

**CONVENTION CENTER AUTHORITY OF THE  
METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY, TENNESSEE**

**(A Component Unit of the Metropolitan Government of  
Nashville and Davidson County, Tennessee)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
(A Component Unit of the Metropolitan Government of  
Nashville and Davidson County, Tennessee)

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023, 2022 AND 2021

This section of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Authority) annual financial report presents management's discussion and analysis (MD&A) of financial performance during the years ended June 30, 2023, 2022 and 2021. This MD&A should be read in conjunction with the Authority's financial statements and notes.

### **Overview of the Financial Statements**

The Authority's financial report consists of this MD&A, financial statements, and notes to the financial statements. The Authority's financial statements are prepared using U.S. generally accepted accounting principles applied to government units using the economic resources measurement focus and the accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Authority at June 30, 2023 and 2022 are included in the statements of net position. For the years ended June 30, 2023 and 2022, the Authority's revenues and expenses are reported in the statements of revenue, expenses, and changes in net position. The statements of cash flows report cash receipts, cash payments, and net changes in cash resulting from operating, financing, and investing activities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023, 2022 AND 2021

**Financial Analysis of the Conference Center as a Business-type Activity**

The Authority's net position as of June 30, 2023, 2022 and 2021 was as follows (in thousands of dollars):

	<u>2023</u>	<u>2022</u>	<u>2021 (A)</u>
Current assets	\$ 339,156	\$ 253,461	\$ 219,613
Capital assets	632,451	647,448	666,191
Other noncurrent assets	<u>108,404</u>	<u>106,936</u>	<u>107,782</u>
 Total assets	 <u>\$1,080,011</u>	 <u>\$1,007,845</u>	 <u>\$ 993,586</u>
 Deferred outflows of resources	 <u>\$ 666</u>	 <u>\$ 538</u>	 <u>\$ 303</u>
Current liabilities	\$ 55,695	\$ 50,535	\$ 47,980
Noncurrent liabilities	<u>517,496</u>	<u>532,962</u>	<u>548,137</u>
 Total liabilities	 <u>\$ 573,191</u>	 <u>\$ 583,497</u>	 <u>\$ 596,117</u>
 Deferred inflows of resources	 <u>\$ 48,570</u>	 <u>\$ 50,021</u>	 <u>\$ 51,682</u>
Net position:			
Net investment in capital assets	\$ 115,729	\$ 113,761	\$ 119,794
Restricted for debt retirement	79,716	77,066	71,454
Restricted for other purposes	90,469	46,478	37,888
Unrestricted	<u>173,002</u>	<u>137,560</u>	<u>116,954</u>
 Total net position	 <u>\$ 458,916</u>	 <u>\$ 374,865</u>	 <u>\$ 346,090</u>

(A) - as restated for GASB Statement No. 87

The Authority was created to develop, acquire, construct, and then operate a convention center (the Music City Center) within the boundaries of the Metropolitan Government of Nashville and Davidson County, Tennessee (Metropolitan Government). During the year ended June 30, 2010, the Authority issued revenue bonds for and began construction of the Music City Center (MCC). Construction is complete, and operation of the MCC began in May of 2013. As more fully described in the financial statements and notes, the Authority's assets consist primarily of cash, accounts receivable, and other items related to operations, cash and investments restricted for construction and debt service, and capital assets related to the MCC. Liabilities consist primarily of current amounts payable related to operations, debt service, and the revenue bonds payable. The components of net position reflect the nature of the underlying assets and liabilities. Note that \$115.7 million of the Authority's net position of \$459.0 million is invested in capital assets while \$79.7 million is restricted for debt retirement and \$90.5 million is restricted for other purposes.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023, 2022 AND 2021

The Authority's change in net position for the years ended June 30, 2023, 2022 and 2021 was as follows (in thousands of dollars):

	<u>2023</u>	<u>2022</u>	<u>2021 (A)</u>
Operating revenue	\$ 39,278	\$ 28,546	\$ 1,227
Operating expense	<u>(49,362)</u>	<u>(42,868)</u>	<u>(33,990)</u>
Operating loss	(10,084)	(14,322)	(32,763)
Nonoperating revenue (expense), net	<u>94,135</u>	<u>43,097</u>	<u>(19,680)</u>
Net increase (decrease) in net position	<u>\$ 84,051</u>	<u>\$ 28,775</u>	<u>\$(52,443)</u>

(A) - as restated for GASB Statement No. 87

The increase in operating revenue during 2023 was largely due to the size and quality of events booked in 2023. There were remarkable events that materialized in the year, which pushed revenues over expectations. The increase in operating expenses for the year ended June 30, 2023 was likewise driven by the size and nature of events. Nonoperating revenue, net for the year ended June 30, 2023 also increased sharply with strong tourism tax collections rebounding and the return of the TDZ allocation, not achieved in FY2022. There were no capital contributions for the year ended June 30, 2023.

The sharp increase in operating revenue during 2022 was due to the incredible return of events and attendees as COVID fears have largely dissipated in the hospitality industry. The increase in operating expenses for the year ended June 30, 2022 was likewise driven by rebounding event bookings and a return to semi-normal business patterns, especially in quarters three and four of fiscal year 2022. Nonoperating revenue, net for the year ended June 30, 2022 also increased sharply with strong tourism tax collections rebounding to pre-COVID levels in all areas except the TDZ. There were no capital contributions for the year ended June 30, 2022.

### Capital Assets and Long-Term Debt

During the year ended June 30, 2023, the Authority incurred costs of \$4,659,093 for the addition of various capital assets, which included an extensive core infrastructure technology refresh, the first phase of a campus-wide card reader and security camera system upgrade, facility enhancements related to lighting and additional solar panels, and various equipment additions and replacements.

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 JUNE 30, 2023, 2022 AND 2021

During the year ended June 30, 2022, the Authority incurred costs of \$917,624 for the addition of various capital assets, which included multiple digital signage additions throughout the building and campus, the completion of the event parking system project, and the back of house LED lighting project. During the year ended June 30, 2021, the Authority incurred costs of \$1,203,306 for the addition of various capital assets. This includes the completion of an airwall recovering project, the installation of touchless actuators on all doors and elevators within the building, and the completion of the NCC redevelopment project at Fifth + Broadway.

In fiscal year 2010, the Authority issued revenue bonds totaling \$623,215,000, with a premium of \$1,301,329, to finance the construction of the Music City Center. As more fully described in Note G to the financial statements, the revenue bonds were issued in three series: Series 2010A-1, Series 2010A-2, and Series 2010B. The ratings on the revenue bonds at issuance were as follows:

	<u>Series A</u> <u>Bonds</u>	<u>Series B</u> <u>Bonds</u>
Moody's	A2	AA3
Standard & Poor's	A	AA
Fitch	A+	A+

**Other Matters**

The Authority’s board entered into an agreement with Omni Hotels in 2010 to develop a premier convention center hotel adjacent to the Music City Center. Omni privately financed the Omni Hotel at its sole expense, and the Authority will make annual payments to Omni from certain tourism taxes pledged to the Authority by the Metropolitan Government. The Authority’s board also entered into two agreements with the Metropolitan Government, a PILOT agreement and an MOU to transfer revenues to the Metropolitan Government. In addition, the board entered into an agreement with the National Museum of African American Music to provide a limited monetary contribution. These agreements are more fully described in Note L to the financial statements.

