board of Fair Commissioners	3,329	3,113	3,653	3,619
Farmers Market	935	940	961	994
Police Secondary Employment	2,922	2,016	1,380	1,643
Surplus Property Auction	-	-	2,386	2,518
Municipal Auditorium	-	-	-	-
Police Impound	-	-	-	-
School Community Education	-	-	-	-
Stormwater Operations	-	-	-	-
Community Education Commission	-	-	-	-
Capital grants and contributions	25,576	17,687	16,473	22,155
Total business-type activities	<u>189,524</u>	<u>174,790</u>	<u>189,502</u>	<u>202,927</u>
Total primary government	<u>\$ 560,677</u>	<u>\$ 586,495</u>	<u>\$ 648,593</u>	<u>\$ 660,876</u>
Net (Expense) Revenue				
Governmental activities	\$ (925,882)	\$ (994,484)	\$ (1,047,684)	\$ (1,079,350)
Business-type activities	26,320	17,930	16,743	18,637
Total primary government	<u>\$ (899,562)</u>	<u>\$ (976,554)</u>	<u>\$ (1,030,941)</u>	<u>\$ (1,060,713)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Property taxes	\$ 587,143	\$ 606,681	\$ 592,385	\$ 612,734
Local option sales taxes	231,627	230,686	239,779	249,610
Other taxes	83,152	86,078	90,583	97,807
Revenue from the use of money or property	18,002	9,152	4,326	10,060
Revenue from other governmental agencies	55,364	53,749	50,870	54,542
Compensation for loss, sale or damage to property	1,500	7,581	5,589	1,297
Transfers	865	10,711	12,358	18,862
Special and extraordinary items (3)	(56,785)	737	-	-
Total governmental activities	<u>920,868</u>	<u>1,005,375</u>	<u>995,890</u>	<u>1,044,912</u>
Business-type activities				
Revenue from the use of money or property	13,786	8,911	2,049	4,544
Compensation for loss, sale or damage to property	-	-	-	133
Transfers	(865)	(10,711)	(12,358)	(18,862)
Special and extraordinary items (3)	-	-	-	-
Total business-type activities	<u>12,921</u>	<u>(1,800)</u>	<u>(10,309)</u>	<u>(14,185)</u>
Total primary government	<u>\$ 933,789</u>	<u>\$ 1,003,575</u>	<u>\$ 985,581</u>	<u>\$ 1,030,727</u>
Change in Net Assets				
Governmental activities	\$ (5,014)	\$ 10,891	\$ (51,794)	\$ (34,438)
Business-type activities	39,241	16,130	6,434	4,452
Total primary government	<u>\$ 34,227</u>	<u>\$ 27,021</u>	<u>\$ (45,360)</u>	<u>\$ (29,986)</u>

(3) Special and extraordinary items consist of: In 2002, the Government assumed responsibility for debt related to Nashville Thermal Transfer Corporation, component unit, which has subsequently ceased operations. In 2003, certain capital assets of the Hospital Authority, a component unit, were contributed to the Metropolitan Government. 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 ASSETS
 LAST TEN FISCAL YEARS (CONTINUED)
 (accrual basis of accounting)
 (amounts expressed in thousands)

Unaudited - See Accompanying Accountants' Report

2006	2007	2008	2009	2010	2011
\$ 155,827	\$ 164,900	\$ 173,121	\$ 169,672	\$ 171,520	\$ 195,790
17,298	18,795	17,892	17,812	15,562	15,486
4,551	5,248	5,996	5,675	5,366	5,404
3,728	3,880	3,601	3,438	3,393	2,109
997	866	863	899	983	745
1,424	1,654	1,162	1,094	2,437	1,103
703	994	1,121	958	1,094	1,081
1,062	1,176	1,278	1,107	1,364	1,370
1,729	2,873	2,611	2,182	1,583	1,271
176	156	243	141	31	-
-	-	-	-	13,635	14,198
-	-	-	-	22	18
25,610	53,318	58,761	27,463	41,302	39,467
213,105	253,860	266,649	230,441	258,292	278,042
<u>\$ 667,556</u>	<u>\$ 759,466</u>	<u>\$ 813,723</u>	<u>\$ 785,893</u>	<u>\$ 832,505</u>	<u>\$ 901,239</u>
\$ (1,246,987)	\$ (1,217,523)	\$ (1,367,177)	\$ (1,416,114)	\$ (1,493,135)	\$ (1,500,834)
19,324	55,095	64,324	12,624	37,310	45,385
<u>\$ (1,227,663)</u>	<u>\$ (1,162,428)</u>	<u>\$ (1,302,853)</u>	<u>\$ (1,403,490)</u>	<u>\$ (1,455,825)</u>	<u>\$ (1,455,449)</u>
\$ 725,199	\$ 741,901	\$ 759,131	\$ 773,659	\$ 793,293	\$ 782,192
271,119	285,078	285,484	264,573	256,178	258,107
116,664	121,459	141,112	135,213	126,878	137,141
15,097	19,801	14,792	6,109	1,445	1,095
60,220	68,620	70,072	65,026	58,160	61,262
3,476	1,786	1,541	1,022	1,747	3,290
16,661	9,643	8,617	538	(323)	3,400
-	-	-	-	(1,224)	(2,911)
1,208,436	1,248,288	1,280,749	1,246,140	1,236,154	1,243,576
6,530	9,213	8,086	2,790	391	230
281	132	144	92	171	282
(16,661)	(9,643)	(8,617)	(538)	323	(3,400)
-	-	-	-	(7,000)	-
(9,850)	(298)	(387)	2,344	(6,115)	(2,888)
<u>\$ 1,198,586</u>	<u>\$ 1,247,990</u>	<u>\$ 1,280,362</u>	<u>\$ 1,248,484</u>	<u>\$ 1,230,039</u>	<u>\$ 1,240,688</u>
\$ (38,551)	\$ 30,765	\$ (86,428)	\$ (169,974)	\$ (256,981)	\$ (257,258)
9,474	54,797	63,937	14,968	31,195	42,497
<u>\$ (29,077)</u>	<u>\$ 85,562</u>	<u>\$ (22,491)</u>	<u>\$ (155,006)</u>	<u>\$ (225,786)</u>	<u>\$ (214,761)</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund					
Nonspendable	\$ 262,576	\$ 263,036	\$ 535,404	\$ 391,550	\$ 326,428
Committed	39,852,184	42,475,200	-	-	-
Assigned	4,796,054	4,391,097	1,265,308	783,377	2,434,347
Unassigned	<u>64,577,425</u>	<u>31,975,919</u>	<u>34,385,067</u>	<u>36,101,900</u>	<u>44,173,303</u>
Total general fund	<u>109,488,239</u>	<u>79,105,252</u>	<u>36,185,779</u>	<u>37,276,827</u>	<u>46,934,078</u>
All other governmental funds					
Nonspendable	3,772,404	1,809,095	45,153,106	65,332,348	1,785,017
Restricted	152,315,119	49,742,506	56,519,242	49,892,386	117,824,941
Committed	266,711,351	278,596,500	204,820,160	151,163,846	177,026,651
Assigned	-	-	-	-	-
Unassigned	<u>(7,382,817)</u>	<u>(48,969,021)</u>	<u>(69,663,457)</u>	<u>(107,707,565)</u>	<u>(3,528,668)</u>
Total all other governmental funds	<u>415,416,057</u>	<u>281,179,080</u>	<u>236,829,051</u>	<u>158,681,015</u>	<u>293,107,941</u>
Total governmental funds	<u>\$ 524,904,296</u>	<u>\$ 360,284,332</u>	<u>\$ 273,014,830</u>	<u>\$ 195,957,842</u>	<u>\$ 340,042,019</u>

