

## **MINUTES OF THE 131<sup>st</sup> MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY**

The 131<sup>st</sup> meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 7, 2024 at 9:00 a.m. in the Administrative Conference Room of the Administrative Offices at the Music City Center, Nashville, Tennessee.

**AUTHORITY MEMBERS PRESENT:** Norah Buikstra, Robert Davidson, Tracy Hardin, Christina Temple (Designee for Tre Hargett, Barrett Hobbs, Reese Davis (Designee for David Lillard), Rachel Buckley (Designee for Jason Mumpower), Dee Patel, and Seema Prasad

**AUTHORITY MEMBERS NOT PRESENT:** Alfred Degrafinreid II, Vonda McDaniel, and Betsy Wills

**OTHERS PRESENT:** Charles Starks, Heidi Runion, Mary Anne Morris, Kelli Donahoe, Donna Gray, Brian Ivey, Heather Jensen, David Hunt, Katie Farris, Tom Hazinski, Peter Gonzalez, David Hanner, and Tim Lamson

Chair Norah Buikstra opened the meeting for business at 9:02 a.m. and stated that a quorum was present.

**ACTION:** Appeal of Decisions from the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County – Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

Chair Norah Buikstra read the Mission Statement of the Music City Center (Attachment #1), and there was discussion.

There were no public comment requests received for this meeting (Attachment #1).

**ACTION:** Seema Prasad made a motion to approve the 130<sup>th</sup> Meeting Minutes of September 5, 2024. The motion was seconded by Tracy Hardin and approved unanimously by the Authority.

The next regularly scheduled meeting is scheduled for Thursday, December 5, 2024 at 9:00 a.m. Chair Norah Buikstra announced, there are no action items for the next

scheduled meeting. There are a few members who have a schedule conflict; the December meeting will be cancelled.

Charles Starks provided a Community Relations, Marketing & Operations Committee Report update (Attachment #1), and there was discussion.

Robert Davidson provided a summary of the Finance & Audit Committee meeting held October 29, 2024, stating the committee recommended the acceptance and approval of the audit.

Robert Davidson recognized David Hunt and Katie Farris, Auditors with Crosslin, PLLC, who gave a summary presentation of the audit of Financial Statements of CCA and the audit of the Employees' Savings Trust (Attachments #1, #2, and #3).

The Board discussed the financial statements and noted the current amounts of the bond debt, cash flow, and revenue.

**ACTION:** Robert Davidson made a motion accepting the audit of the Financial Statements of the Convention Center Authority of the Metropolitan Government of Nashville & Davidson County as of June 30, 2024. The motion was seconded by Dee Patel and approved unanimously by the Authority.

**ACTION:** Seema Prasad made a motion accepting the audit of the Employees' Savings Trust of the Convention Center Authority as of December 31, 2023. The motion was seconded by Tracy Hardin and approved unanimously by the Authority.

\*Denotes departure of David Hunt and Katie Farris at 9:42 a.m.

Charles Starks provided information on the RFP Parking Access and Revenue Control System (Attachments #1 and #4), and there was discussion.

**ACTION:** Tracy Hardin made a motion accepting [i] accepting the recommendation of the evaluation committee and [ii] authorizing Charles Starks to negotiate and execute an agreement with SKIDATA to provide a parking access and revenue control system, on substantially the same terms as considered this day. The motion was seconded by Dee Patel and approved unanimously by the Authority.

Charles Starks introduced the HVS Managing Director Tom Hazinski and Project Manager Peter Gonzalez to provide a summary of the scope for the Feasibility Study (Attachment #1), and there was discussion.

The HVS team noted the study was in the early stages, and the end result would provide data, analysis, and recommendations for the future of the convention center. The Board discussed the need to evaluate future growth of the city, demand for the center, and changes in the industry, including competitor facilities. Any additional study-related questions from the Board will be sent to Charles Starks to address with the Feasibility Study team.

Charles Starks referred the Board to their packets for additional monthly statistics including hotel data and tax collections (Attachment #1), and there was discussion.

With no additional business, the Authority unanimously moved to adjourn at 10:44 a.m.

Respectfully submitted,



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Charles L. Starks  
President & CEO  
Convention Center Authority

Approved:



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Norah Buikstra, Chair  
CCA 131<sup>st</sup> Meeting Minutes  
of November 7, 2024



November 7, 2024

## Convention Center Authority

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## Appeal of Decisions

*Appeal of Decisions from the Convention Center Authority— Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.*

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## Happy Birthday!

Betsy Wills  
November 11<sup>th</sup>

Tracy Hardin  
November 13<sup>th</sup>

Alfred Degrafinreid II  
November 20<sup>th</sup>

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## Music City Center Mission Statement

The mission of the Music City Center is to create significant economic benefit for the citizens of the greater Nashville region by attracting local and national events while focusing on community inclusion, sustainability and exceptional customer service delivered by our talented team members.

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## Public Comment Period

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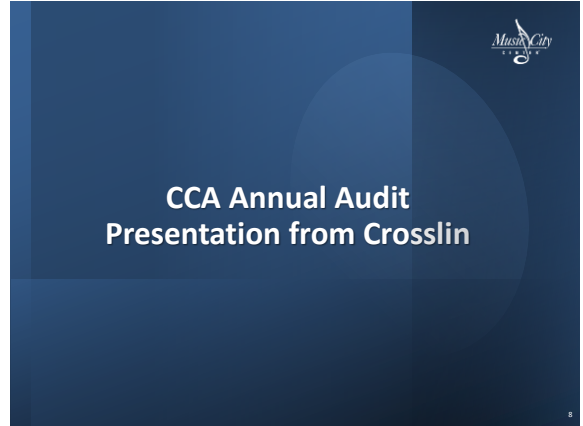
## Community Relations, Marketing & Operations Committee Report

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Convention Center Authority of Metropolitan Government  
of Nashville and Davidson County, Tennessee

**Audit Results for FY2024  
Financial Statements**

**Presentation to the  
Convention Center  
Authority**

**November 7, 2024**




[www.crosslinpc.com](http://www.crosslinpc.com)

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**CROSSLIN**

**Agenda**

- Engagement Team Members
- Responsibilities
- Independence
- Fraud Risk
- Deliverables
- Audit Methodology and Approach
- Accounting Pronouncements Adopted
- Additional Required Communications
- Unrecorded Audit Differences
- Upcoming Accounting Developments
- Contacts



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**CROSSLIN**

**Engagement Team Members**

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graph TD
    KF[Katie Farris  
Audit Director] --- ATSS[Audit Team Senior  
and Staff]
    DH[David Hunt  
Audit Principal  
Concurring Reviewer] --- ATSS
    GI[Gina Inkum  
Director  
Hoskins & Company, PC  
DBE Partner] --- ATSS
    KT[Kim Thomason  
Principal  
Thomason Financial  
Resources  
DBE Partner] --- ATSS
  
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**CROSSLIN**

**Responsibilities**

Crosslin, PLLC	Management
<p>Expressing opinions about whether the financial statements prepared by management under the oversight of the Finance and Audit Committee are fairly presented, in all material respects in conformity with U.S. generally accepted accounting principles</p> <p>Performing our audits in accordance with professional standards, including Government Auditing Standards.</p> <p>Maintaining independence and an attitude of professional skepticism throughout the audits</p> <p>Reporting to the Finance and Audit Committee and management required information, including, but not limited to, significant deficiencies in internal control, instances of noncompliance, and fraud noted during our audits</p>	<p>Fairly presenting financial statements in conformity with U.S. generally accepted accounting principles</p> <p>Adopting proper accounting policies</p> <p>Establishing and maintaining effective internal control over financial reporting and compliance</p> <p>Preventing and detecting fraud</p> <p>Disclosing to the Finance and Audit Committee and Crosslin, PLLC significant deficiencies in internal control and fraud involving those with significant roles in internal control</p>



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**Independence**

- The AICPA's Code of Professional Conduct, Rule 101, sets forth guidance for assurance services provided by accountants under U.S. generally accepted auditing standards. *Government Auditing Standards*, Chapter 3, provides additional guidance for financial audits performed under generally accepted government auditing standards.
- Both sources direct that independence is required both in fact and appearance. Crosslin, PLLC has established quality control policies and procedures to ensure compliance with professional standards, including those related to independence.
- Crosslin, PLLC is independent with respect to the Convention Center Authority.