The Authority’s board entered into an agreement in 2016 with a private developer, Oliver McMillian Spectrum Emery, related to the development of the Fifth + Broadway complex on the previous Nashville Convention Center site. As more fully described in Note J to the financial statements, the Authority funded substantially all of the construction costs of the complex’s parking garage, and has full ownership of the garage. Upon completion and occupancy of the complex, the Authority entered into an agreement to lease the garage to the private developer for 99 years. In October 2022, the Authority had an independent appraisal conducted on the parking garage which resulted in an appraised value of approximately \$20,400,000, at that time. The Authority has not recorded the approximately \$12,300,000 of impairment loss, as it is not required by generally accepted accounting principles as promulgated by the GASB, since there has not been a decrease in service utility of the parking garage.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023, 2022 AND 2021

In August 2022, the Authority entered into an MOU with the Nashville Downtown Partnership to provide funding to the NDP in the amount of \$2,000,000. The funds were to be spent as follows: \$341,000 to expand their cleaning footprint; \$352,000 on focused safety services; \$96,000 targeted toward guest hospitality; \$569,000 for CBID participation; \$273,000 to maintain outreach and housing, and \$369,000 to be determined in further support of the foregoing and in consultation with and upon the approval of the Convention Center Authority. This payment was made in August 2022 in accordance with the MOU.

In August 2022, the Authority entered into an MOU with the Metropolitan Government to transfer \$10,256,000 to be restricted to a special purpose fund dedicated to Entertainment District initiatives and special events expenses incurred by Metro's Beer Board, Police, Fire, and Transportation Departments. The transfer is to be made in two equal installments. The first transfer was made in August 2022 and the second was made in December 2022.

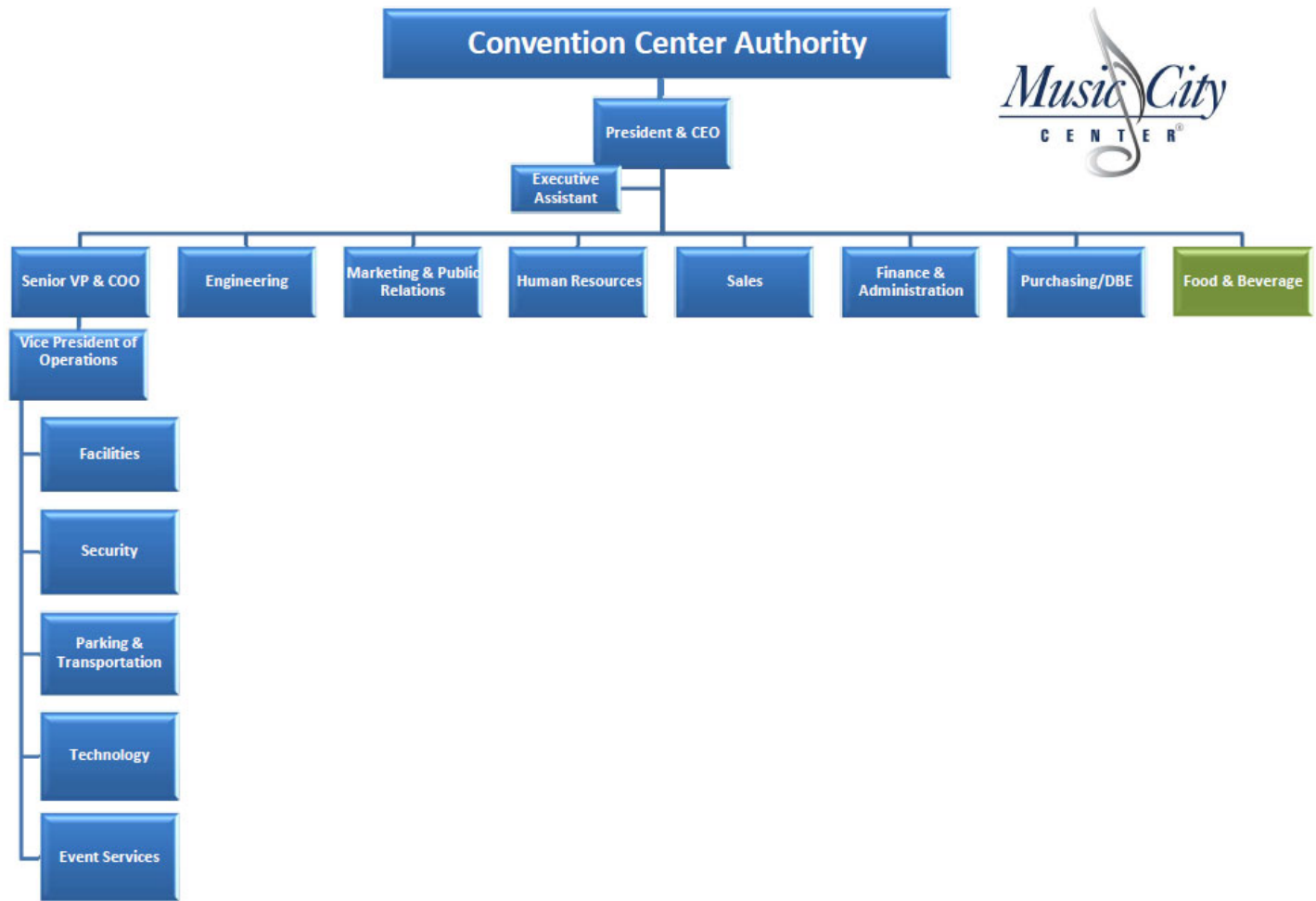
In June of 2023, the Authority amended the existing August 2022 MOU with the Metropolitan Government to include an additional \$21,700,000 in supplemental funding for security improvements on Broadway Avenue to include retractable and meridian bollards in the vicinity of the MCC and funding for the reconstruction and recovery of 2<sup>nd</sup> Avenue's streetscape. This payment was made as of June 30, 2023 in accordance with the amendment.

In June of 2023, the Authority amended their August 2022 MOU with the Nashville Downtown Partnership to provide an additional \$1,800,000 in funding for the purpose of improving, activating, and staffing the adjacent Hall of Fame Park. This payment was made in accordance with the MOU.

In June 2023, the Authority entered into an MOU with the Metropolitan Government to transfer \$14,040,000 to be restricted to a special purpose fund dedicated to Entertainment District initiatives and special events expenses incurred by Metro's Beer Board, Police, Fire, and Transportation Departments. The transfer is to be made in two equal installments. The first transfer was made in August 2023 and the second will be made in December 2023.

Finally, requests for additional financial information should be directed to: Finance Department - Music City Center, 201 Rep. John Lewis Way, Nashville, Tennessee 37203.

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 ORGANIZATION CHART (UNAUDITED)





CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
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(A Component Unit of the Metropolitan Government of  
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AUTHORITY MEMBERS AS OF JUNE 30, 2023 (UNAUDITED)

Norah Buikstra, Chair

Vonda McDaniel, Vice Chair

Alfred Degrafinreid II, Secretary/Treasurer

Robert Davidson

Tracy Hardin

Barrett Hobbs

Dee Patel

Seema Prasad

Betsy Wills

Tre Hargett, Ex Officio

David Lillard, Jr., Ex Officio

Jason Mumpower., Ex Officio



## INDEPENDENT AUDITOR'S REPORT

The Audit Committee  
Convention Center Authority of the Metropolitan  
Government of Nashville and Davidson County, Tennessee:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Authority), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2023 and 2022, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.