Note: The Government implemented GASB 54 in the fiscal year ended June 30, 2011. The categories of fund balances for prior years were restated for consistency with GASB 54 presentation.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (CONTINUED)
 (modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 13,186,701	\$ 29,247,551	\$ 32,222,128	\$ 299,659	\$ 473,335
5,613,300	200,000	-	-	13,435,500
1,799,027	-	-	1,370,583	442,575
<u>39,986,966</u>	<u>33,670,422</u>	<u>47,504,389</u>	<u>59,228,607</u>	<u>53,134,734</u>
<u>60,585,994</u>	<u>63,117,973</u>	<u>79,726,517</u>	<u>60,898,849</u>	<u>67,486,144</u>
1,878,413	2,137,679	1,854,877	2,060,858	2,119,993
62,324,858	85,667,575	64,715,883	195,074,104	47,011,877
188,735,188	181,257,599	142,173,701	106,798,899	132,439,178
-	-	-	1,500,000	-
<u>(140,012,364)</u>	<u>(66,950,708)</u>	<u>(182,094,246)</u>	<u>(28,066,901)</u>	<u>(39,332,027)</u>
<u>112,926,095</u>	<u>202,112,145</u>	<u>26,650,215</u>	<u>277,366,960</u>	<u>142,239,021</u>
<u>\$ 173,512,089</u>	<u>\$ 265,230,118</u>	<u>\$ 106,376,732</u>	<u>\$ 338,265,809</u>	<u>\$ 209,725,165</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUND BALANCES OF BUDGETED GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund					
GSD					
Nonspendable	\$ 262,576	\$ 263,036	\$ 535,404	\$ 391,550	\$ 326,428
Committed	35,917,954	35,707,900	-	-	-
Assigned	4,796,054	4,391,097	1,265,308	783,377	2,434,347
Unassigned	50,667,535	23,538,175	29,378,947	27,328,600	31,926,643
Total GSD	<u>91,644,119</u>	<u>63,900,208</u>	<u>31,179,659</u>	<u>28,503,527</u>	<u>34,687,418</u>
USD					
Committed	3,934,230	6,767,300	-	-	-
Unassigned	13,909,890	8,437,744	5,006,120	8,773,300	12,246,660
Total USD	<u>17,844,120</u>	<u>15,205,044</u>	<u>5,006,120</u>	<u>8,773,300</u>	<u>12,246,660</u>
Total general fund	<u>109,488,239</u>	<u>79,105,252</u>	<u>36,185,779</u>	<u>37,276,827</u>	<u>46,934,078</u>
General purpose school fund					
Nonspendable	889,533	815,431	828,395	872,462	674,972
Committed	59,584,774	63,848,082	36,614,116	17,570,266	37,756,811
Total general purpose school fund	<u>60,474,307</u>	<u>64,663,513</u>	<u>37,442,511</u>	<u>18,442,728</u>	<u>38,431,783</u>
GSD general purposes					
debt service fund					
Nonspendable	-	-	21,361,042	26,260,235	-
Committed	72,002,906	70,087,356	38,069,478	21,506,439	4,506,155
Total GSD general purpose	<u>72,002,906</u>	<u>70,087,356</u>	<u>59,430,520</u>	<u>47,766,674</u>	<u>4,506,155</u>
debt service fund					
GSD school purposes					
debt services fund					
Committed	80,823,039	81,300,372	78,148,782	75,330,810	66,092,796
USD general purposes					
debt services fund					
Nonspendable	-	-	620,070	895,071	-
Committed	12,062,613	13,304,996	13,444,726	13,197,660	12,996,611
Total USD general purpose	<u>12,062,613</u>	<u>13,304,996</u>	<u>14,064,796</u>	<u>14,092,731</u>	<u>12,996,611</u>
debt service fund					
Total budgeted governmental funds	<u>\$ 334,851,104</u>	<u>\$ 308,461,489</u>	<u>\$ 225,272,388</u>	<u>\$ 192,909,770</u>	<u>\$ 168,961,423</u>

Note: The schedule above reflects fund balances for those governmental funds for which legally required budgets are prepared and approved. The general purpose school fund is reported as a special revenue fund. The three debt service funds are reported as debt service funds. All of these funds are considered major funds of the Government.

The Government implemented GASB 54 in the fiscal year ended June 30, 2011. The categories of fund balance for prior years were restated for consistency with GASB 54 presentation.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FUND BALANCES OF BUDGETED GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (CONTINUED)
 (modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 13,186,701	\$ 29,247,551	\$ 32,222,128	\$ 299,659	\$ 473,335
5,395,200	200,000	-	-	-
1,799,027	-	-	1,370,583	442,575
24,038,394	20,156,790	25,320,424	34,962,597	44,578,057
<u>44,419,322</u>	<u>49,604,341</u>	<u>57,542,552</u>	<u>36,632,839</u>	<u>45,493,967</u>
218,100	-	-	-	13,435,500
15,948,572	13,513,632	22,183,965	24,266,010	8,556,677
<u>16,166,672</u>	<u>13,513,632</u>	<u>22,183,965</u>	<u>24,266,010</u>	<u>21,992,177</u>
60,585,994	63,117,973	79,726,517	60,898,849	67,486,144
795,274	902,765	738,993	937,417	883,700
67,566,890	71,821,490	39,788,358	27,102,179	34,449,193
<u>68,362,164</u>	<u>72,724,255</u>	<u>40,527,351</u>	<u>28,039,596</u>	<u>35,332,893</u>
-	-	-	-	-
8,004,172	3,170,054	1,107,591	8,406,361	8,626,889
<u>8,004,172</u>	<u>3,170,054</u>	<u>1,107,591</u>	<u>8,406,361</u>	<u>8,626,889</u>
60,537,817	51,412,069	38,556,134	14,559,256	23,167,981
-	-	-	-	-
2,427,452	2,221,176	4,298,707	2,984,488	6,159,913
<u>2,427,452</u>	<u>2,221,176</u>	<u>4,298,707</u>	<u>2,984,488</u>	<u>6,159,913</u>
<u>\$ 199,917,599</u>	<u>\$ 192,645,527</u>	<u>\$ 164,216,300</u>	<u>\$ 114,888,550</u>	<u>\$ 140,773,820</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Unaudited - See Accompanying Accountants' Report