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**Fraud Risk**

The AICPA issued SAS No. 99 to specifically address the risk of material misstatement in the financial statements caused by fraud. We use a four-pronged strategy to address this risk.

**Gather information**

- Engagement team brainstorming
- Inquiries with management, finance and accounting personnel, and other personnel
- Investigate unusual or unexpected relationships identified through analytical procedures

**Test for management override**

- Review current and prior year significant estimates for inappropriate bias
- Evaluate business rationale for significant unusual transactions
- Analyze propriety of manual adjusting journal entries

**Respond to identified risks**

- Design of nature, timing, extent of procedures incorporating elements of unpredictability
- Leverage experienced personnel in areas of exposure
- Test items below established scopes

**Evaluate audit evidence**

- Disseminate results of audit procedures among audit team
- Remain cognizant of fraud risk factors throughout the audit
- Correlate information gathered and tested in all areas and consider discrepancies, conflicting or unusual evidence and responses, and problematic relationships
- Communicate to appropriate levels of management and the Finance and Audit Committee



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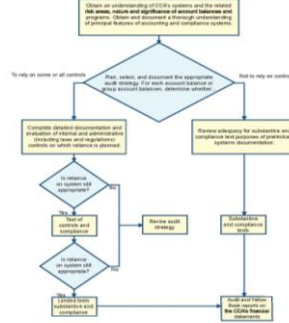
**Deliverables**

Audit Reports	Notes
Financial statements for the year ended June 30, 2024	Unmodified Opinion
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	No material weaknesses
Financial statements of the Employees' Savings Trust for the year ended December 31, 2023	Unmodified Opinion
Other Deliverables	
Required communication with the Audit Committee regarding audit results	Report issued



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**Audit Methodology and Approach**



- Audit Planning and Risk Assessment
- Control Documentation and Evaluation
- Substantive Testing
- Completion and Reporting

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**Audit Methodology and Approach - continued**

**Audit Planning and Risk Assessment**

Rather than following linear processes, risk assessment was performed cyclically as expectations were made and subsequently validated or refuted by audit evidence.

Our preliminary risk assessment indicates the following primary areas in which we documented and evaluated controls and performed substantive tests to address risk of material misstatement and noncompliance due to error or fraud.

**Controls Evaluation**

- Cash receipts and revenues
- Purchasing, disbursements and expenses
- Employee Compensation
- IT controls over significant accounting systems
- Compliance

**Substantive Tests**

- Cash and investments
- Receivables
- Capital assets
- Accounts payable and accrued expenses
- Bonds payable
- Net position
- Charges for services
- Operating expenses
- Tourism tax and other revenue
- Compliance



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**Accounting Pronouncements Adopted**

Statement	Description
GASB Statement No. 100 (2024)	<i>Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62</i>



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### Additional Required Communications

<b>Accounting Estimates</b> <ul style="list-style-type: none"><li>The Authority's financial statements include estimates that are significant</li><li>We evaluated the key factors and assumptions used to develop the estimates and believe that the estimates are reasonable in relation to the financial statements</li></ul>
<b>Unaudited Information</b> <ul style="list-style-type: none"><li>We read all such information and noted nothing materially inconsistent with that included in the Authority's basic financial statements</li></ul>
<b>Other</b> <ul style="list-style-type: none"><li>No transactions for which there is a lack of authoritative guidance or consensus</li><li>All significant transactions have been recognized in the proper period</li><li>No alternative accounting policies and practices related to material items</li><li>No difficulties encountered in dealing with management in performing and completing our audit</li><li>No disagreements with management regarding financial accounting, reporting, or auditing</li><li>Management provided appropriate representations at the conclusion of our audit</li><li>We are not aware of any communications by management with other independent accountants</li></ul>



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### Unrecorded Audit Differences

• None in the current or prior year



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### Upcoming Accounting Developments

Statements	Description
GASB Statement No. 101 (2025)	<i>Compensated Absences</i>
GASB Statement No. 102 (2025)	<i>Certain Risk Disclosures</i>
GASB Statement No. 103 (2026)	<i>Financial Reporting Model Improvements</i>
GASB Statement No. 104 (2026)	<i>Disclosure of Certain Capital Assets</i>



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### Contacts

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Principal, Concurring Reviewer  
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**Katie Farris**  
Crosslin, PLLC  
Audit Director  
[Katie.farris@crosslinpc.com](mailto:Katie.farris@crosslinpc.com)  
615.320.5500




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# Introduction of the HVS Feasibility Study Team

Tom Hazinski and Peter Gonzalez

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## Kickoff Meeting Convention Center Feasibility Study

Music City Center Board, Nashville

HVS Convention, Sports and Entertainment  
November 7, 2024

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### Agenda



1. Introductions
  2. Review of Scope of Services
  3. Project Schedule
  4. Discussion of Project Goals
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### Review of the Scope of Services

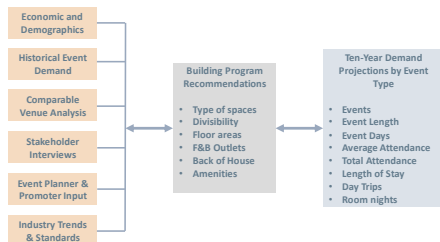


Provide a feasibility analysis for a potential expansion to the Music City Center

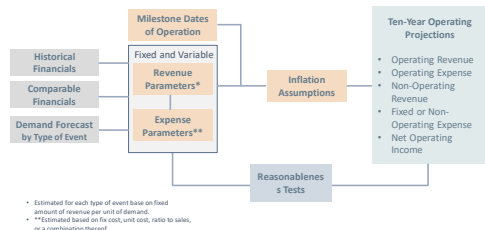
- Tasks**
- Market Economic and Demographics
  - Competitive Venue Analysis
  - Demand Analysis
  - Facility Expansion Recommendations
  - Financial Projections
  - Economic Impact Analysis



### Demand and Building Program Analysis Process



### Financial Analysis Process

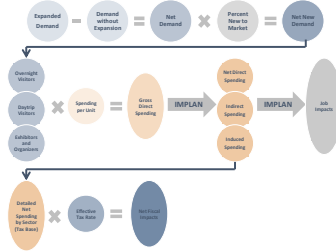


Economic and Fiscal Impact Analysis



Conducted by Younger Associates

- Sharon Younger, PHD
- Nationally recognized
- 30 years of industry experience
- Prior impact studies for the Titans, Grizzlies, and other tourism developments
- Tennessee W/MBE firm



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Project Schedule



Task Description	W-1	W-2	W-3	W-4	W-5	W-6	W-7	W-8	W-9	W-10	W-11	W-12
<b>Phase 1: Market and Demand Analysis</b>												
Project Orientation and Fieldwork												
Market Assessment												
Historical Data Analysis												
Interviews and Surveys												
Competitive Venue Analysis												
Case Studies												
Hotel Supply and Demand Analysis												
Building Program Recommendations												
Demand and Attendance Projections												
Interim Findings Conference Call												
<b>Phase 2: Financial and Impact Analysis</b>												
Financial Projections												
Economic and Fiscal Impact Analysis												
Reporting and Presentation												

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Discussion



Discussion of the origin, purposes of the project, and expected outcomes.

How do you measure the outcomes of the project? Which of the following are priorities for you?