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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of changes in long-term debt by individual issue as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of changes in long-term debt by individual issue is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the basic financial statements. The other information comprises the organizational chart and authority members but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



The Audit Committee  
Convention Center Authority of the Metropolitan  
Government of Nashville and Davidson County, Tennessee

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Crosslin, PLLC*

Nashville, Tennessee  
October 31, 2023

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
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STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022

	2023	2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 188,017,249	\$ 149,951,418
Accounts receivable	2,404,267	2,011,816
Accrued interest receivable	1,728,591	495,665
Due from the primary government	106	220
Prepaid expenses	997,369	991,408
Lease receivable	48,950	47,269
Restricted for construction funds:		
Cash and cash equivalents	16,234,770	14,490,278
Restricted for debt service and reserve funds:		
Cash and cash equivalents	18,402,426	18,919,711
Accrued interest receivable	125,109	85,663
Due from the primary government	17,269,902	16,352,431
Accounts receivable	3,458,520	3,636,750
Restricted for other purposes:		
Cash and cash equivalents	90,468,806	46,478,373
Total current assets	339,156,065	253,461,002
Noncurrent assets:		
Other assets:		
Lease receivable	49,797,187	49,846,137
Net pension asset	-	442,781
Restricted for debt service and reserve funds:		
Cash and cash equivalents	21,291,097	23,785,671
Investments	37,315,368	32,861,102
Total other assets	108,403,652	106,935,691
Capital assets:		
Land	91,316,189	91,316,189
Art collection	1,183,844	1,183,844
Buildings and improvements	700,022,460	700,022,460
Furniture, machinery, and equipment	11,877,681	10,153,005
Construction work in progress	2,750,791	151,396
Less accumulated depreciation	(174,699,476)	(155,378,770)
Total capital assets	632,451,489	647,448,124
Total noncurrent assets	740,855,141	754,383,815
Total assets	1,080,011,206	1,007,844,817
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows, pensions	666,348	538,287

See accompanying notes to financial statements.

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STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022

	2023	2022
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,457,491	\$ 3,207,673
Accrued payroll	1,595,203	1,764,613
Due to the primary government	389,992	9,764
Unearned revenue	13,220,128	11,762,245
Liabilities payable from restricted assets:		
Construction funds:		
Accounts payable and accrued liabilities	76,101	120,263
Debt service and reserve funds:		
Accounts payable and accrued liabilities	1,338	2,364
Accrued interest payable	18,144,681	18,573,428
Current portion of long-term debt	15,810,000	15,095,000
Total current liabilities	55,694,934	50,535,350
Noncurrent liabilities:		
Long-term revenue bonds payable	517,071,484	532,961,978
Net pension liability	425,229	-
Total noncurrent liabilities	517,496,713	532,961,978
Total liabilities	573,191,647	583,497,328
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows, pensions	94,234	935,411
Deferred inflows, leases	48,476,253	49,085,712
Total deferred inflows of resources	48,570,487	50,021,123
<b>NET POSITION</b>		
Net investment in capital assets	115,728,674	113,761,161
Restricted for debt retirement	79,716,403	77,065,536
Restricted for other purposes	90,468,806	46,478,373
Unrestricted	173,001,537	137,559,583
Total net position	\$ 458,915,420	\$ 374,864,653

See accompanying notes to financial statements.

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
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STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Charges for services	\$ 39,277,910	\$ 28,545,948
Operating expense:		
Personal services	12,988,954	11,181,873
Contractual services	13,334,490	9,901,531
Supplies and materials	1,816,841	685,341
Depreciation	19,654,968	19,660,630
Other	<u>1,566,753</u>	<u>1,438,538</u>
Total operating expense	<u>49,362,006</u>	<u>42,867,913</u>
Operating loss	<u>(10,084,096)</u>	<u>(14,321,965)</u>
Nonoperating revenue (expense):		
Tourism tax revenue	168,635,665	95,997,114
Investment income (loss)	9,794,437	(1,508,768)
Other income	2,369,399	2,463,315
Interest expense	(24,473,528)	(25,209,036)
Metropolitan Government:		
Payments in lieu of taxes (PILOT)	(14,132,573)	(14,280,240)
Memorandums of understanding (MOU)	(31,956,000)	-
OMNI payment	(12,000,000)	(12,000,000)
Other expense	<u>(4,102,537)</u>	<u>(2,365,670)</u>
Total nonoperating revenue, net	<u>94,134,863</u>	<u>43,096,715</u>
Increase in net position	84,050,767	28,774,750
Net position, beginning of year	<u>374,864,653</u>	<u>346,089,903</u>
Net position, end of year	<u>\$ 458,915,420</u>	<u>\$ 374,864,653</u>

See accompanying notes to financial statements.



CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
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STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 40,343,456	\$ 29,672,744
Payments to suppliers	(13,093,999)	(12,356,140)
Payments to employees	(13,259,592)	(11,287,405)
	13,989,865	6,029,199
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,702,498)	(797,954)
Principal paid	(15,095,000)	(14,435,000)
Interest paid	(36,718,106)	(37,549,540)
Interest subsidy	11,735,339	11,857,324
Cash received from leasing activity	1,730,000	3,110,000
PILOT payment	(14,132,573)	(14,280,240)
Other expense	(300,069)	(274,484)
	(57,482,907)	(52,369,894)
Cash flows from noncapital financing activities:		
Receipts from governments	167,896,424	90,901,753
Payments to hotel developers	(12,000,000)	(12,000,000)
Metro MOUs	(31,956,000)	-
Other contributions	(3,800,000)	(2,000,000)
	120,140,424	76,901,753
Cash flows from investing activities:		
Purchases of investments	(10,620,403)	(10,231,245)
Proceeds from sales and maturities of investments	5,923,962	14,646,353
Interest income	8,837,956	76,134
Payment from NCVC	-	500,000
	4,141,515	4,991,242
Net cash provided by investing activities	4,141,515	4,991,242
Net changes in cash and cash equivalents	80,788,897	35,552,300
Cash and cash equivalents, beginning of year	253,625,451	218,073,151
Cash and cash equivalents, end of year	\$ 334,414,348	\$ 253,625,451

See accompanying notes to financial statements.

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	2023	2022
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (10,084,096)	\$ (14,321,965)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	19,654,968	19,660,630
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(392,451)	(275,873)
Prepaid expenses	(5,961)	(942,136)
Due from the primary government	114	(180)
Net pension asset	442,781	1,018,893
Deferred outflows of resources	(128,061)	(235,407)
Accounts payable and accrued liabilities	3,249,818	700,869
Accrued payroll	(169,410)	162,301
Due to the primary government	380,228	(89,463)
Unearned revenue	1,457,883	1,402,849
Net pension liability	425,229	-
Deferred inflows of resources	(841,177)	(1,051,319)
Net cash provided by operating activities	\$ 13,989,865	\$ 6,029,199
Schedule of noncash capital and related financing activities:		
Amortization of bond premium	\$ 80,494	\$ 80,495
Acquisition of capital assets with accounts payable	76,101	120,263
Schedule of noncash investing activities:		
Unrealized loss on investments	\$ (242,176)	\$ (1,515,074)
Cash and cash equivalents as reported in the Statements of Net Position:		
Current assets	\$ 188,017,249	\$ 149,951,418
Current assets restricted for construction funds	16,234,770	14,490,278
Current assets restricted for debt service and reserve funds	18,402,426	18,919,711
Current assets restricted for other purposes	90,468,806	46,478,373
Noncurrent assets restricted for debt service and reserve funds	21,291,097	23,785,671
Total cash and cash equivalents	\$ 334,414,348	\$ 253,625,451

See accompanying notes to financial statements.