	2002	2003	2004	2005
Revenues				
Property taxes (1)	\$ 598,399,975	\$ 601,123,598	\$ 601,825,390	\$ 609,091,452
Local option sales tax	231,707,353	230,579,654	239,779,471	249,701,966
Other taxes, licenses and permits	93,770,480	93,740,577	99,324,601	107,541,797
Fines, forfeits and penalties	11,623,733	14,191,298	14,036,202	16,280,190
Revenues from the use of money or property	16,970,802	8,350,984	2,015,987	6,512,905
Revenues from other governmental agencies	345,844,660	350,106,028	358,602,784	383,725,517
Commissions and fees	16,676,399	18,953,278	19,637,940	21,072,982
Charges for current services	48,068,592	43,764,068	46,134,585	48,990,928
Compensation for loss, sale or damage to property	2,489,468	7,501,643	2,227,502	1,315,393
Contributions and gifts	9,328,613	8,156,874	7,711,533	7,544,472
Miscellaneous	615,098	723,794	1,261,667	1,248,953
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,375,495,173	1,377,191,796	1,392,557,662	1,453,026,555
Expenditures				
Current:				
General government (2)	49,694,322	50,602,005	54,045,561	35,758,167
Fiscal administration	19,765,287	20,323,270	21,008,051	14,180,153
Administration of justice	43,163,240	45,794,670	50,333,461	53,751,204
Law enforcement and care of prisoners	159,551,996	175,023,851	188,644,930	206,160,524
Fire prevention and control	79,073,811	86,043,913	93,266,180	95,045,746
Regulation and inspection	7,177,920	7,006,740	7,416,328	7,412,089
Conservation of natural resources	319,543	311,037	398,925	352,566
Public welfare	38,939,531	41,846,976	41,786,523	37,500,087
Public health and hospitals (3)	68,431,324	72,221,269	74,854,036	71,221,790
Public library system	16,909,903	18,875,806	20,240,202	19,400,262
Public works, highways and streets	69,196,396	57,343,896	62,547,910	63,519,894
Recreational and cultural	31,488,610	32,846,731	34,832,275	32,993,788
Education	500,241,847	553,980,028	604,067,494	611,766,944
Employee benefits	46,876,942	51,520,203	54,892,819	55,012,329
Miscellaneous	37,008,384	47,836,086	38,462,724	43,964,605

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

2006	2007	2008	2009	2010	2011
\$ 719,820,461	\$ 762,416,897	\$ 757,993,487	\$ 775,403,870	\$ 792,882,229	\$ 782,238,201
271,311,435	285,258,498	285,483,688	264,572,950	256,178,237	258,106,909
126,826,832	130,176,283	152,575,721	143,696,309	136,182,711	147,382,286
19,733,750	19,254,517	19,869,757	17,962,587	18,915,362	18,574,592
9,470,818	14,047,969	10,496,414	3,785,674	494,777	321,354
391,034,345	417,169,806	447,314,552	453,448,063	488,535,713	559,516,608
21,261,179	26,156,439	29,070,315	25,049,552	22,002,060	23,460,446
47,396,269	51,607,253	53,939,317	51,137,029	50,686,861	56,593,344
3,490,427	1,708,877	1,597,492	2,144,252	1,712,551	2,016,432
10,900,634	9,917,112	11,995,898	10,645,368	5,469,908	3,783,798
1,744,055	2,141,108	3,263,508	4,603,664	2,706,377	2,718,741
<u>1,622,990,205</u>	<u>1,719,854,759</u>	<u>1,773,600,149</u>	<u>1,752,449,318</u>	<u>1,775,766,786</u>	<u>1,854,712,711</u>
37,827,855	40,641,319	46,904,452	60,035,388	88,954,555	121,146,642
14,578,459	15,777,516	16,472,712	24,112,437	22,499,859	23,760,394
58,621,082	63,883,484	65,699,378	56,871,162	54,590,759	55,407,798
218,067,847	237,925,605	250,849,440	239,436,458	239,014,459	249,724,844
100,684,959	112,717,674	119,648,604	107,034,837	104,214,957	109,108,267
7,971,413	8,449,218	8,697,029	8,095,128	7,492,864	7,867,410
421,822	444,857	456,284	407,442	352,001	340,296
34,663,341	38,037,156	36,967,197	37,924,764	42,946,288	41,385,895
142,543,147	100,408,354	104,398,769	101,575,884	114,094,878	86,019,317
21,644,954	21,712,959	22,644,664	20,564,850	19,016,993	20,542,242
60,613,315	65,518,756	70,954,215	63,204,089	51,039,081	58,151,723
34,736,137	38,633,072	40,513,021	37,312,292	33,235,850	33,630,118
622,926,552	636,140,631	683,222,289	720,909,041	740,550,178	777,009,413
56,369,642	59,012,395	61,100,542	62,420,127	64,637,576	69,327,218
62,900,107	51,967,639	44,480,259	40,260,803	55,652,301	71,067,149

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

	2002	2003	2004	2005
Expenditures (Continued)				
Debt service:				
Principal retirement (1)	\$ 68,255,000	\$ 77,865,000	\$ 79,775,000	\$ 86,315,000
Interest	63,676,350	58,207,564	59,120,667	57,783,125
Fiscal charges	1,820,928	303,552	330,766	1,520,826
Bond issue costs	223,339	829,906	689,127	1,024,215
Arbitrage rebate	-	825,742	400,849	-
Capital outlay - capitalized (2)	126,606,755	115,006,272	145,878,753	183,396,697
Capital outlay - noncapitalized	-	31,589,279	55,790,669	3,676,054
	<u>1,428,421,428</u>	<u>1,546,203,796</u>	<u>1,688,783,250</u>	<u>1,681,756,065</u>
Total expenditures				
Excess of revenue over (under) expenditures	<u>(52,926,255)</u>	<u>(169,012,000)</u>	<u>(296,225,588)</u>	<u>(228,729,510)</u>
Other Financing Sources (Uses)				
Issuance of refunding debt	74,330,000	108,690,000	-	241,800,000
Issuance of new debt	-	-	122,100,000	209,055,000
Debt issue premium (discount)	1,323,046	5,608,303	6,157,067	34,513,827
Payments to refunded bond escrow agent	(87,228,769)	(112,805,846)	-	(262,859,309)
Commercial paper proceeds	-	-	195,000,000	150,000,000
Commercial paper redeemed	-	-	(127,000,000)	(218,000,000)
Swaption proceeds	-	-	3,800,000	-
Distribution of net assets	-	(1,027,530)	-	-
Bond interest tax credit	-	-	-	-
Insurance recovery (3)	-	-	-	-
Transfers in	93,231,089	114,037,906	106,933,088	100,801,076
Transfers out	(92,390,564)	(110,110,797)	(98,034,069)	(103,638,072)
	<u>(10,735,198)</u>	<u>4,392,036</u>	<u>208,956,086</u>	<u>151,672,522</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (63,661,453)</u>	<u>\$ (164,619,964)</u>	<u>\$ (87,269,502)</u>	<u>\$ (77,056,988)</u>
Debt service as a percentage of noncapitalized expenditures (4)	10.13 %	9.51 %	9.00 %	9.62 %