- Achieved appropriate levels of demand
- Serve the Nashville/Davidson County community
- Attract new visitation
- Stable or self-sustaining financial operations
- Financial feasibility (considering the capital investment)
- Community acceptance
- Economic development and impact
- Other priorities

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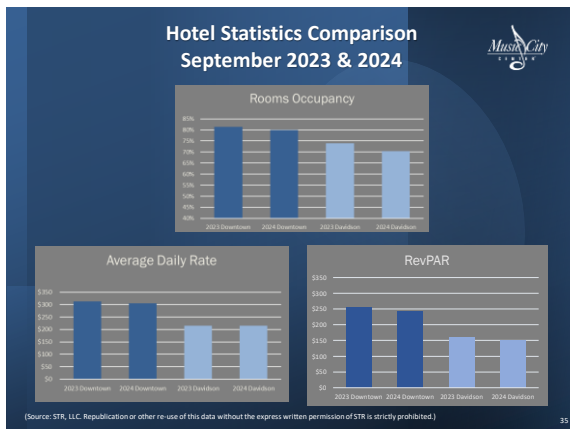
Contact Information



Thomas Hazinski  
Managing Director  
HVS Convention, Sports & Entertainment  
Facilities Consulting  
312-371-0566  
thazinski@hvs.com

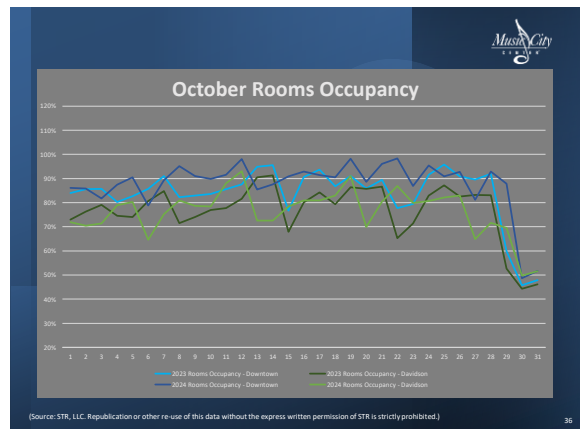
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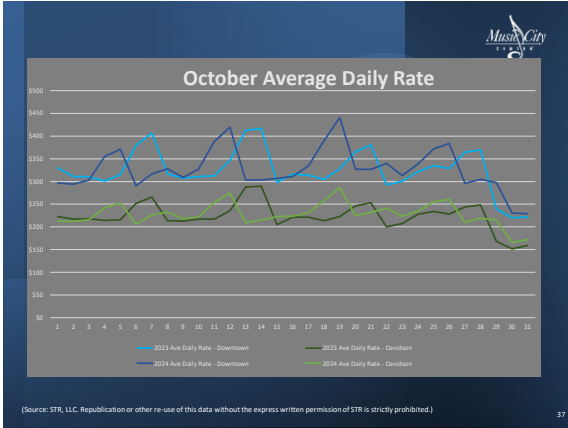
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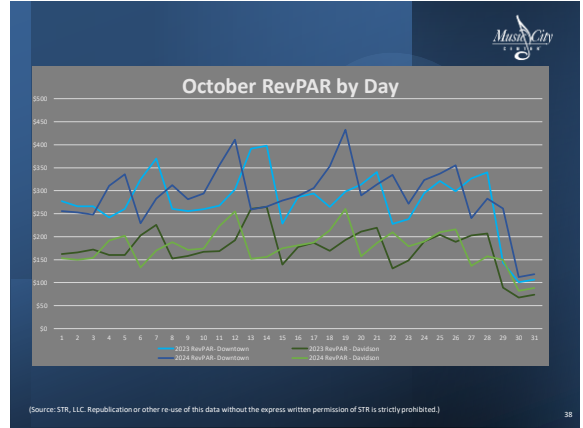


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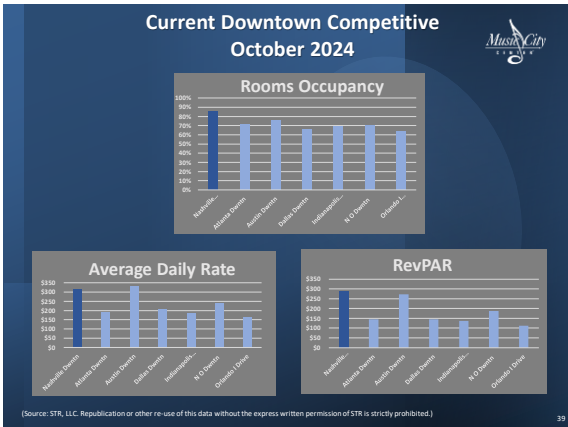
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MCC/Tourism Tax Collections thru August 2024 (excludes TDZ)

	2/5 of 5% Occupancy Tax	Net 1% Occupancy Tax	\$2 Room Tax	Contracted Vehicle Tax	Rental Vehicle Tax	Campus Tax	Total	Variance to FY 24-25
July	\$3,550,745	\$1,588,630	\$1,721,646	\$355,794	\$258,113	\$1,762,862	\$9,237,790	-16.0%
August	\$3,726,401	\$1,683,301	\$1,803,233	\$354,172	\$244,400	\$1,676,548	\$9,488,055	4.98%
September						\$0	\$0	0%
October						\$0	\$0	0%
November						\$0	\$0	0%
December						\$0	\$0	0%
January						\$0	\$0	0%
February						\$0	\$0	0%
March						\$0	\$0	0%
April						\$0	\$0	0%
May						\$0	\$0	0%
June						\$0	\$0	0%
YTD Total	\$7,277,146	\$3,271,931	\$3,524,879	\$709,966	\$502,513	\$3,439,411	\$18,725,845	-6.53%

All numbers subject to change by CCA Auditors

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MCC/Tourism Tax Collections

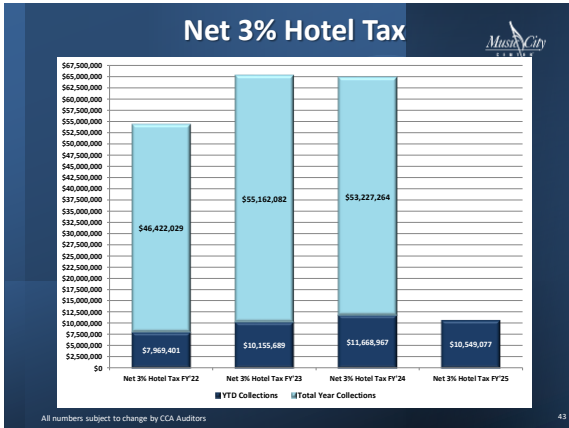
MCC Portion of August 2024 Tourism Tax Collections				
	FY2023	FY2024	FY2025	Variance
2/5 of 5% Occupancy Tax	\$3,348,972	\$3,458,398	\$3,726,401	7.75%
Net 1% Occupancy Tax	\$1,539,886	\$1,560,073	\$1,683,301	7.90%
\$2 Room Tax	\$1,627,891	\$1,664,635	\$1,803,233	8.33%
Contracted Vehicle	\$289,222	\$322,710	\$354,172	9.75%
Rental Vehicle	\$226,297	\$232,910	\$244,400	4.93%
Campus Sales Tax	\$1,736,424	\$1,799,085	\$1,676,548	-6.81%
TDZ Sales Tax Increment	\$0	\$0	\$0	0.00%
<b>Total Tax Collections</b>	<b>\$8,768,691</b>	<b>\$9,037,810</b>	<b>\$9,488,055</b>	<b>4.98%</b>

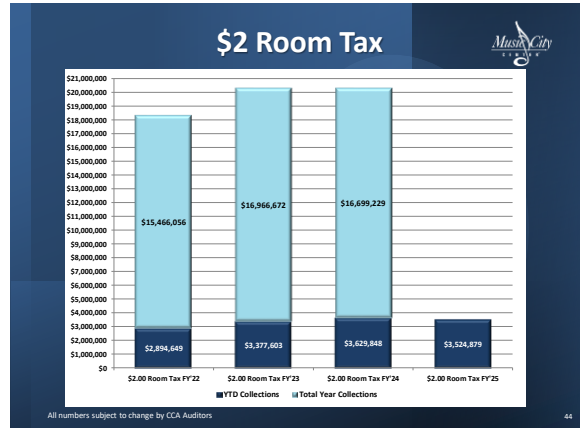
MCC Portion of Year-to-Date Tourism Tax Collections				
	FY2023	FY2024	FY2025	Variance
2/5 of 5% Occupancy Tax	\$6,975,645	\$8,029,939	\$7,277,146	-9.37%
Net 1% Occupancy Tax	\$3,180,043	\$3,639,028	\$3,271,931	-10.09%
\$2 Room Tax	\$3,377,603	\$3,629,848	\$3,524,879	-2.89%
Contracted Vehicle	\$581,324	\$635,474	\$709,966	11.72%
Rental Vehicle	\$456,541	\$470,968	\$502,513	6.70%
Campus Sales Tax	\$3,655,472	\$3,629,355	\$3,439,411	-5.23%
TDZ Sales Tax Increment	\$0	\$0	\$0	0.00%
<b>Total YTD Tax Collections</b>	<b>\$18,226,629</b>	<b>\$20,034,613</b>	<b>\$18,725,845</b>	<b>-6.53%</b>