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Authority) was formed by Resolution of the Metropolitan Council of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Metropolitan Government) on August 10, 2009 (date of inception) under the State of Tennessee Convention Center Authorities Act of 2009. The Authority is governed by a nine-member board of directors appointed by the mayor and confirmed by the Metropolitan Council. The Authority was responsible for the acquisition, development, and construction of a new convention center, the Music City Center, which was completed in May of 2013. The Authority is now responsible for the operation of the Music City Center.

The Authority is a public nonprofit corporation and public instrumentality of the Metropolitan Government and is a component unit of the Metropolitan Government (primary government). The Authority and the Metropolitan Government have entered into an interlocal agreement for the Metropolitan Government to provide comprehensive financial management services to the Authority, among other services. Accordingly, the accounting policies of the Authority are the same as those adopted by the Metropolitan Government.

The accounting policies of the Authority conform to U.S. generally accepted accounting principles as applied to government units. The Authority's most significant accounting policies are summarized below.

Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Assets, Liabilities, Revenue, and Expenses

*Cash and cash equivalents* - Cash and cash equivalents include amounts in demand deposits and highly liquid short-term investments with maturity dates within three months of the date of acquisition and other available pooled funds. The Authority also participates in the Metropolitan Government's Investment Pool.

*Investments* - Investments consist primarily of U.S. government securities and are stated at fair value. Investment income consists of interest earned on investments and realized and unrealized appreciation or depreciation in the fair value of investments.

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Amounts due from and due to the primary government* - Amounts due from the primary government consist primarily of certain tourism tax revenues collected by the Metropolitan Government and pledged to the Authority for the repayment of revenue bonds, which are accrued as those taxes are earned by the Metropolitan Government. Such amounts are remitted to the Authority and are reported as tourism tax revenue, a nonoperating revenue of the Authority. Amounts due to the primary government consist primarily of payments due for services provided by the Metropolitan Government to the Authority that are accrued as those services are provided and for reimbursement for certain goods and services purchased by the Metropolitan Government on behalf of the Authority.

*Restricted assets* - Restricted assets consist of bond proceeds restricted for debt service reserve funds and of amounts accumulated for capital projects and other purposes. Assets in the debt service reserve funds and assets in the debt service funds are held by a trustee and are not available to the Authority for other purposes. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

*Capital assets* - Major outlays for capital assets and improvements and all expenses incurred in support of construction were capitalized as projects were constructed. Net interest cost incurred during the construction of facilities was capitalized as part of the cost of those facilities. Capital assets are generally defined as assets with individual cost in excess of \$10,000 and a useful life in excess of one year. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The estimated lives range from 3 to 50 years.

*Deferred outflows of resources* - In addition to assets, the statements of net position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources related to pensions consist of certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, certain changes in assumptions, and any contributions between the measurement and reporting dates.

*Compensated absences* - General policy of the Authority for former employees of the Metropolitan Government and for employees hired by the Authority permits the accumulation, within certain limitations, of unused vacation days and sick leave. For Metropolitan Government employees retained by the Authority and employees hired directly by the Authority, a maximum of 10 vacation days may be carried forward to the next year. Although sick pay may accumulate for all employees, no amounts are vested in the event of employee termination. Accumulated unpaid vacation pay is reported with accrued payroll.

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*Bond premiums* - Bond premiums are deferred and amortized over the term of the related bonds.

*Deferred inflows of resources* - In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources related to pensions consist of certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, and certain changes in assumptions. Deferred inflows of resources related to leases represent the present value of long-term lease payments expected to be received during a lease payment term in accordance with GASB No. 87.

*Net position* - Components of net position are classified and displayed in three components as applicable: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted amounts consist of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted assets are comprised of all other assets that constitute the components of net position that do not meet the definition of “restricted” or “net investment in capital assets”.

*Operating and nonoperating revenues and expenses* - Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with the Authority’s ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Tourism tax revenue* - The tourism tax revenue consists of 3% of the 6% 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 7-4-202, the \$2.00 Contracted Vehicle Tax authorized by TCA Section 7-4-203, the 1% Rental Vehicle Surcharge Tax authorized by TCA Section 67-4-1908, an allocation of state and local sales and use taxes derived from incremental sales tax growth within a Tourism Development Zone (TDZ) authorized by TCA Section 7-88-101, and an allocation of Campus Sales Tax, consisting of state and local sales and use taxes collected on the premises of the Music City Center campus and on any convention center hotels.

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Other revenue (expense)* - Other revenue (expense) primarily consists of amounts remitted to the developer of a hotel constructed adjacent to the Music City Center; to the Metropolitan Government in accordance with the PILOT agreement executed in November 2019 and the MOU agreements executed in May 2020, August 2022 and June 2023; and to the National Museum of African American Music in accordance with the contribution agreement executed in November 2019. These are discussed in Note L to the financial statements. Other revenue also includes lease-related revenue as discussed in Note J to the financial statements.

*Leases* - The Authority leases certain assets to various third parties. As a lessor, the Authority is required to recognize a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is equal to the lease receivable, less any prepayments received from lessees, or lease incentives paid to lessees. The Authority recognizes lease revenue calculated as the amortization of the deferred inflow of resources over the lease term. The Authority also recognizes accrued interest receivable and interest revenue for the amortization of the discount for lessor contracts. Lease-related revenue is included in other revenue in the statements of revenues, expenses, and changes in net position.

*Estimates* - Estimates are used in the preparation of financial statements and 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 expenses during the reporting period. Actual results could differ from those estimates.

Newly Adopted Accounting Pronouncements

The Authority implemented the following Governmental Accounting Standards Board (GASB) statements during fiscal year 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation did not have an effect on the Authority's financial statements for fiscal year 2023.

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GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The implementation did not have an effect on the Authority's financial statements for fiscal year 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The implementation did not have an effect on the Authority's financial statements for fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation did not have an effect on the Authority's financial statements for fiscal year 2023.

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This Statement provides guidance on several practice issues identified during the implementation of certain GASB statements. The implementation did not have an effect on the Authority's financial statements for fiscal year 2023.

Recent Accounting Pronouncements

GASB Statement No. 100, *Accounting for Change and Error Corrections*, was issued in June 2022. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will be effective for the Authority in fiscal year 2024. The Authority is in the process of evaluating the impact of GASB Statement No. 100.

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB Statement No. 101, *Compensated Absences* was issued in June 2022. This Statement updates the recognition and measurement guidance for compensated absences. This Statement requires liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement will be effective for the Authority in fiscal year 2025. The Authority is in the process of evaluating the impact of GASB Statement No. 101.

Reclassifications

Certain reclassifications have been made to the fiscal year 2022 financial statements to conform to the fiscal year 2023 financial statements presentation.

B. CASH AND INVESTMENTS

The Authority is authorized by state statutes and policy to invest funds that are not immediately needed in U.S. Treasury bills, bonds, and notes; the Tennessee Local Government Investment Pool (LGIP); the Tennessee Intermediate-Term Investment Fund (ITIF); the First Tennessee Bank Advisors Direct Holdings (FTB Direct Holdings); most bonds issued by U.S. government agencies; other municipal obligations; and other investments, such as repurchase agreements. The Authority is authorized to invest in these instruments either directly or through the Metropolitan Government's Investment Pool (MIP). Additional information regarding the underlying investments of the MIP is available in the Metropolitan Government's Comprehensive Annual Financial Report, which can be obtained from the Department of Finance, Financial Operations, 700 2nd Ave South, PO Box 196300, Nashville, TN 37219-6300, or <http://www.nashville.gov/Finance/Financial-Operations.aspx>.