(1) As the result of a bond refunding in June 2010, principal payments for the year ended June 30, 2011 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. In recent years, the Government has undertaken aggressive capital plans to address deferred maintenance and other capital needs, culminating in fiscal year 2006 with the completion of a new justice center and the completion of a total renovation of the historic courthouse.

(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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	99,000,000	\$ 95,569,567	\$ 94,819,566	\$ 85,914,567	\$ 85,889,567	\$ 3,397,777
	65,621,896	72,522,916	79,323,719	83,169,612	80,611,709	85,123,862
	973,475	2,818,981	3,730,505	3,604,978	906,832	3,406,148
	1,859,351	587,900	323,288	240,000	4,347,663	1,925,066
	272,023	-	-	-	-	-
	204,299,918	124,229,635	155,498,310	83,576,267	92,640,446	100,682,804
	80,000,497	98,191,337	93,929,184	66,712,095	79,800,124	112,034,900
	<u>1,926,597,792</u>	<u>1,885,190,971</u>	<u>2,000,633,427</u>	<u>1,903,382,221</u>	<u>1,982,488,940</u>	<u>2,031,059,283</u>
	<u>(303,607,587)</u>	<u>(165,336,212)</u>	<u>(227,033,278)</u>	<u>(150,932,903)</u>	<u>(206,722,154)</u>	<u>(176,346,572)</u>
	60,805,000	186,890,000	-	-	189,895,243	290,201,755
	423,533,000	-	308,000,000	59,140,000	430,900,000	35,555,000
	20,310,047	12,632,569	7,867,112	-	36,559,565	43,480,488
	(60,463,650)	(198,934,669)	-	(58,900,000)	(206,868,923)	(331,757,177)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	5,327,305
	-	-	-	-	15,000,000	37,000,000
	195,467,499	137,154,461	160,349,393	98,879,725	109,679,961	214,988,824
	<u>(191,960,632)</u>	<u>(138,936,079)</u>	<u>(157,465,198)</u>	<u>(107,040,208)</u>	<u>(136,553,615)</u>	<u>(246,991,267)</u>
	<u>447,691,264</u>	<u>(1,193,718)</u>	<u>318,751,307</u>	<u>(7,920,483)</u>	<u>438,612,231</u>	<u>47,804,928</u>
\$	<u>144,083,677</u>	<u>\$ (166,529,930)</u>	<u>\$ 91,718,029</u>	<u>\$ (158,853,386)</u>	<u>\$ 231,890,077</u>	<u>\$ (128,541,644)</u>
	9.56 %	9.55 %	9.44 %	9.29 %	8.81 %	4.59 %

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF GENERAL SERVICES DISTRICT TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Realty	Personalty	Public Utility	Total Taxable Assessed Value
2001-02	\$ 11,649,748,674	\$ 1,059,163,097	\$ 664,461,669	\$ 13,373,373,440
2002-03	11,792,547,023	1,025,692,548	645,179,869	13,463,419,440
2003-04	11,809,122,372	917,401,480	553,940,253	13,280,464,105
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

Assessment date: January 1 (Pick-up assessments and cancellations for each year in minor amounts are not reflected in above figures).

Tax levy: General Services District tax is levied on the entire Metropolitan area. Urban Services District tax is an additional tax levied on properties within the Urban Services District. Personalty and public utility taxes are levied on September 1st of each year, based upon assessed valuation at January 1st of that year. Real property taxes are levied on September 1st of each year, based upon assessed valuation through January 1st of that year. In addition, for the period January 1st through September 1st, supplemental assessments are made and related taxes are levied for improved, demolished or damaged property during such period, in accordance with T.C.A. Section 67-607.

Ratio of assessed value

to appraised value: Commercial and industrial properties - 40% for real property and 30%
for tangible personal property
Farm and residential properties - 25%
Public utilities - 55%

Note: The State mandates a reappraisal valuation of property within Davidson County every four years.

(1) All properties within the General Services District are taxed at the GSD tax rate. Only those properties within the Urban Services District are taxed the additional USD tax rate. See schedule on page H-18.

(2) Source: Tax Aggregate Reports for Tennessee State Board of Equalization

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF GENERAL SERVICES DISTRICT TAXABLE PROPERTY
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<u>Total GSD Tax Rate (1)</u>	<u>Total Estimated Actual Property Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 3.84	\$ 42,634,022,131	31.37 %
3.84	42,988,853,105	31.32
3.84	45,150,830,802	29.41
3.84	45,746,447,359	29.36
4.04	50,477,218,642	30.77
4.04	51,736,469,429	30.73
4.04	60,386,015,276	26.75
4.04	61,881,138,204	26.75
3.56	63,157,226,914	30.44
3.56	63,280,838,469	30.35

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ASSESSED VALUE OF URBAN SERVICES DISTRICT TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

<u>Fiscal Year</u>	<u>Realty</u>	<u>Personalty</u>	<u>Public Utility</u>	<u>Total USD Taxable Assessed Value</u>	<u>Total USD Tax Rate</u>
2001-02	\$ 7,681,717,993	\$ 794,416,879	\$ 553,090,149	\$ 9,029,225,021	\$ 0.74
2002-03	7,722,115,933	765,147,395	535,610,099	9,022,873,427	0.74
2003-04	7,667,951,606	680,464,904	443,772,979	8,792,189,489	0.74
2004-05	7,996,403,388	699,060,182	472,283,935	9,167,747,505	0.74
2005-06	9,293,334,373	736,566,609	484,073,719	10,513,974,701	0.65
2006-07	9,609,860,911	812,794,594	497,183,632	10,919,839,137	0.65
2007-08	9,775,778,452	800,146,680	476,649,480	11,052,574,612	0.65
2008-09	10,034,679,742	804,965,057	469,223,447	11,308,868,246	0.65
2009-10	11,845,833,807	899,198,794	507,695,082	13,252,727,683	0.57
2010-11	11,819,864,666	919,181,529	481,388,729	13,220,434,924	0.57