All numbers subject to change by CCA Auditors

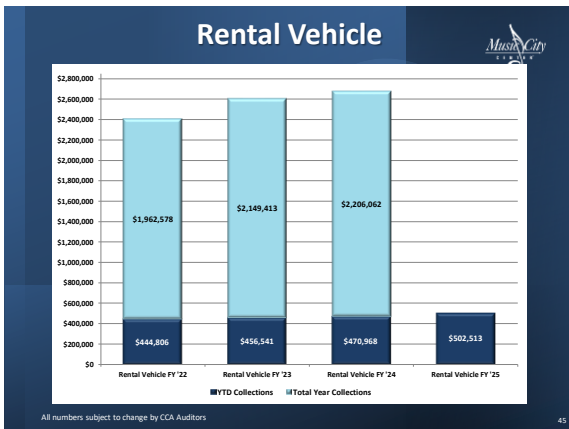
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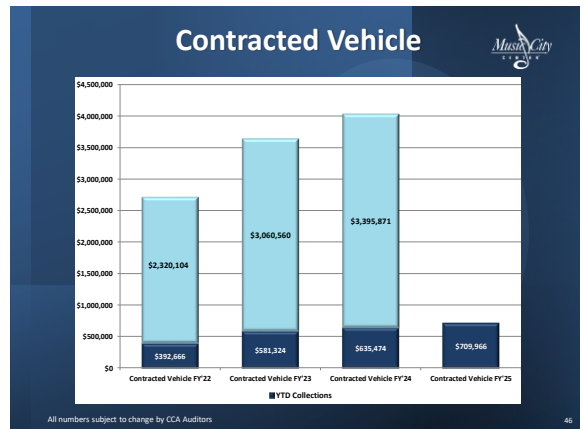
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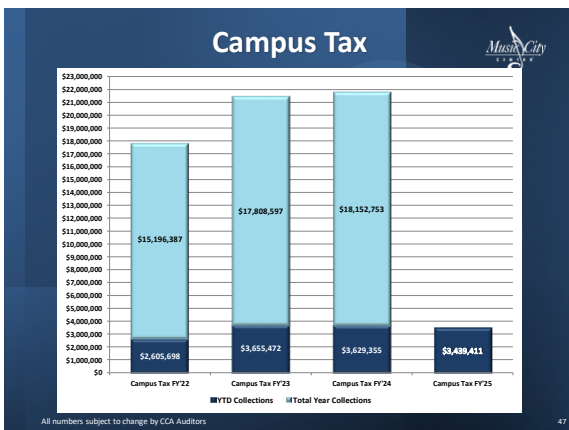
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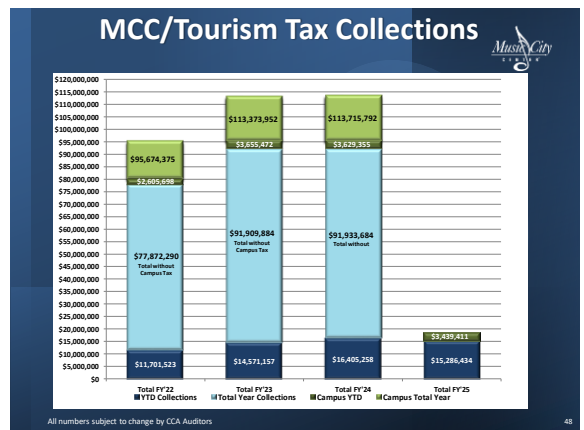
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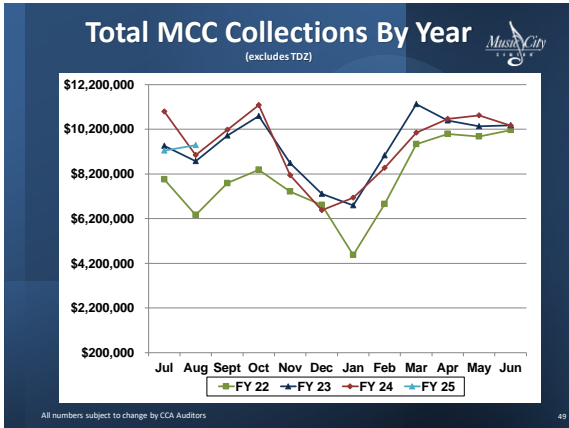
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- September Events
- 15 Events
- 12,510 Attendees
- \$16,079,322 Direct Economic Impact

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November 7, 2024

## Convention Center Authority

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**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, 2024 AND 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)

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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)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024, 2023 AND 2022

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, 2024, 2023 and 2022. 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, 2024 and 2023 are included in the statements of net position. For the years ended June 30, 2024 and 2023, 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.

The Authority's current financial statements reflect robust cash balances and net position, indicating a strong foundation for ongoing operations and financial stability. This strength underscores the Authority's careful fiscal management and revenue generation efforts, ensuring ample resources to support daily functions and immediate commitments. However, looking ahead, the Authority is mindful of maintaining sufficient balances to address, not only debt obligations, but also the substantial capital improvement projects that will be required to keep the facility competitive and well positioned for long term success.

The Authority recently awarded a contract to complete a feasibility study to evaluate the potential need for expansion of the facility. The scope of that study would include analysis and review of market trends, competitive facilities, hotel accommodations, and meeting space. The study would also provide insight on demand, type of space needed, and the potential economic impact of an expanded facility.

As of June 30, 2024, the Authority has a cash balance of \$477M, of which \$196M is technically unrestricted. The current total net position of the Authority is \$617M, with \$183M of that balance unrestricted as of June 30, 2024. Aside from the legal restrictions represented on the face of the financial statements, the Authority has begun taking steps to segregate funds to plan for large long-term capital projects, such as carpet and roof replacement. If expansion is determined to be appropriate, additional restrictions may be necessary to ensure the availability of financial resources necessary to complete that process. Consequently, while the present financial health is solid, prudent financial planning and resource allocation remain critical as we work to ensure the facility's relevance and functionality well into the future.

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)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024, 2023 AND 2022

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

The Authority's net position as of June 30, 2024, 2023 and 2022 was as follows (in thousands of dollars):

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 467,990	\$ 339,156	\$ 253,461
Capital assets	621,064	632,451	647,448
Other noncurrent assets	<u>132,145</u>	<u>108,404</u>	<u>106,936</u>
<b>Total assets</b>	<b><u>\$1,221,199</u></b>	<b><u>\$1,080,011</u></b>	<b><u>\$1,007,845</u></b>
Deferred outflows of resources	<u>\$ 524</u>	<u>\$ 666</u>	<u>\$ 538</u>
Current liabilities	\$ 56,459	\$ 55,695	\$ 50,535
Noncurrent liabilities	<u>500,757</u>	<u>517,496</u>	<u>532,962</u>
<b>Total liabilities</b>	<b><u>\$ 557,216</u></b>	<b><u>\$ 573,191</u></b>	<b><u>\$ 583,497</u></b>
Deferred inflows of resources	<u>\$ 47,921</u>	<u>\$ 48,570</u>	<u>\$ 50,021</u>
Net position:			
Net investment in capital assets	\$ 118,605	\$ 115,729	\$ 113,761
Restricted for debt retirement	110,165	79,716	77,066
Restricted for other purposes	204,477	90,469	46,478
Unrestricted	<u>183,441</u>	<u>173,002</u>	<u>137,560</u>
<b>Total net position</b>	<b><u>\$ 616,586</u></b>	<b><u>\$ 458,916</u></b>	<b><u>\$ 374,865</u></b>

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 \$118.6 million of the Authority's net position of \$616.7 million is invested in capital assets while \$110.2 million is restricted for debt retirement and \$204.5 million is restricted for other purposes.