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B. CASH AND INVESTMENTS - Continued

At June 30, 2023, the Authority had the following deposits and investments:

Investment Type	Fair Value	Weighted Average Maturity (in years)
Cash on deposit	\$ 282,746	-
Metropolitan Government investment pool	297,036,687	(a)
U.S. Treasury money market funds	37,094,915	-
Cash and cash equivalents	334,414,348	
U.S. government agencies	36,862,379	2.2
Municipal obligations	452,989	3.0
Total investments	37,315,368	
Total cash and investments	\$371,729,716	

(a) The Metropolitan Government investment pool includes investments in the Tennessee Local Government Investment Pool in the amount of \$78,173,175, the First Horizon Advisors Direct Holdings in the amount of \$175,493,946, and the Bank of New York Mellon in the amount of \$43,369,566. The weighted average maturity of these at June 30, 2023 was 0.13, 0.40 and 0.84, respectively.

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B. CASH AND INVESTMENTS - Continued

At June 30, 2022, the Authority had the following deposits and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>
Cash on deposit	\$ 371,283	-
Metropolitan Government investment pool	212,981,974	(a)
U.S. Treasury money market funds	40,272,194	-
Cash and cash equivalents	253,625,451	
U.S. government agencies	30,615,841	3.0
Municipal obligations	2,245,261	2.9
Total investments	32,861,102	
Total cash and investments	\$286,486,553	

(a) The Metropolitan Government investment pool includes investments in the Tennessee Local Government Investment Pool in the amount of \$44,909,379 and the First Horizon Advisors Direct Holdings in the amount of \$168,072,595. The weighted average maturity of these at June 30, 2022 was 0.12 and 0.47, respectively.

Cash

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. As of June 30, 2023 and 2022, all deposits and certificates of deposit were insured or collateralized as required by State of Tennessee law.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy places no specific limit on the weighted average maturity of the investment portfolios. However, the average maturity of the portfolios is monitored and managed so that the changing interest rates will cause only minimal deviations in the net asset value. As of June 30, 2023 and 2022, the investments of the Authority had weighted average maturities as noted on the preceding tables.

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B. CASH AND INVESTMENTS - Continued

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy limits investments in corporate obligations to prime banker acceptances that are eligible for purchase by the Federal Reserve System and commercial paper that is rated at least A1 or the equivalent by at least two nationally recognized rating agencies.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The investment policy limits single issuer exposure to 10% except for securities of the U.S. government or its agencies.

Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the Authority will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. There is not a policy with regard to custodial credit risk of investments; however, as of June 30, 2023 and 2022, all investments were insured or registered or the securities were held by the Authority or its agent in the Authority's name.

Fair Value Measurement

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

All investments held by the Authority are considered Level 1.

C. ACCOUNTS RECEIVABLE

Accounts receivable of \$5,862,787 at June 30, 2023 consisted of \$2,404,267 for operating events and \$3,458,520 of accrued tourism taxes. Accounts receivable of \$5,648,566 at June 30, 2022 consisted of \$2,011,816 for operating events and \$3,636,750 of accrued tourism taxes.

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D. ADVANCE TO NCVC

In May 2020, the Authority advanced \$1,000,000 to the Nashville Convention and Visitors Corporation (NCVC) to assist in their COVID-19 relief efforts. The agreement stated that the advance is to be repaid in equal quarterly payments of \$83,333 beginning on March 31, 2021 until paid in full. However, in March of 2021, the NCVC made a \$500k payment to pay all amounts that would be due through fiscal year 2022. At June 30, 2021, the remaining \$500k was reported as an advance to NCVC to be repaid in accordance with the terms of the agreement in fiscal year 2023. The remaining \$500k was paid in advance of the agreement terms in December of 2021.

E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance June 30, 2022</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Balance June 30, 2023</u>
Capital assets, not being depreciated:				
Land	\$ 91,316,189	\$ -	\$ -	\$ 91,316,189
Art collection	1,183,844	-	-	1,183,844
Construction in progress	<u>151,396</u>	<u>2,166,040</u>	<u>433,355</u>	<u>2,750,791</u>
Total capital assets, not being depreciated	<u>92,651,429</u>	<u>2,166,040</u>	<u>433,355</u>	<u>95,250,824</u>
Capital assets, being depreciated:				
Buildings and improvements	700,022,460	-	-	700,022,460
Furniture, machinery, and equipment	<u>10,153,005</u>	<u>2,493,053</u>	<u>(768,377)</u>	<u>11,877,681</u>
Total capital assets, being depreciated	<u>710,175,465</u>	<u>2,493,053</u>	<u>(768,377)</u>	<u>711,900,141</u>
Less accumulated depreciation:				
Buildings and improvements	(148,971,540)	(18,363,199)	-	(167,334,739)
Furniture, machinery, and equipment	<u>( 6,407,230)</u>	<u>( 1,291,769)</u>	<u>334,262</u>	<u>( 7,364,737)</u>
Total accumulated depreciation	<u>(155,378,770)</u>	<u>(19,654,968)</u>	<u>334,262</u>	<u>(174,699,476)</u>
	<u>\$ 647,448,124</u>	<u>\$(14,995,875)</u>	<u>\$( 760)</u>	<u>\$ 632,451,489</u>

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E. CAPITAL ASSETS - Continued

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance <u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	Balance <u>June 30, 2022</u>
Capital assets, not being depreciated:				
Land	\$ 91,316,189	\$ -	\$ -	\$ 91,316,189
Art collection	1,183,844	-	-	1,183,844
Construction in progress	<u>-</u>	<u>151,396</u>	<u>-</u>	<u>151,396</u>
Total capital assets, not being depreciated	<u>92,500,033</u>	<u>151,396</u>	<u>-</u>	<u>92,651,429</u>
Capital assets, being depreciated:				
Buildings and improvements	699,932,792	89,668	-	700,022,460
Furniture, machinery, and equipment	<u>9,508,700</u>	<u>676,559</u>	<u>( 32,254)</u>	<u>10,153,005</u>
Total capital assets, being depreciated	<u>709,441,492</u>	<u>766,227</u>	<u>( 32,254)</u>	<u>710,175,465</u>
Less accumulated depreciation:				
Buildings and improvements	(130,665,871)	(18,305,669)	-	(148,971,540)
Furniture, machinery, and equipment	<u>( 5,084,523)</u>	<u>( 1,354,961)</u>	<u>32,254</u>	<u>( 6,407,230)</u>
Total accumulated depreciation	<u>(135,750,394)</u>	<u>(19,660,630)</u>	<u>32,254</u>	<u>(155,378,770)</u>
	<u>\$ 666,191,131</u>	<u>\$(18,743,007)</u>	<u>\$ -</u>	<u>\$ 647,448,124</u>

During fiscal year 2023, various facility enhancement projects were completed and placed in service along with the purchase of multiple pieces of equipment and other furnishings. Construction in progress at June 30, 2023 consisted of five new projects which will be complete within the next fiscal year. The estimated cost to complete the construction in progress at June 30, 2023 is approximately 4,000,000.