Note: The Urban Services District lies within the General Services District. The above schedule reflects the assessed value of the properties within the Urban Services District.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Services District					Urban Services District			Total Direct Tax Rate
	GSD General Fund (1)	General Purpose School Fund	GSD Debt Service Fund	School Debt Service Fund	Total GSD Rate	USD General Fund (1)	USD Debt Service Fund	Total USD Rate	
2001-02 (2)	1.97	1.24	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2002-03 (3)	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2003-04	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2004-05	1.94	1.27	0.43	0.20	3.84	0.64	0.10	0.74	4.58
2005-06 (2)	2.00	1.33	0.54	0.17	4.04	0.56	0.09	0.65	4.69
2006-07 (3)	2.07	1.33	0.47	0.17	4.04	0.56	0.09	0.65	4.69
2007-08 (3)	2.06	1.33	0.48	0.17	4.04	0.56	0.09	0.65	4.69
2008-09 (3)	2.06	1.33	0.48	0.17	4.04	0.53	0.12	0.65	4.69
2009-10 (4)	1.82	1.17	0.42	0.15	3.56	0.46	0.11	0.57	4.13
2010-11	1.82	1.17	0.42	0.15	3.56	0.46	0.11	0.57	4.13

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.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

Taxpayer	December 31, 2010				December 31, 2001			
	2010 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy	2001 Assessed Valuation	Amount of Tax	Rank	% of Total Tax Levy
Electric Power Board (1) \$	N/A	\$ 25,427,819	1	3.35 %	\$ N/A	\$ 16,143,959	1	2.78 %
Columbia/HCA	261,865,701	10,365,070	2	1.36	130,448,103	5,354,054	4	0.92
Gaylord	239,565,000	9,046,305	3	1.19	295,849,479	11,437,420	2	1.97
AT&T	173,454,767	7,683,455	4	1.01	-	-	(2)	-
Piedmont Natural Gas Company	88,540,012	3,539,985	5	0.47	88,805,710	3,908,260	6	0.67
Vanderbilt	44,412,493	3,227,248	6	0.43	-	-	(2)	-
Opry Mills Co.	88,000,000	2,140,747	7	0.28	-	-	(2)	-
Davis Street Land	51,671,840	2,134,047	8	0.28	-	-	(2)	-
CBL & Associates	44,534,672	1,876,766	9	0.25	166,500,180	4,046,627	5	0.70
100 Oaks Plaza	36,158,080	1,493,329	10	0.20	-	-	(2)	-
BellSouth	-	-	(2)	-	188,314,321	8,428,185	3	1.45
PREFCO XIV LTD	-	-	(2)	-	58,415,390	2,763,048	7	0.48
H. G. Hills	-	-	(2)	-	36,368,428	1,665,674	8	0.29
Baptist Hospital	-	-	(2)	-	38,829,681	1,489,235	9	0.26
SunTrust Bank	-	-	(2)	-	31,362,355	1,266,510	10	0.22
	<u>\$ 1,028,202,565</u>	<u>\$ 66,934,771</u>		<u>8.82 %</u>	<u>\$ 1,034,893,647</u>	<u>\$ 56,502,972</u>		<u>9.74 %</u>

Source: Tax Assessor's Office, Trustee's Office

(1) The amount of tax for the Electric Power Board represents a payment in lieu of taxes and is not based on an assessed valuation.

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



THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Amount GSD Levy	Amount USD Levy	Total Tax Levy	Collections Within the Fiscal Year of the Levy	
				Current Tax Amount	Percent of Levy
2001-02	\$ 504,508,539	\$ 75,845,541	\$ 580,354,080	\$ 554,792,713	95.60 %
2002-03	508,874,943	74,889,899	583,764,842	557,508,632	95.50
2003-04	502,057,059	72,975,223	575,032,282	555,507,839	96.60
2004-05	507,538,957	76,092,355	583,631,312	565,446,465	96.88
2005-06 (1)	619,151,100	76,752,024	695,903,124	671,768,730	96.53
2006-07 (1)	633,541,786	79,714,977	713,256,763	705,244,782	98.88
2007-08 (2)	643,729,137	80,683,950	724,413,087	717,920,126	99.10
2008-09 (3)	659,755,545	82,555,463	742,311,008	732,021,054	98.61
2009-10 (4)	675,043,791	84,818,421	759,862,212	748,828,597	98.55
2010-11 (5)	674,573,125	84,611,716	759,184,841	741,791,912	97.71

Source: Metropolitan Trustee's Office

- (1) In June 2007, the Government sold the majority of the 2006-07 and 2005-06 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balances of \$23,025,457 for 2006-07, which is reflected in current tax amount collections, and \$2,418,959 for 2005-06, which is reflected in collections in subsequent years.
- (2) In June 2008, the Government sold the majority of the 2007-08 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$24,448,736 for 2007-08, which is reflected in current tax amount collections.
- (3) In June 2009, the Government sold the majority of the 2008-09 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$21,544,115 for 2008-09, which is reflected in current tax amount collections.
- (4) In June 2010, the Government sold the majority of the 2009-10 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$26,509,998 for 2009-10, which is reflected in current tax amount collections.
- (5) In June 2011, the Government sold the majority of the 2010-11 real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$26,178,622 for 2010-11, which is reflected in current tax amount collections.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

Adjustment to Levy	Total Levy After Adjustment	Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage Uncollected
			Amount	Percent of Levy After Adjustment		
\$ (6,924,787)	\$ 573,429,293	\$ 17,904,548	\$ 572,697,261	99.87 %	\$ 732,032	0.13 %
(6,696,502)	577,068,340	18,692,145	576,200,777	99.85	867,563	0.15
(2,735,636)	572,296,646	16,009,908	571,517,747	99.86	778,899	0.14
(2,744,734)	580,886,578	14,767,435	580,213,900	99.88	672,678	0.12
(8,863,432)	687,039,692	14,500,288	686,269,018	99.89	770,674	0.11
(5,380,272)	707,876,491	1,608,446	706,853,228	99.86	1,023,263	0.14
(3,008,030)	721,405,057	1,439,617	719,359,743	99.72	2,045,314	0.28
(4,136,209)	738,174,799	4,702,333	736,723,387	99.80	1,451,412	0.20
(9,188,440)	750,673,772	(242,765)	748,585,832	99.72	2,087,940	0.28
(9,371,926)	749,812,915	-	741,791,912	98.93	8,021,003	1.07