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
(A Component Unit of the Metropolitan Government of  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024, 2023 AND 2022

The Authority's change in net position for the years ended June 30, 2024, 2023 and 2022 was as follows (in thousands of dollars):

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenue	\$ 38,339	\$ 39,278	\$ 28,546
Operating expense	<u>( 51,759)</u>	<u>(49,362)</u>	<u>(42,868)</u>
Operating loss	( 13,087)	(10,084)	(14,322)
Nonoperating revenue, net	<u>170,757</u>	<u>94,135</u>	<u>43,097</u>
Net increase in net position	<u>\$ 157,670</u>	<u>\$ 84,051</u>	<u>\$ 28,775</u>

While FY2024 operating revenues exceeded budget for the year, they were slightly down when compared to FY2023. FY2023 had a remarkable number of large, city-wide events that materialized far above expectations. FY2024 had a different business mix, with fewer city-wide events and clients that were scaling back F&B and technology spending. The uptick in operating expenses for the year ended June 30, 2024 was largely driven by personnel expenses, which included annual merit increases and increases driven by our comprehensive compensation study which was implemented in FY2024. Nonoperating revenue, net for the year ended June 30, 2024 increased sharply for the second year in a row, with strong tourism tax collections led by unprecedented TDZ allocations. There were no capital contributions for the year ended June 30, 2024.

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.

### **Capital Assets and Long-Term Debt**

During the year ended June 30, 2024, the Authority incurred costs of \$8,901,532 for the addition of various capital assets, which included continuing extensive core infrastructure technology refreshes, the second phase of a campus-wide card reader and security camera system upgrade, facility digital signage enhancements on all four levels of the event areas, and various equipment additions and replacements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024, 2023 AND 2022

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. 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.

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:

	Series A <u>Bonds</u>	Series B <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. These agreements are more fully described in Note K 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. 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.

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024, 2023 AND 2022

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 was 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 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 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 was made in two equal installments. The first transfer was made in August 2023 and the second was made in December 2023.

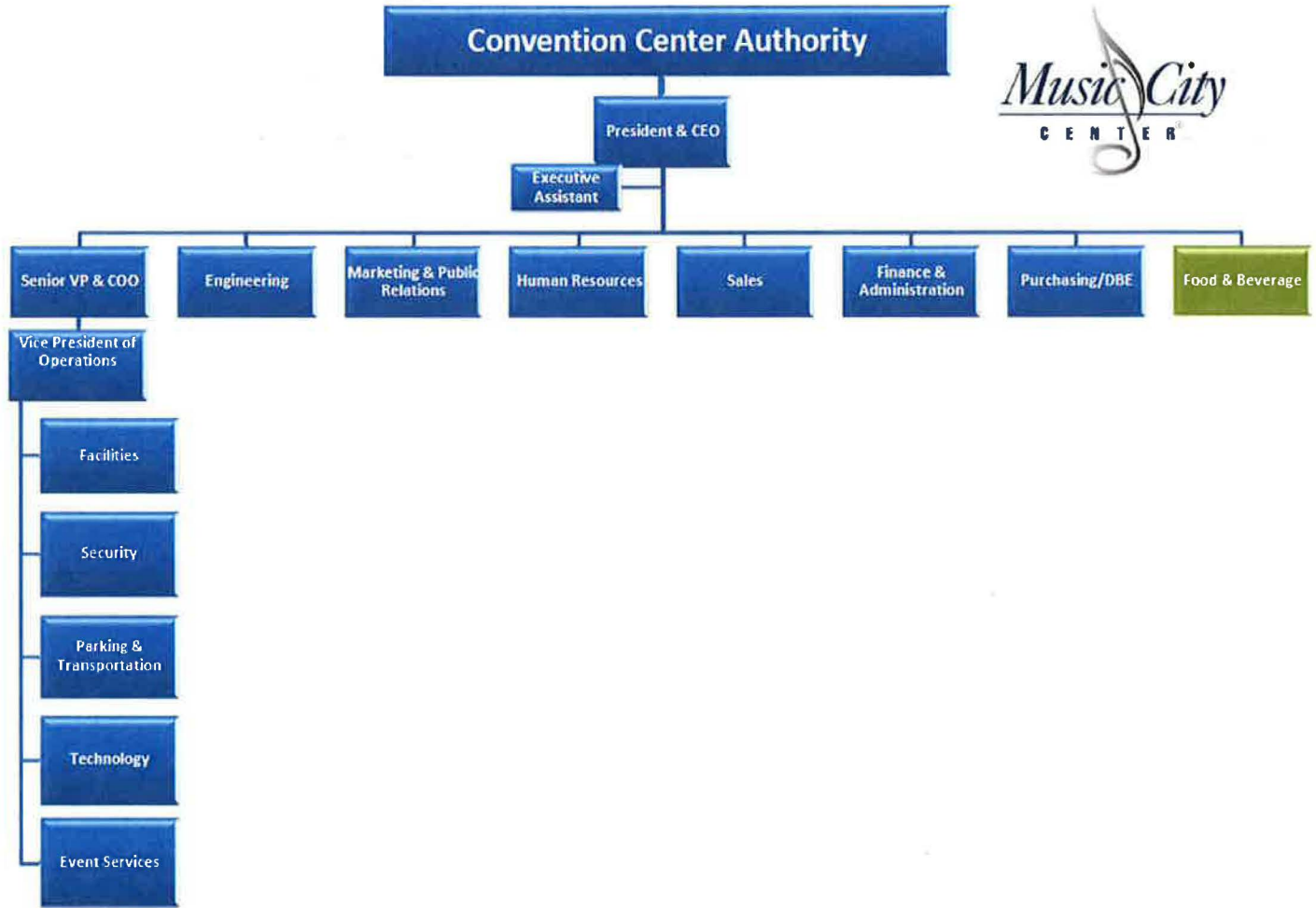
In May 2024, the Authority entered another MOU with the Metropolitan Government to transfer \$16,972,300 to be restricted to a special purpose fund dedicated to Entertainment District initiatives and special events expenses incurred by Metro's Beer Board, Police, Fire, and Transportation Departments. The transfers will be made in two equal installments. The first transfer was made in August 2024 and the second will be made in December 2024.

Also, the Authority entered a new MOU with the Nashville Downtown Partnership in May 2024 to provide \$2,100,000 in funding directly related to expanded cleaning and safety services, guest hospitality, CBID participation, outreach and housing, and other CCA-approved financial support.

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



CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
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ORGANIZATION CHART (UNAUDITED)





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)  
AUTHORITY MEMBERS AS OF JUNE 30, 2024 (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, 2024 and 2023, 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, 2024 and 2023, 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.





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

***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 organization 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, 2024, 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, 2024

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)  
STATEMENTS OF NET POSITION  
JUNE 30, 2024 AND 2023

	2024	2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 196,075,254	\$ 188,017,249
Accounts receivable	3,857,094	2,404,267
Accrued interest receivable	2,330,061	1,728,591
Due from the primary government	17	106
Prepaid expenses	502,245	997,369
Lease receivable	50,691	48,950
Restricted for construction funds:		
Cash and cash equivalents	15,222,187	16,234,770
Restricted for debt service and reserve funds:		
Cash and cash equivalents	17,966,211	18,402,426
Accrued interest receivable	6,096,927	125,109
Due from the primary government	17,567,400	17,269,902
Accounts receivable	3,844,521	3,458,520
Restricted for other purposes:		
Cash and cash equivalents	204,477,187	90,468,806
<b>Total current assets</b>	<b>467,989,795</b>	<b>339,156,065</b>
<b>Noncurrent assets:</b>		
<b>Other assets:</b>		
Lease receivable	49,746,496	49,797,187
Restricted for debt service and reserve funds:		
Cash and cash equivalents	43,353,404	21,291,097
Investments	39,044,875	37,315,368
<b>Total other assets</b>	<b>132,144,775</b>	<b>108,403,652</b>
<b>Capital assets:</b>		
Land	91,316,189	91,316,189
Art collection	1,207,344	1,183,844
Buildings and improvements	700,022,460	700,022,460
Furniture, machinery, and equipment	16,147,746	11,877,681
Construction work in progress	7,358,758	2,750,791
Less accumulated depreciation	(194,988,347)	(174,699,476)
<b>Total capital assets</b>	<b>621,064,150</b>	<b>632,451,489</b>
<b>Total noncurrent assets</b>	<b>753,208,925</b>	<b>740,855,141</b>
<b>Total assets</b>	<b>1,221,198,720</b>	<b>1,080,011,206</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows, pensions	523,932	666,348

See accompanying notes to financial statements.