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F. UNEARNED REVENUE

Unearned revenue of \$13,220,128 and \$11,762,245 represents deposits received for events scheduled to occur in future years at June 30, 2023 and 2022, respectively.

G. LONG-TERM REVENUE BONDS PAYABLE

Long-term debt activity during the year ended June 30, 2023 and descriptions of the amounts outstanding are as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County:				
Tourism Tax Revenue Bonds, Series 2010A-1, bearing interest at 3.25% to 5.00% payable semiannually, maturing through July 1, 2026	\$ 25,685,000	\$ -	\$( 4,470,000)	\$ 21,215,000
Tourism Tax Revenue Bonds Federally Taxable, Series 2010 A-2 (Build America Bonds - Direct Payment), bearing interest at 7.431% payable semiannually, maturing on July 1, 2043	152,395,000	-	-	152,395,000
Subordinate Tourism Tax Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds - Direct Payment), bearing interest at 4.862% to 6.731% payable semiannually, maturing through July 1, 2043	369,655,000	-	(10,625,000)	359,030,000
Original issue premium	321,978	-	( 80,494)	241,484
	<u>\$548,056,978</u>	<u>\$ -</u>	<u>\$(15,175,494)</u>	<u>\$532,881,484</u>

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G. LONG-TERM REVENUE BONDS PAYABLE - Continued

Long-term debt activity during the year ended June 30, 2022 and descriptions of the amounts outstanding are as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County:				
Tourism Tax Revenue Bonds, Series 2010A-1, bearing interest at 3.25% to 5.00% payable semiannually, maturing through July 1, 2026	\$ 29,885,000	\$ -	\$( 4,200,000)	\$ 25,685,000
Tourism Tax Revenue Bonds Federally Taxable, Series 2010 A-2 (Build America Bonds - Direct Payment), bearing interest at 7.431% payable semiannually, maturing on July 1, 2043	152,395,000	-	-	152,395,000
Subordinate Tourism Tax Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds - Direct Payment), bearing interest at 4.862% to 6.731% payable semiannually, maturing through July 1, 2043	379,890,000	-	(10,235,000)	369,655,000
Original issue premium	402,473	-	( 80,495)	321,978
	<u>\$562,572,473</u>	<u>\$ -</u>	<u>\$(14,515,495)</u>	<u>\$548,056,978</u>

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G. LONG-TERM REVENUE BONDS PAYABLE - Continued

In April 2010, the Authority issued Tourism Tax Revenue Bonds, Series 2010A-1 for \$51,730,000, Series 2010A-2 for \$152,395,000, and Series 2010B for \$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 was 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 (MDHA), a component unit of the Metropolitan Government, through a bank loan. In conjunction with the issuance of the Tourism Tax Revenue Bonds, the MDHA bank loan was retired, and the land was transferred to the Authority.

The bond proceeds were used as follows:

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

The remaining \$508,575,611 of bond proceeds was deposited in construction funds to be drawn down as the Music City Center was constructed. The capitalized interest funds were applied to interest payable during construction.

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 (BABs) under an irrevocable election under Section 54 of the Internal Revenue Code. BABs qualify for a 35.0% credit from the Federal government on interest payable on the bonds. The Metropolitan Government is required to file requests for these interest credits no earlier than 90 days prior to each scheduled interest payment. Subsequent to issuance of the bonds, the Federal government has reduced the credit. The credit reduction was 5.7% in the fiscal years ended June 30, 2023 and 2022. The Authority is not anticipating restoration of the credit to the original amount; however, the reduction is not expected to have a material impact on the ability to meet future debt payments.

The Series 2010A Bonds are payable from tourism tax revenues received by the Metropolitan Government.



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G. LONG-TERM REVENUE BONDS PAYABLE - Continued

The Series 2010B Bonds are payable from the remaining tourism tax revenues available after the payment of the 2010A Bonds and from net operating revenues, which are the remaining project operating revenues after the payment of operating expenses. The Series 2010B Bonds are additionally secured by a pledge of the Metropolitan Government’s nontax revenues of the General Fund of the General Services District, subject to the prior pledge and application of certain requirements related to bonds issued by the Sports Authority, a component unit of the Metropolitan Government. No payments related to this financial guarantee have been made by the Metropolitan Government. Should any payments be made by the Metropolitan Government in the future, the agreements provide for recovering any such payments from the Authority’s revenues after operating expenses are covered and annual principal and interest payments and certain other obligations are met.

All of the bonds are subject to Federal arbitrage regulations. Annual maturities of revenue bonds outstanding, related interest, and anticipated Federal interest credits for interest payable on BABs are outlined below.

	<u>Principal</u>	<u>Interest</u>	<u>Estimated Federal Credit</u>
Year(s) ending June 30:			
2024	\$ 15,810,000	\$ 35,853,147	\$( 11,170,542)
2025	16,660,000	34,933,708	( 10,950,901)
2026	17,385,000	33,957,161	( 10,720,023)
2027	18,080,000	32,904,948	( 10,469,001)
2028	18,725,000	31,694,974	( 10,128,129)
2029-2033	107,160,000	137,245,872	( 43,856,919)
2034-2038	133,755,000	95,502,308	( 30,517,762)
2039-2043	166,985,000	43,366,004	( 13,857,606)
2044	<u>38,080,000</u>	<u>1,326,242</u>	<u>( 423,801)</u>
	<u>\$532,640,000</u>	<u>\$446,784,364</u>	<u>\$(142,094,684)</u>

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H. EMPLOYEE BENEFIT PLANS

Certain employees of the Metropolitan Government's Nashville Convention Center were retained by the Authority to manage and operate the Music City Center. Those Metropolitan Government employees continue to be eligible to participate in the pension, other postemployment benefit (OPEB), and deferred compensation 457 plans of the Metropolitan Government. Only employees hired directly by the Authority are eligible to participate in the Authority's deferred compensation 401(k) plan.

**(a) Pension Plans (Former Metropolitan Government Employees)**

The Metropolitan Government sponsors or guarantees several single-employer pension plans, including (a) the closed City Plan (City Plan); (b) the Davidson County Employees' Retirement Plan (County Plan), both of which were closed to new members on April 1, 1963; and (c) the Metropolitan Employees' Benefit Trust Division A or B (Metro Plan). Division A of the Metro Plan was established at the inception of the Metropolitan Government on April 1, 1963 and was closed to new members on July 1, 1995. Division B of the Metro Plan was established on July 1, 1995.

All plans of the Metropolitan Government were established by 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 by plan assets. The plans are administered by the Metropolitan Employee Benefit Board, an independent board created by the Metropolitan Charter. The financial position and results of operations of the pension plans are reported as fiduciary funds of the Metropolitan Government and, accordingly, are not included in the financial statements of the Authority.

Certain legacy employees of the Authority who were former employees of the Nashville Convention Center are members of the Metro Plan. Periodic contributions by the Authority to the Metro Plan are at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Contributions to closed plans are made on a pay-as-you-go basis by the Metropolitan Government whereby contributions are made in amounts sufficient to cover benefits paid during the year. Employees do not contribute to any of the Metropolitan Government pension plans.

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H. EMPLOYEE BENEFIT PLANS - Continued

Normal retirement for employees occurs at age 65 for Division A and age 60 for Division B and entitles employees to a lifetime monthly benefit as determined under the Metro Plan. Benefits fully vest upon completing five years of service for employees employed on or between October 1, 2001 and December 31, 2012 and who vest before leaving employment.