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	Governmental Activities						Business-type Activities	
	General Obligation Bonds and Notes	Limited Obligation Revenue Bonds	Qualified Zone Academy Bond Notes	Tennessee Municipal Fund Loan	Qualified School Construction Bond Loan	Total Governmental Activities	Revenue Bonds	General Obligation Bonds
2001-02	\$ 1,187,245	\$ 16,265	\$ -	\$ -	\$ -	\$ 1,203,510	\$ 525,855	\$ -
2002-03	1,114,990	14,925	-	-	-	1,129,915	571,070	-
2003-04	1,158,710	13,530	-	-	-	1,172,240	550,880	-
2004-05	1,279,935	12,080	-	-	-	1,292,015	529,200	7,695
2005-06	1,600,695	10,575	6,219	-	-	1,617,489	502,060	7,695
2006-07	1,503,390	9,005	5,804	-	-	1,518,199	473,565	7,435
2007-08	1,718,615	7,375	5,389	-	-	1,731,379	436,860	7,170
2008-09	1,578,135	5,665	4,975	56,930	-	1,645,705	404,385	6,890
2009-10	1,904,109	3,870	4,560	52,650	21,120	1,986,309	369,685	6,391
2010-11	1,889,335	1,985	4,146	52,650	55,577	2,003,693	626,625	6,195

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)	
\$ 57,659	\$ 2,340	\$ 585,854	\$ 1,789,364	8.94	\$ 3,143.79	
51,623	2,210	624,903	1,754,818	8.37	3,077.89	
46,803	2,075	599,758	1,771,998	8.08	3,095.33	
47,404	1,930	586,229	1,878,244	8.01	3,235.81	
62,638	1,780	574,173	2,191,662	9.01	3,802.45	
126,836	1,620	609,456	2,127,655	8.23	3,676.62	
155,648	1,455	601,133	2,332,512	8.67	3,764.39	
159,000	1,270	571,545	2,217,250	7.98	3,541.12	
165,331	1,095	542,502	2,528,811	9.15	3,977.93	
159,681	900	793,401	2,797,094	N/A (2)	4,463.35	

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 GENERAL AND URBAN SERVICES DISTRICTS
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Obligation Bonds and Notes	Less: Amounts Available in Debt Service Funds	Less: Amounts Payable from Sources Other Than Property Taxes	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2001-02	\$ 1,187,245	\$ 162,066	\$ 22,360	\$ 1,002,819	2.35 %	\$ 1,761.88
2002-03	1,114,990	163,737	17,563	933,690	2.17	1,637.66
2003-04	1,158,710	151,390	12,519	994,801	2.20	1,737.72
2004-05	1,279,935	136,955	7,220	1,135,760	2.48	1,956.67
2005-06	1,600,695	83,596	1,655	1,515,444	3.00	2,629.24
2006-07	1,503,390	70,969	130	1,432,291	2.77	2,475.02
2007-08	1,718,615	56,803	-	1,661,812	2.75	2,681.96
2008-09	1,578,135	43,962	-	1,534,173	2.48	2,450.19
2009-10	1,904,109	25,950	-	1,878,159	2.97	2,954.43
2010-11	1,889,335	37,955	-	1,851,380	2.93	2,954.26

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages H-16 and H-17 for property value data.
- (2) See the Schedules of Demographic and Economic Statistics on page H-32 for personal income and population data. This ratio is calculated using population for the prior calendar year.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 URBAN SERVICES DISTRICT
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands, except per capita amount)

Unaudited - See Accompanying Accountants' Report

Fiscal Year	General Obligation Bonds and Notes	Less: Amounts Available in Debt Service Funds	Less: Amounts Payable from Sources Other Than Property Taxes	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2001-02	\$ 109,695	\$ 11,770	\$ -	\$ 97,925	N/A %	\$ N/A
2002-03	97,897	13,230	-	84,667	N/A	N/A
2003-04	107,357	13,900	-	93,457	N/A	N/A
2004-05	114,326	13,857	-	100,469	N/A	N/A
2005-06	134,733	12,997	-	121,736	N/A	N/A
2006-07	128,353	2,427	-	125,926	N/A	N/A
2007-08	153,286	2,221	-	151,065	N/A	N/A
2008-09	144,049	4,299	-	139,750	N/A	N/A
2009-10	157,592	2,985	-	154,607	N/A	N/A
2010-11	156,260	6,160	-	150,100	N/A	N/A

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

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

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Amount of Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Amount of Debt Applicable to Debt Limit as a Percentage of Debt Limit</u>
2001-02	\$ 1,354,384	\$ 97,925	\$ 1,256,459	7.23 %
2002-03	1,353,431	84,667	1,268,764	6.26
2003-04	1,318,828	93,457	1,225,371	7.09
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

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, 2011

Unaudited - See Accompanying Accountants' Report

Assessed valuation of taxable property - Urban Services District		<u>\$ 13,220,434,924</u>
Debt limit - 15 percent of assessed valuation		\$ 1,983,065,239
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 156,259,685	
Less:		
Amounts available in debt service funds	<u>6,159,913</u>	
Total amount of debt applicable to debt limit		<u>150,099,772</u>
Legal debt margin		<u>\$ 1,832,965,467</u>

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

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

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) Includes General, Special Revenue and Debt Service Funds, excluding the Correctional Facility Revenue Bonds.

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

(3) As the result of a bond refunding in June 2010, principal payments for 2010-2011 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	
2001-02	\$ 166,435	\$ 68,006	\$ 98,429	\$ 19,680	\$ 29,615	\$ 49,295	2.00
2002-03	155,560	65,398	90,162	20,190	28,621	48,811	1.85
2003-04	154,638	71,273	83,365	21,680	27,531	49,211	1.69
2004-05	156,158	71,410	84,748	25,960	26,407	52,367	1.62
2005-06	161,727	78,293	83,434	27,280	25,034	52,314	1.59
2006-07	173,220	82,817	90,403	28,770	23,581	52,351	1.73
2007-08	180,862	88,416	92,446	31,185	19,646	50,831	1.82
2008-09	172,379	90,685	81,694	33,370	18,859	52,229	1.56
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

Note: Details regarding the Government's outstanding debt can be found in the notes to the financial statements.

(1) Includes interest on investments and other income.

(2) Excludes depreciation and amortization expense.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Unaudited - See Accompanying Accountants' Report

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Unemployment Rate (3)</u>
2001	569,174	\$ 35,183	\$ 20,025,249	3.5 %
2002	570,136	36,768	20,962,760	4.4
2003	572,475	38,297	21,924,075	4.6
2004	580,455	40,393	23,446,319	4.4
2005	576,382	42,192	24,318,709	4.6
2006	578,698	42,092	25,838,472	4.2
2007 (4)	619,626	43,394	26,916,014	3.9
2008	626,144	44,228	27,784,064	5.5
2009	635,710	43,457	27,626,360	9.3
2010 (5)	626,681	N/A	N/A	9.0

(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) Per Capita personal income statistics for calendar year 2010 were not available at the reporting date.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Unaudited - See Accompanying Accountants' Report

Employer	June 30, 2011			June 30, 2002		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Vanderbilt University and Medical Center	21,232	1	2.74 %	13,601	2	1.98 %
Metro Nashville-Davidson Co. Government and Public Schools	19,241	2	2.48	17,437	3	2.54
State of Tennessee	18,736	3	2.42	19,144	1	2.79
U.S. Government	12,113	4	1.56	11,800	4	1.72
Nissan North America Inc.	11,500	5	1.49	5,786	7	0.84
HCA (including Tri-Star Health System) (1)	7,000	6	0.90	8,500	5	1.24
St. Thomas Health Services	6,500	7	0.84	-		- (2)
The Kroger Company	3,554	8	0.46	3,350	10	0.49
Shoney's Inc.	3,000	9	0.39	3,672	8	0.54
Gaylord Entertainment Co. (1)	2,662	10	0.34	-		- (2)
Saturn Corporation	-		- (2)	7,609	6	1.11
Dell Inc.	-		- (2)	3,400	9	0.50
	<u>105,538</u>		<u>13.63 %</u>	<u>94,299</u>		<u>13.76 %</u>

Sources:

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

(1) National, State or Corporate Headquarters.