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)  
STATEMENTS OF NET POSITION  
JUNE 30, 2024 AND 2023

	2024	2023
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 4,504,601	\$ 6,457,491
Accrued payroll	1,441,423	1,595,203
Due to the primary government	53,809	389,992
Unearned revenue	15,401,045	13,220,128
<b>Liabilities payable from restricted assets:</b>		
<b>Construction funds:</b>		
Accounts payable and accrued liabilities	689,940	76,101
<b>Debt service and reserve funds:</b>		
Accounts payable and accrued liabilities	-	1,338
Accrued interest payable	17,708,466	18,144,681
Current portion of long-term debt	16,660,000	15,810,000
<b>Total current liabilities</b>	<b>56,459,284</b>	<b>55,694,934</b>
<b>Noncurrent liabilities:</b>		
Long-term revenue bonds payable	500,330,989	517,071,484
Net pension liability	425,444	425,229
<b>Total noncurrent liabilities</b>	<b>500,756,433</b>	<b>517,496,713</b>
<b>Total liabilities</b>	<b>557,215,717</b>	<b>573,191,647</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows, pensions	53,888	94,234
Deferred inflows, leases	47,866,794	48,476,253
<b>Total deferred inflows of resources</b>	<b>47,920,682</b>	<b>48,570,487</b>
<b>NET POSITION</b>		
Net investment in capital assets	118,605,408	115,728,674
Restricted for debt retirement	110,164,872	79,716,403
Restricted for other purposes	204,477,187	90,468,806
Unrestricted	183,338,786	173,001,537
<b>Total net position</b>	<b>\$ 616,586,253</b>	<b>\$ 458,915,420</b>

See accompanying notes to financial statements.

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
(A Component Unit of the Metropolitan Government  
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STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating revenue:		
Charges for services	\$ 38,339,024	\$ 39,277,910
Operating expense:		
Personal services	14,176,644	12,988,954
Contractual services	13,707,232	13,334,490
Supplies and materials	1,527,203	1,816,841
Depreciation	20,288,871	19,654,968
Other	<u>1,725,757</u>	<u>1,566,753</u>
Total operating expense	<u>51,425,707</u>	<u>49,362,006</u>
Operating loss	<u>(13,086,683)</u>	<u>(10,084,096)</u>
Nonoperating revenue (expense):		
Tourism tax revenue	209,586,974	168,635,665
Investment income (loss)	22,964,574	9,794,437
Other income	2,374,262	2,369,399
Interest expense	(23,781,721)	(24,473,528)
Metropolitan Government:		
Payments in lieu of taxes (PILOT)	(14,132,573)	(14,132,573)
Memorandums of understanding (MOU)	(14,040,000)	(31,956,000)
OMNI payment	(12,000,000)	(12,000,000)
Other expense	<u>(214,000)</u>	<u>(4,102,537)</u>
Total nonoperating revenue, net	<u>170,757,516</u>	<u>94,134,863</u>
Increase in net position	157,670,833	84,050,767
Net position, beginning of year	<u>458,915,420</u>	<u>374,864,653</u>
Net position, end of year	<u>\$ 616,586,253</u>	<u>\$ 458,915,420</u>

See accompanying notes to financial statements.



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)  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Receipts from customers	\$ 39,067,203	\$ 40,343,456
Payments to suppliers	(18,754,141)	(13,093,999)
Payments to employees	(14,228,139)	(13,259,592)
Net cash provided by operating activities	6,084,923	13,989,865
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(8,287,694)	(4,702,498)
Principal paid	(15,810,000)	(15,095,000)
Interest paid	(35,853,147)	(36,718,106)
Interest subsidy	11,554,716	11,735,339
Cash received from leasing activity	1,730,000	1,730,000
PILOT payment	(14,132,573)	(14,132,573)
Other expense	(207,922)	(300,069)
Net cash used in capital and related financing activities	(61,006,620)	(57,482,907)
Cash flows from noncapital financing activities:		
Receipts from governments	208,903,475	167,896,424
Payments to hotel developers	(12,000,000)	(12,000,000)
Metro MOUs	(14,040,000)	(31,956,000)
Other contributions	-	(3,800,000)
Net cash provided by noncapital financing activities	182,863,475	120,140,424
Cash flows from investing activities:		
Purchases of investments	(8,952,748)	(10,620,403)
Proceeds from sales and maturities of investments	8,158,637	5,923,962
Interest income	15,532,228	8,837,956
Net cash provided by investing activities	14,738,117	4,141,515
Net changes in cash and cash equivalents	142,679,895	80,788,897
Cash and cash equivalents, beginning of year	334,414,348	253,625,451
Cash and cash equivalents, end of year	\$ 477,094,243	\$ 334,414,348

See accompanying notes to financial statements.

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)  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (13,086,683)	\$ (10,084,096)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	20,288,871	19,654,968
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(1,452,827)	(392,451)
Prepaid expenses	495,124	(5,961)
Due from the primary government	89	114
Net pension asset	-	442,781
Deferred outflows of resources	142,416	(128,061)
Accounts payable and accrued liabilities	(1,952,890)	3,249,818
Accrued payroll	(153,780)	(169,410)
Due to the primary government	(336,183)	380,228
Unearned revenue	2,180,917	1,457,883
Net pension liability	215	425,229
Deferred inflows of resources	(40,346)	(841,177)
Net cash provided by operating activities	\$ 6,084,923	\$ 13,989,865
Schedule of noncash capital and related financing activities:		
Amortization of bond premium	\$ 80,495	\$ 80,494
Acquisition of capital assets with accounts payable	689,940	76,101
Schedule of noncash investing activities:		
Unrealized loss on investments	\$ 935,396	\$ (1,515,074)
Cash and cash equivalents as reported in the Statements of Net Position:		
Current assets	\$ 196,075,254	\$ 188,017,249
Current assets restricted for construction funds	15,222,187	16,234,770
Current assets restricted for debt service and reserve funds	17,966,211	18,402,426
Current assets restricted for other purposes	204,477,187	90,468,806
Noncurrent assets restricted for debt service and reserve funds	43,353,404	21,291,097
Total cash and cash equivalents	\$ 477,094,243	\$ 334,414,348

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 \$15,000 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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*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 August 2022, June 2023, and May 2024. These are discussed in Note K to the financial statements. Other revenue also includes lease-related revenue as discussed in Note I 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 2024:

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. The implementation did not have an effect on the Authority's financial statements for fiscal year 2024.



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Recent Accounting Pronouncements

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.

GASB Statement No. 102, *Certain Risk Disclosures*, was issued in December 2023. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement will be effective for the Authority in fiscal year 2026. The Authority is in the process of evaluating the impact of GASB Statement No. 102.

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will be effective for the Authority in fiscal year 2026. The Authority is in the process of evaluating the impact of GASB Statement No. 103.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was issued in September 2024. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.. This Statement will be effective for the Authority in fiscal year 2026. The Authority is in the process of evaluating the impact of GASB Statement No. 104.

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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 Bank of New York Mellon Direct Holdings; the First Horizon Bank Business Investment Account (BIA) – Concentration; First Horizon Bank Business Investment Account (BIA) – Electronic Disbursements; most bonds issued by U.S. government agencies; other municipal obligations; and other investments, such as repurchase agreements and commercial paper. 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>.