A net pension asset has been recorded in the financial statements of the Authority based on its pro rata share of the total net pension asset for the Metropolitan Government. The net pension liability was \$425,229 at June 30, 2023, and the net pension asset was \$442,781 at June 30, 2022, and \$1,461,671 at June 30, 2021. The Authority's proportion of the Metro Plan's net pension liability at June 30, 2023 was 0.27%, and the Authority's portion of the Metro Plan's net pension asset at June 30, 2022 and 2021 was 0.26%.

Certain differences between expected and actual actuarial results and certain differences between projected and actual investment earnings and certain changes in assumptions are recorded as either deferred outflows of resources or deferred inflows of resources. The deferred outflows of resources and deferred inflows of resources were \$668,348 and \$94,234, respectively, at June 30, 2023 and \$538,287 and \$935,411, respectively, at June 30, 2022. The deferred outflows of resources and deferred inflows of resources were \$302,880 and \$1,986,730, respectively, at June 30, 2021. The amounts at June 30, 2023 will be recognized as net pension expense in future years.

Contributions by the Authority to the Metro Plan totaled \$274,896, \$244,686, and \$220,108 for the years ended June 30, 2023, 2022 and 2021, respectively.

The Authority has recorded a net pension asset, deferred outflows of resources, and deferred inflows of resources, in accordance with GASB Statement No. 68, *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27*, related to its participation in the pension plans of the Metropolitan Government. The number of Authority employees participating in the pension plans is approximately 20, and disclosures and related information presented are limited due to the Authority's relative level of participation. Additional information regarding the pension plans of the Metropolitan Government is available in the Annual Comprehensive Financial Report, which can be obtained from the Department of Finance, Financial Operations, 700 2nd Ave South, PO Box 196300, Nashville, TN, 37219-6300, or <http://www.nashville.gov/Finance/Financial-Operations.aspx>.

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H. EMPLOYEE BENEFIT PLANS - Continued

**(b) Other Post-Employment Benefit (OPEB) Plans (Former Metropolitan Government Employees)**

Retirees in the Metro, City, or County Plans may elect to participate in the Metropolitan Employees' Medical Benefit Plan (Benefit Plan), a single-employer defined-benefit healthcare plan. The Benefit Plan is administered by the Employee Benefit Board and provides medical, dental, and life insurance. The OPEB Plans were authorized by the Metropolitan Charter and Code. The financial position and results of operation of the Benefit Plan are reported as an internal service fund of the Metropolitan Government and, accordingly, are not included in the financial statements of the Authority.

The contribution requirements of the Benefit Plan members and the Metropolitan 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 Metropolitan Government contributes 75% of all premium payments, and the retirees contribute 25%. The Metropolitan Government also provides a 50% matching contribution on dental insurance for retirees who choose to participate. Finally, the Metropolitan Government provides life insurance at no charge to retirees.

As the Metropolitan Government has assumed the responsibility for funding these benefits, the Authority has accrued no liability as of June 30, 2023 or June 30, 2022. Actuarially determined OPEB Plans are reported in the government-wide statements of the Metropolitan Government; accordingly, no additional liability has been accrued in the financial statements of the Authority.

**(c) Deferred Compensation 457 Plan (Former Metropolitan Government Employees)**

The Metropolitan Government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Metro 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 held in a trustee capacity, they are not included in the financial statements of the Metropolitan Government. No contributions are made to this plan by the Metropolitan Government or Convention Center Authority.

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H. EMPLOYEE BENEFIT PLANS - Continued

**(d) Deferred Compensation 401(k) Plan (Authority Employees)**

The Authority offers a 401(k) defined contribution deferred compensation plan to its employees hired directly by the Authority. The plan is administered by the Authority and benefit terms, including contribution requirements, for the plan are established and may be amended by the Authority. Former employees of the Nashville Convention Center who are members of the Metro Pension Plan are not eligible to participate in this plan. The plan 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. Employees can contribute as much as is allowed by Federal law. The Authority matches 100% of employee contributions up to 3% of salary and 50% of employee contributions up to 5% of salary. Participants are immediately vested in their own contributions, rollover contributions, and actual earnings thereon. Employer contributions to the Plan through December 31, 2019, vest 20% at the end of each participant's first year of service and then vest 20% per year, plus actual earnings thereon for each year of credited service, as defined by the Plan document. These Employer contributions are 100% vested after five years of credited service for each Participant. The Plan was amended to become a safe harbor plan effective January 1, 2020. Employer matching contributions to the Plan beginning on or after that date, are 100% vested immediately for all participants, including earnings thereon. For Employer discretionary contributions, the participants are subject to the 5- year vesting schedule. Pension expense recorded by the Authority to the 401(k) Plan totaled \$229,282, \$206,378, and \$130,448 for the years ended June 30, 2023, 2022 and 2021, respectively. Forfeitures are used to reduce future employer matching contributions or to pay certain administrative expenses of the plan. Financial statements for the plan can be obtained from the Convention Center Authority, c/o Music City Center, Human Resources, 201 Rep. John Lewis Way South, Nashville, TN 37203.

I. RISK MANAGEMENT

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

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J. LEASES

On December 30, 2010, the Authority entered into a development agreement for the Country Music Hall of Fame and Museum Expansion with Omni Nashville, LLC (Omni) and into a development, lease, and operating agreement with the Country Music Foundation, Inc. (Hall of Fame). Under the terms of the agreements, Omni constructed a connector (expansion project) between its headquarters hotel and the Hall of Fame, with funding from tax increment financing provided by the Metropolitan Development and Housing Agency. Upon completion of construction, the connector was transferred to the Authority on June 20, 2014 and is now leased to the Hall of Fame for an initial term of 60 years. The lease includes an option for the Hall of Fame to purchase the premises upon expiration of the initial term for \$750,000. Rent is payable annually on October 1<sup>st</sup>. The annual rent is \$350,000 for fiscal years 2020-2024, \$500,000 for fiscal years 2025-2064, \$650,000 for fiscal years 2065-2069, and \$750,000 for fiscal years 2070-2074.

The Hall of Fame is responsible for all interior and exterior operating costs, insurance, maintenance, and repairs. The lease includes a provision for \$200,000 of the annual rent payment to be deposited in an escrow account for future repair and maintenance of the space until the reserve fund reaches \$1,000,000. In lease year 21, the reserve fund deposits increase to \$250,000 annually until the fund reaches \$1,500,000. As required by the agreement, the Authority has established a reserve fund for the portion of the Hall of Fame annual payment reserved for future capital costs related to the connector.

In May 2015, the Authority entered into a redevelopment agreement for the Fifth & Broadway complex. Under the terms of the agreement, the Authority funded \$34,500,000, of the construction costs of the complex's parking garage, and has full ownership of the garage. Upon completion and occupancy of the complex, the Authority and the developer entered into a lease agreement effective July 1, 2020 whereby the Authority is the lessor and the developer is the lessee. The lease term is 99 years and requires annual non-adjustable rent of \$1,380,000, to be payable by the lessee in monthly installments of \$115,000. In October 2022, the Authority had an independent appraisal conducted on the parking garage which resulted in an appraised value of approximately \$20,400,000, at that time. The Authority has not recorded the approximately \$12,300,000 of impairment loss, as it is not required by generally accepted accounting principles as promulgated by the GASB, since there has not been a decrease in service utility of the parking garage.