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

	2002	2003	2004	2005
Governmental activities:				
General government	326	343	339	325
Fiscal administration	318	343	331	310
Administration of justice	735	785	800	798
Law enforcement and care of prisoners	2,496	2,504	2,544	2,695
Fire prevention and control	1,258	1,258	1,217	1,178
Regulation and inspection	109	109	109	108
Conservation of natural resources	11	11	11	10
Public welfare	706	729	689	678
Public health and hospitals	535	530	525	514
Public library system	365	365	363	336
Public works, highways and streets (2)	536	568	544	543
Recreational and cultural	461	682	679	592
Education	8,617	8,566	8,927	9,026
Total governmental activities	16,473	16,793	17,078	17,113
Internal service activities:				
Central Printing	9	9	9	4
Motor Pool	41	41	-	-
Office of Fleet Management	-	-	105	97
Information Systems	95	103	108	136
Radio Shop	24	24	24	23
Metro Postal Service	6	6	6	5
Facilities Planning and Construction	13	14	19	19
Treasury Management	10	11	14	14
General Services (1)	52	55	55	52
Total internal service activities	250	263	340	350
Business-type activities:				
Department of Water and Sewerage Services	781	718	658	668
Nashville Convention Center	54	53	53	47
Board of Fair Commissioners	19	19	19	17
Farmers Market	7	8	8	8
Police Secondary Employment	-	5	5	5
Surplus Property Auction	-	-	7	7
Police Impound	-	-	7	29
Municipal Auditorium	-	-	-	-
Community Education Commission	-	-	-	9
Stormwater Operations (2)	-	-	-	-
Total business-type activities	861	803	757	790
Total primary government	17,584	17,859	18,175	18,253

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
340	331	337	330	288	297
316	317	318	317	306	296
812	811	808	813	773	804
2,716	2,714	2,715	2,733	2,787	2,740
1,181	1,180	1,182	1,150	1,141	1,138
111	108	108	105	95	97
10	10	11	10	9	9
487	492	487	483	468	488
528	500	508	486	473	469
330	329	336	317	297	292
546	532	527	470	363	364
639	650	682	605	543	534
<u>9,136</u>	<u>9,131</u>	<u>9,275</u>	<u>9,563</u>	<u>9,671</u>	<u>9,019</u>
<u>17,152</u>	<u>17,105</u>	<u>17,294</u>	<u>17,382</u>	<u>17,214</u>	<u>16,547</u>
-	-	-	-	-	-
-	-	-	-	-	-
88	91	94	94	89	89
130	124	129	130	114	112
18	16	16	18	16	16
5	5	5	4	4	4
18	18	18	-	-	-
12	9	8	8	8	8
94	96	107	58	48	47
<u>365</u>	<u>359</u>	<u>377</u>	<u>312</u>	<u>279</u>	<u>276</u>
668	668	668	650	692	704
47	53	53	59	57	57
17	29	24	25	28	23
8	8	8	7	7	7
5	5	5	5	5	5
7	7	7	7	7	7
29	29	29	29	29	29
12	12	12	11	8	8
11	11	15	14	8	5
-	-	-	-	90	90
<u>804</u>	<u>822</u>	<u>821</u>	<u>807</u>	<u>931</u>	<u>935</u>
<u>18,321</u>	<u>18,286</u>	<u>18,492</u>	<u>18,501</u>	<u>18,424</u>	<u>17,758</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2002	2003	2004	2005
Governmental activities:				
General government:				
Election Commission - registered voters	335,357	337,392	366,326	358,119
Assessor of Property - real property inspections (1)	52,313	88,197	69,768	220,903
Administration of justice:				
Public Defender - caseload	32,485	36,068	38,920	41,017
Circuit Court Clerk - circuit filings	8,975	8,967	8,965	10,707
Circuit Court Clerk - general sessions civil filings	47,783	46,739	47,965	45,835
Circuit Court Clerk - probate filings	2,081	2,067	2,061	1,909
Law enforcement and care of prisoners:				
Sheriff - inmate days jails	583,807	610,640	637,243	674,254
Sheriff - inmate days detention facility	436,679	451,182	467,371	431,421
Police - total CAD calls received	1,170,705	1,156,932	1,142,514	1,090,591
Police - incident numbers issued	564,448	577,377	658,387	709,915
ECC - total 911 calls received	N/A	N/A	342,942	332,182
ECC - total non 911 calls received	N/A	N/A	813,991	810,332
ECC - total calls automatic call distribution	N/A	N/A	1,156,933	1,142,514
Fire prevention and control:				
Fire - life threatening responses	33,495	33,812	36,328	38,766
Fire - non life threatening responses	16,771	15,539	13,715	17,240
Regulation and inspection:				
Codes - construction/land use permits	9,346	9,123	10,151	10,245
Public welfare:				
Social Services - clients served (2)	2,543	3,971	2,922	2,734
Public health and hospitals:				
Health - clinic visits	185,221	168,616	174,745	187,465
Health - restaurant inspections	N/A	N/A	N/A	12,483
Public library system:				
Library - circulating materials check-outs	3,825,465	3,988,212	4,203,335	4,087,080
Library - number of visits	3,148,035	3,496,615	3,671,610	3,374,359

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 and 2009 were reappraisal years where all values are updated with new base rates, depreciation schedules and land tables to produce values at 100% of market value.