At June 30, 2024, 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	\$ 277,223	-
Metropolitan Government investment pool	441,108,253	(a)
U.S. Treasury money market funds	<u>35,708,767</u>	-
Cash and cash equivalents	<u>477,094,243</u>	
U.S. government agencies	38,766,022	1.6
Municipal obligations	<u>278,853</u>	4.4
Total investments	<u>39,044,875</u>	
Total cash and investments	<u>\$516,139,118</u>	

(a) The Metropolitan Government investment pool includes investments in the Tennessee Local Government Investment Pool in the amount of \$68,553,703, the Bank of New York Mellon in the amount of \$312,385,505, the First Horizon Business Investment Account Concentration in the amount of \$60,165,596, and the First Horizon Business Investment Account Electronic Funds Disbursements in the amount of \$3,449. The weighted average maturity of these at June 30, 2024 was 0.13, 0.63, n/a, and n/a, respectively.



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B. CASH AND INVESTMENTS - Continued

At June 30, 2023, 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	\$ 282,746	-
Metropolitan Government investment pool	297,036,687	(a)
U.S. Treasury money market funds	<u>37,094,915</u>	-
Cash and cash equivalents	<u>334,414,348</u>	
U.S. government agencies	36,862,379	2.2
Municipal obligations	<u>452,989</u>	3.0
Total investments	<u>37,315,368</u>	
Total cash and investments	<u>\$371,729,716</u>	

(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.

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, 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 \$7,701,615 at June 30, 2024 consisted of \$3,857,094 for operating events and \$3,844,521 of accrued tourism taxes. 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.

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D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital assets, not being depreciated:				
Land	\$ 91,316,189	\$ -	\$ -	\$ 91,316,189
Art collection	1,183,844	23,500	-	1,207,344
Construction in progress	<u>2,750,791</u>	<u>6,482,917</u>	<u>(1,874,950)</u>	<u>7,358,758</u>
Total capital assets, not being depreciated	<u>95,250,824</u>	<u>6,506,417</u>	<u>(1,874,950)</u>	<u>99,882,291</u>
Capital assets, being depreciated:				
Buildings and improvements	700,022,460	-	-	700,022,460
Furniture, machinery, and equipment	<u>11,877,681</u>	<u>2,395,115</u>	<u>1,874,950</u>	<u>16,147,746</u>
Total capital assets, being depreciated	<u>711,900,141</u>	<u>2,395,115</u>	<u>1,874,950</u>	<u>716,170,206</u>
Less accumulated depreciation:				
Buildings and improvements	(167,334,739)	(18,363,199)	-	(185,697,938)
Furniture, machinery, and equipment	<u>( 7,364,737)</u>	<u>( 1,925,672)</u>	<u>-</u>	<u>( 9,290,409)</u>
Total accumulated depreciation	<u>(174,699,476)</u>	<u>(20,288,871)</u>	<u>-</u>	<u>(194,988,347)</u>
	<u>\$ 632,451,489</u>	<u>\$(11,387,339)</u>	<u>\$ -</u>	<u>\$ 621,064,150</u>

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D. CAPITAL ASSETS - Continued

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

	<u>Balance</u> <u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Balance</u> <u>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>

During fiscal year 2024, various facility, security, and technology 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, 2024 consisted of four new projects and some remaining security system upgrades which will be complete within the next fiscal year. The estimated cost to complete the construction in progress at June 30, 2024 is approximately \$2,800,000.

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E. UNEARNED REVENUE

Unearned revenue of \$15,401,045 and \$13,220,128 represents deposits received for events scheduled to occur in future years at June 30, 2024 and 2023, respectively.

F. LONG-TERM REVENUE BONDS PAYABLE

Long-term debt activity during the year ended June 30, 2024 and descriptions of the amounts outstanding are as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2024</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	\$ 21,215,000	\$ -	\$( 4,775,000)	\$ 16,440,000
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	359,030,000	-	(11,035,000)	347,995,000
Original issue premium	<u>241,484</u>	<u>-</u>	<u>( 80,495)</u>	<u>160,989</u>
	<u>\$532,881,484</u>	<u>\$ -</u>	<u>\$(15,890,495)</u>	<u>\$516,990,989</u>

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F. LONG-TERM REVENUE BONDS PAYABLE - Continued

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/ 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	<u>321,978</u>	<u>-</u>	<u>( 80,494)</u>	<u>241,484</u>
	<u>\$548,056,978</u>	<u>\$ -</u>	<u>\$(15,175,494)</u>	<u>\$532,881,484</u>



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F. 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, 2024 and 2023. 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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F. 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.

Year(s) ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Estimated Federal Credit</u>
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	19,575,000	30,363,182	( 9,702,555)
2030-2034	112,015,000	129,622,280	( 41,420,800)
2035-2039	139,825,000	85,981,443	( 27,475,370)
2040-2044	<u>174,565,000</u>	<u>31,473,521</u>	<u>( 10,057,364)</u>
	<u>\$516,830,000</u>	<u>\$410,931,217</u>	<u>\$(130,924,143)</u>

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G. 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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G. 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 liability has been recorded in the financial statements of the Authority based on its pro rata share of the total net pension liability for the Metropolitan Government. The net pension liability was \$425,444 and \$425,229 at June 30, 2024 and 2023, respectively, and the net pension asset was \$442,781 at June 30, 2022. The Authority's proportion of the Metro Plan's net pension liability at June 30, 2024 and 2023 was 0.19% and 0.27%, respectively, and the Authority's portion of the Metro Plan's net pension asset at June 30, 2022 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 \$523,932 and \$53,888, respectively, at June 30, 2024 and \$668,348 and \$94,234, respectively, at June 30, 2023. The deferred outflows of resources and deferred inflows of resources were \$538,287 and \$935,411, respectively, at June 30, 2022. The amounts at June 30, 2024 will be recognized as net pension expense in future years.

Contributions by the Authority to the Metro Plan totaled \$218,507, \$274,896, and \$244,686 for the years ended June 30, 2024, 2023 and 2022, respectively.

The Authority has recorded a net pension liability, 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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G. 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, 2024 or June 30, 2023. 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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G. 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 \$228,397, \$229,282, and \$206,378 for the years ended June 30, 2024, 2023 and 2022, 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.

H. 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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I. 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. 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 \$1,757,387, respectively, for the year ended June 30, 2024, and \$609,459 and \$1,756,446, respectively, for the year ended June 30, 2023. Lease-related revenue is included in other revenue in the statements of revenues, expenses, and changes in net position.

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I. LEASES - Continued

Future principal and interest payment requirements related to the Authority's lease receivables at June 30, 2024 are as follows:

Year(s) ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	142,076	1,737,924	1,880,000
2030-2034	789,873	8,610,127	9,400,000
2035-2039	940,693	8,459,307	9,400,000
2040-2044	1,120,312	8,279,688	9,400,000
2045-2049	1,334,227	8,065,773	9,400,000
2050-2054	1,588,988	7,811,012	9,400,000
2055-2059	1,892,394	7,507,606	9,400,000
2060-2064	2,253,733	7,146,267	9,400,000
2065-2069	3,489,350	6,660,650	10,150,000
2070-2074	4,692,471	5,957,529	10,650,000
2075-2079	1,562,054	5,337,946	6,900,000
2080-2084	1,860,318	5,039,682	6,900,000
2085-2089	2,215,532	4,684,468	6,900,000
2090-2094	2,638,572	4,261,428	6,900,000
2095-2099	3,142,388	3,757,612	6,900,000
2100-2104	3,742,405	3,157,595	6,900,000
2105-2109	4,456,990	2,443,010	6,900,000
2110-2114	5,308,020	1,591,980	6,900,000
2115-2119	6,321,548	578,452	6,900,000
	<u>\$49,797,187</u>	<u>\$108,302,813</u>	<u>\$158,100,000</u>

J. 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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K. 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, 2024 and 2023 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>
2025 - 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 in fiscal years 2024 and 2023.

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.

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K. COMMITMENTS AND CONTINGENCIES - Continued

In June 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 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 was made in December 2023.

In May 2024, the Authority entered into an MOU with the Metropolitan Government to transfer \$16,972,300 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, Emergency Communications, and Transportation Departments. The transfer is to be made in two equal installments. The first transfer will be made in August 2024 and the second transfer will be made in December 2024.