The Authority recognized lease revenue and interest revenue of \$609,459 and \$1,756,446, respectively, for the year ended June 30, 2023, and \$609,459 and \$1,779,887, respectively, for the year ended June 30, 2022. Lease-related revenue is included in other revenue in the statements of revenues, expenses, and changes in net position.

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J. LEASES - Continued

Future principal and interest payment requirements related to the Authority's lease receivables at June 30, 2023 are as follows:

Year(s) ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 48,950	\$ 1,681,050	\$ 1,730,000
2025	50,691	1,829,309	1,880,000
2026	52,494	1,827,506	1,880,000
2027	64,861	1,815,139	1,880,000
2028	137,197	1,742,803	1,880,000
2029-2033	762,744	8,637,256	9,400,000
2034-2038	908,385	8,491,615	9,400,000
2039-2043	1,081,834	8,318,166	9,400,000
2044-2048	1,288,403	8,111,597	9,400,000
2049-2053	1,534,414	7,865,586	9,400,000
2054-2058	1,827,399	7,572,601	9,400,000
2059-2063	2,176,328	7,223,672	9,400,000
2064-2068	3,224,658	6,775,342	10,000,000
2069-2073	4,434,740	6,115,260	10,550,000
2074-2078	2,232,646	5,417,354	7,650,000
2079-2083	1,796,424	5,103,576	6,900,000
2084-2088	2,139,439	4,760,561	6,900,000
2089-2093	2,547,949	4,352,051	6,900,000
2094-2098	3,034,462	3,865,538	6,900,000
2099-2103	3,613,870	3,286,130	6,900,000
2104-2108	4,303,913	2,596,087	6,900,000
2109-2113	5,125,714	1,774,286	6,900,000
2114-2118	6,104,433	795,567	6,900,000
2119-2122	<u>1,354,189</u>	<u>25,811</u>	<u>1,380,000</u>
	<u>\$49,846,137</u>	<u>\$109,983,863</u>	<u>\$159,830,000</u>

K. RELATED-PARTY TRANSACTIONS

The Authority has entered into an interlocal agreement with the Metropolitan Government for various financial and administrative services. Additionally, the Authority uses certain services provided by the Metropolitan Government's internal service agencies on a user charge basis.

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L. COMMITMENTS AND CONTINGENCIES

On October 19, 2010, the Authority entered into a Development and Funding Agreement with 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 over a period of 20 years. These payments are additionally secured by a pledge of the Metropolitan Government’s nontax revenues of the General Fund of the General Services District, subject to the prior pledge and application of certain requirements related to bonds issued by the Sports Authority, a component unit of the Metropolitan Government. No payments related to this financial guarantee have been made by the Metropolitan Government. Should any payments be made by the Metropolitan Government in the future, the agreements provide for recovering any such payments from the Authority’s revenues after operating expenses are covered and annual principal and interest payments and certain other obligations are met.

These payments to Omni began after the hotel opened for business, including the renting of rooms. The amount remitted to Omni during the years ended June 30, 2023 and 2022 totaled \$12,000,000 in each year. The schedule of future annual payments is expected to be as follows.

<u>Year(s) Ending June 30,</u>	<u>Annual Payment</u>
2024 - 2026	\$12,000,000
2027 - 2033	15,000,000

In November 2019, the Authority and the Metropolitan Government entered into a payment in lieu of taxes (PILOT) agreement whereby the Authority will make yearly payments to the Metropolitan Government based on the property tax rate and value of the MCC. The total PILOT amount was \$14,132,573 and \$14,280,240 in fiscal years 2023 and 2022, respectively.

In November 2019, the Authority entered into an agreement with the National Museum of African American Music to provide a total of \$6,000,000 to the Museum in exchange for naming rights of their theatre to honor our late board member, Francis S. Guess. In accordance with the payment installment schedule, \$2,000,000 was paid in each of fiscal years 2021 and 2020, and the remaining \$2,000,000 was paid in August 2021.



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L. COMMITMENTS AND CONTINGENCIES - Continued

In August 2022, the Authority entered into a memorandum of understanding (MOU) with the Metropolitan Government to transfer \$10,256,000 to be restricted to a special purpose fund dedicated to Entertainment District initiatives and special events expenses incurred by Metro's Beer Board, Police, Fire, and Transportation Departments. The transfer is to be made in two equal installments. The first transfer was made in August 2022 and the second transfer was made in December 2022.

In June of 2023, the Authority amended the existing August 2022 MOU with the Metropolitan Government to include an additional \$21,700,000 in supplemental funding for security improvements on Broadway Avenue to include retractable and meridian bollards in the vicinity of the MCC and funding for the reconstruction and recovery of 2<sup>nd</sup> Avenue's streetscape. This payment was made as of June 30, 2023 in accordance with the amendment.

In August 2022, the Authority entered into an MOU with the Nashville Downtown Partnership to provide funding to the NDP in the amount of \$2,000,000. The funds are to be spent as follows: \$341,000 to expand their cleaning footprint; \$352,000 on focused safety services; \$96,000 targeted toward guest hospitality; \$569,000 for CBID participation; \$273,000 to maintain outreach and housing and \$369,000 to be determined in further support of the foregoing and in consultation with and upon the approval of the Convention Center Authority. This payment was made in August 2022 in accordance with the MOU.

In June of 2023, the Authority amended their August 2022 MOU with the Nashville Downtown Partnership to provide an additional \$1,800,000 in funding for the purpose of improving, activating, and staffing the adjacent Hall of Fame Park. This payment was made in accordance with the MOU.

In June 2023, the Authority entered into an MOU with the Metropolitan Government to transfer \$14,040,000 to be restricted to a special purpose fund dedicated to Entertainment District initiatives and special events expenses incurred by Metro's Beer Board, Police, Fire, and Transportation Departments. The transfer is to be made in two equal installments. The first transfer was made in August 2023 and the second will be made in December 2023

M. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through October 31, 2023, and has determined that, except as discussed in Note L, there are no other subsequent events that require disclosure.

## **SUPPLEMENTARY INFORMATION**

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
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SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE  
JUNE 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2023
<u>BONDS PAYABLE</u>									
Tourism Tax Revenue Bonds, Series 2010A-1	\$ 51,730,000	3.25 - 5.00%	4/21/2010	7/1/2026	\$ 25,685,000	\$ -	\$ 4,470,000	\$ -	\$ 21,215,000
Tourism Tax Revenue Bonds Federally Taxable (BABs), Series 2010A-2	152,395,000	7.431%	4/21/2010	7/1/2043	152,395,000	-	-	-	152,395,000
Subordinate Tourism Tax Revenue Bonds Federally Taxable (BABs), Series 2010B	419,000,000	4.862 - 6.731%	4/21/2010	7/1/2043	<u>369,655,000</u>	-	<u>10,625,000</u>	-	<u>359,030,000</u>
Total bonds payable					<u>\$ 547,735,000</u>	<u>\$ -</u>	<u>\$ 15,095,000</u>	<u>\$ -</u>	<u>\$ 532,640,000</u>

See independent auditor's report.



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

The Audit Committee  
Convention Center Authority of the Metropolitan  
Government of Nashville and Davidson County, Tennessee

We have audited, in accordance with the 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, the financial statements of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated October 31, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



The Audit Committee  
Convention Center Authority of the Metropolitan  
Government of Nashville and Davidson County, Tennessee:

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crosslin, PLLC*

Nashville, Tennessee  
October 31, 2023

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
(A Component Unit of the Metropolitan Government of  
Nashville and Davidson County, Tennessee)  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023

The Authority had no prior year audit findings.