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

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
359,806	334,067	340,373	345,243	349,733	345,687
48,942	96,845	69,153	236,459	58,158	94,348
39,242	43,649	43,402	46,006	44,776	43,139
9,970	8,905	9,084	11,324	10,298	10,900
47,232	49,729	51,905	53,441	48,834	47,193
2,002	2,060	2,039	1,930	1,954	1,879
806,361	870,502	894,746	920,662	929,674	898,860
354,799	374,643	395,777	401,562	397,566	388,466
974,864	1,052,261	1,060,868	1,152,012	1,315,649	1,417,859
721,903	784,391	844,469	918,749	1,315,455	1,035,026
329,325	343,631	361,016	359,926	344,276	370,704
782,120	742,344	718,732	696,757	690,297	675,908
1,111,445	1,085,975	1,079,748	1,056,203	1,034,573	1,046,612
38,158	41,633	40,171	41,989	43,124	44,518
17,607	19,316	20,768	21,045	24,116	25,835
10,534	11,663	10,598	8,235	10,172	8,343
19,116	20,164	19,694	18,870	17,291	14,963
191,016	192,622	180,543	187,717	190,942	195,222
12,883	13,355	13,972	13,796	13,525	13,378
4,212,037	4,239,335	4,213,276	4,144,374	4,148,419	4,208,363
3,355,545	3,643,610	3,828,825	3,923,154	3,677,765	3,723,416

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

	2002	2003	2004	2005
Governmental activities (continued):				
Public works, highways and streets:				
Public Works - scheduled garbage collections	6,625,476	6,604,000	6,402,310	6,406,309
Public Works - tons of disposed waste (7)	547,439	425,234	862,895	839,779
Public Works - rehabilitated street lane miles (3)	75	90	312	419
Recreational and cultural:				
Parks - Sportsplex attendance	424,080	368,700	385,700	400,000
Parks - cultural enrichment class attendance (4)	4,615	4,372	4,479	4,940
Parks - senior citizen program attendance	21,578	23,557	29,850	25,000
Education:				
Public Schools - students (second month enrollment)	69,700	70,028	70,759	72,458
Business-type activities:				
Department of Water and Sewerage Services:				
Customers - water	143,540	155,712	158,613	159,506
Average daily raw water treatment (millions of gallons per day)	84	88	95	94
Customers - wastewater	163,048	166,417	169,533	171,341
Average daily wastewater flow (millions of gallons per day)	143	150	146	143
District Energy System: (5)				
Steam sales (thousand pounds)	N/A	N/A	188,408	302,899
Chilled water sales (thousand ton hours)	N/A	N/A	22,998	46,817
Nashville Convention Center - events	221	186	190	193
Board of Fair Commissioners:				
Flea market booth rentals	19,457	18,955	19,619	18,611
State fair attendance (6)	171,000	182,500	226,400	204,485
Municipal Auditorium - events held	80	91	92	92

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

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

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

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

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

(6) The decrease in state fair attendance in 2008 was due to rain on the first weekend of the annual event. The operation of the state fair was outsourced in 2011. Attendance figures for 2011 are published numbers from Nashville's daily newspaper.

(7) Tons of disposed waste is now calculated for a calendar year. The amount for 2011 will be available in the spring of 2012.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Unaudited - See Accompanying Accountants' Report

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
6,552,000	6,552,000	6,417,000	6,423,000	6,477,000	6,503,700
800,830	865,671	957,837	745,442	852,856	N/A
145	186	392	171	87	125
385,000	400,000	325,822	339,718	344,858	343,835
4,724	11,339	11,802	12,374	15,710	17,430
30,000	37,484	38,608	37,932	36,898	37,970
73,109	74,155	74,733	75,049	76,329	78,014
162,834	171,627	174,286	175,121	176,033	177,475
97	97	103	98	119	101
173,149	183,695	191,981	187,655	189,299	189,898
125	128	145	151	166	154
303,821	322,648	284,761	283,071	272,448	275,925
52,304	60,720	58,854	52,976	51,273	56,546
193	188	191	234	243	237
18,513	18,900	16,253	15,743	15,908	14,510
227,478	230,216	192,130	209,385	208,131	247,953
91	91	97	110	111	123

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Unaudited - See Accompanying Accountants' Report

	2002	2003	2004	2005
Governmental activities:				
General government:				
General government vehicles (1)	3,883	3,625	3,676	3,620
Law enforcement and care of prisoners:				
Sheriff inmate capacity - jails	1,762	1,762	1,762	2,587
Sheriff inmate capacity - detention facility	892	892	892	892
Police stations	5	5	6	6
Fire prevention and control:				
Fire stations	39	39	39	39
Public library system:				
Libraries	22	22	22	22
Public works, highways and streets:				
Streets and roads (lane miles)	5,500	5,600	5,600	5,600
Recreational and cultural:				
Parks (number)	100	99	102	102
Parks (acreage)	10,238	10,200	10,303	10,241
Miles of completed greenways	16.5	19.5	23.5	28.0
Education:				
Schools	129	128	130	133
School buses	515	558	594	633
Business-type activities:				
Department of Water and Sewerage Services:				
Water mains (miles) (3)	2,634	2,718	2,746	2,749
Maximum daily water capacity (thousands of gallons)	180,000	180,000	186,300	180,000
Sewers (miles) (3)	2,699	2,726	2,753	2,867
Maximum daily treatment capacity (thousands of gallons)	459,000	459,000	459,000	465,000
District Energy System: (2)				
Steam:				
Maximum contract capacity (pounds per hour)	N/A	N/A	368,079	368,079
Percentage maximum contract capacity represented by customers	N/A	N/A	68.88%	65.15%
Chilled water:				
Maximum contract capacity (tons)	N/A	N/A	28,599	28,599
Percentage maximum contract capacity represented by customers (4)	N/A	N/A	87.57%	85.30%
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

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

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

- (1) General government vehicles include vehicles that are used in various other functions of the Government.
- (2) District Energy System began operations in December, 2003.
- (3) Decreases in water main and sewer miles in 2009 are due to a conversion to a new system for maintaining records resulting in more accurate measurements and the elimination of abandoned lines.
- (4) District Energy System diversified capacity for chilled water after planned pump modification in 2010.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

Unaudited - See Accompanying Accountants' Report

2006	2007	2008	2009	2010	2011
3,425	3,559	3,614	3,277	3,408	3,510
2,587	2,587	2,918	2,918	2,918	2,918
1,092	1,092	1,092	1,092	1,092	1,092
6	6	6	6	6	7
40	41	41	41	41	38
24	24	24	24	24	24
5,600	5,643	5,687	5,740	5,777	5,796
107	110	110	115	115	118
10,355	10,424	10,490	10,713	10,876	11,131
29.5	36.5	37.2	37.2	45.7	46.5
136	135	137	132	138	137
657	667	660	646	673	725
2,771	2,888	2,944	2,873	2,878	2,912
180,000	180,000	180,000	180,000	180,000	180,000
2,901	3,027	3,069	2,890	3,045	3,051
465,000	465,000	465,000	465,000	465,000	465,000
368,079	368,079	368,079	368,079	303,833	321,430
67.05%	67.05%	67.05%	67.13%	80.66%	76.00%
28,599	28,599	28,599	28,599	29,279	31,169
87.57%	87.57%	87.57%	86.30%	82.00%	77.00%
118,675	118,675	118,675	118,675	118,675	118,675
126,600	126,600	126,600	126,600	126,600	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



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