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K. COMMITMENTS AND CONTINGENCIES - Continued

In May 2024, the Authority entered into an MOU with the Nashville Downtown Partnership to provide funding to the NDP in the amount of \$2,100,000. The funds are to be spent as follows: \$409,000 to expand their cleaning footprint; \$422,000 on focused safety services; \$105,000 targeted toward guest hospitality; \$569,000 for CBID participation; \$183,000 to maintain outreach and housing and \$412,000 to be determined in further support of the foregoing and in consultation with and upon the approval of the Convention Center Authority. This payment will be made in August 2024 in accordance with the MOU.

L. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through October 31, 2024, and has determined that there are no subsequent events that require disclosure.

**SUPPLEMENTARY INFORMATION**



Convention Center Authority  
Attachment #2  
November 7, 2024

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
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SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE  
JUNE 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2023	Issued During Period	Paid and/o Matured During Period
<b>BONDS PAYABLE</b>							
Tourism Tax Revenue Bonds, Series 2010A-1	\$ 51,730,000	3.25 - 5.00%	4/21/2010	7/1/2026	\$ 21,215,000	\$ -	\$ 4,775,000
Tourism Tax Revenue Bonds Federally Taxable (BABs), Series 2010A-2	152,395,000	7.431%	4/21/2010	7/1/2043	152,395,000	-	
Subordinate Tourism Tax Revenue Bonds Federally Taxable (BABs), Series 2010B	419,000,000	4.862 - 6.731%	4/21/2010	7/1/2043	359,030,000	-	11,035,000
Total bonds payable					<u>\$ 532,640,000</u>	<u>\$ -</u>	<u>\$ 15,810,000</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, 2024, 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, 2024.

**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, 2024

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024

The Authority had no prior year audit findings.

**THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN  
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
EMPLOYEES' SAVINGS TRUST**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**DECEMBER 31, 2023 AND 2022**

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN  
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
EMPLOYEES' SAVINGS TRUST

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NOTE: Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

The Plan Administrator  
The Convention Center Authority of the Metropolitan  
Government of Nashville and Davidson County  
Employees' Savings Trust

**Scope and Nature of the ERISA Section 103(a)(3)(C) Audit**

We have performed audits of the accompanying financial statements of The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County Employees' Savings Trust (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of fiduciary net position as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of and for the years ended December 31, 2023 and 2022, stating that the certified investment information, as described in Note E to the financial statements, is complete and accurate.

**Opinion**

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.



- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Plan 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 ERISA Section 103(a)(3)(C) 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 opinion. 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 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, 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 Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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 audit.



## **Other Matters**

### ***Supplemental Schedules Required by ERISA***

The supplemental schedule of Schedule H Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



***Omission of Required Supplemental Information***

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our report on the basic financial statements is not affected by this missing information.

*Crosatin, PLLC*

Nashville, Tennessee  
October 10, 2024

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN  
 GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
 EMPLOYEES' SAVINGS TRUST  
 STATEMENTS OF FIDUCIARY NET POSITION  
 DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Investments:		
Mutual funds, at fair value	\$ 3,148,834	\$ 2,567,254
Collective Trust Funds	66,698	28,341
Total investments	<u>3,215,532</u>	<u>2,595,595</u>
Contributions receivable	<u>23,140</u>	<u>20,678</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u><u>\$ 3,238,672</u></u>	<u><u>\$ 2,616,273</u></u>

See accompanying notes to financial statements.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN  
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 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Additions:</b>		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 372,724	\$ (580,358)
Interest and dividends	<u>88,399</u>	<u>127,866</u>
Total investment income (loss)	<u>461,123</u>	<u>(452,492)</u>
<b>Contributions:</b>		
Participants	348,731	332,704
Employer	194,637	183,322
Rollovers	<u>32,024</u>	<u>2,413</u>
Total contributions	<u>575,392</u>	<u>518,439</u>
Total additions	<u>1,036,515</u>	<u>65,947</u>
<b>Deductions:</b>		
Benefits paid directly to participants	411,450	317,311
Administrative fees and charges	<u>2,666</u>	<u>1,795</u>
Total deductions	<u>414,116</u>	<u>319,106</u>
Net increase (decrease) in net position	622,399	(253,159)
<b>Net position restricted for pensions:</b>		
Beginning of year	<u>2,616,273</u>	<u>2,869,432</u>
End of year	<u><u>\$ 3,238,672</u></u>	<u><u>\$ 2,616,273</u></u>

See accompanying notes to financial statements.



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A. DESCRIPTION OF THE PLAN

The following description of The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County Employees' Savings Trust (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan, adopted effective January 1, 2013, is a defined contribution pension plan covering substantially all employees hired directly by the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County, Tennessee (the "Employer" or the "Authority") who are at least 18 years of age. The Plan is subject to the provisions of the Employment Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Authority under the provisions of Tennessee Code Title 7, Chapter 89.

Capital Group/American Funds serves as the record keeper of the Plan and maintains and administers the Plan's records and investment allocations for the benefit of participants. Capital Bank and Trust is the custodian of the Plan assets.

Contributions

Upon achieving eligibility to participate in the Plan, employees must elect to participate or not participate in the Plan. Participants may contribute up to the maximum amount allowed by federal law and direct the investment of their contributions into various investment options offered by the Plan. The Employer matches 100% of employee contributions up to 3% of salary and 50% of employee contributions up to 5% of salary.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Employer's contribution and Plan earnings. Allocations are based on participant earnings or account balances, as defined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Membership

As of December 31, 2023 and 2022, the Plan had 193 and 165 participants, respectively.

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A. DESCRIPTION OF THE PLAN - Continued

Vesting

Participants are immediately vested in their 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.

Forfeitures

Forfeitures are used to reduce future Employer matching contributions or to pay certain administrative expenses of the Plan. Forfeitures totaling \$849 and \$279 were used to reduce Employer contributions for 2023 and 2022, respectively. At December 31, 2023 and 2022, unallocated forfeitures totaled \$24,184 and \$15,246, respectively.

Payment of Benefits

On termination of service, whether due to death, disability, retirement, or otherwise, the participant or the beneficiary of the participant shall receive a lump-sum payment in cash. The Plan also permits in-service withdrawals due to financial hardship, in accordance with provisions specified in the Plan document.

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Authority, as provided by the Plan document. Expenses that are paid directly by the Authority are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in fiduciary net position. In addition, certain investment-related expenses are included in net appreciation (depreciation) of fair value of investments presented in the accompanying statements of changes in fiduciary net position.

Participant Loans

Participant loans are not permitted under the Plan.

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B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Plan are prepared under the accrual basis of accounting, based on standards promulgated by the Governmental Accounting Standard Board (GASB).

The Plan has determined that the appropriate financial reporting framework for the Plan under U.S. generally accepted accounting principles is the framework established by the GASB, not the Financial Accounting Standards Board, because the Authority is an instrumentality of the Metropolitan Government of Nashville and Davidson County as well as a public nonprofit corporation. The impact of reporting under GASB primarily relates to financial statement presentation and classification, as well as certain additional disclosures related to investment risks.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note C for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payments of Benefits

Benefits are recorded when paid.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. There were no excess contributions payable in 2023 or 2022.

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C. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;  
and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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C. FAIR VALUE MEASUREMENTS - Continued

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

<u>Description</u>	2023			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual Funds:				
Balanced funds	\$ 201,814	\$ -	\$ -	\$ 201,814
Target date funds	2,586,046	-	-	2,586,046
Index funds	326,115	-	-	326,115
Fixed income funds	10,675	-	-	10,675
Money market funds	<u>24,184</u>	<u>-</u>	<u>-</u>	<u>24,184</u>
Total investments at fair value	<u>\$3,148,834</u>	<u>\$ -</u>	<u>\$ -</u>	3,148,834
Collective trust funds				<u>66,698</u>
Total investments				<u>\$3,215,532</u>

<u>Description</u>	2022			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual Funds:				
Balanced funds	\$ 140,286	\$ -	\$ -	\$ 140,286
Target date funds	2,182,433	-	-	2,182,433
Index funds	222,831	-	-	222,831
Fixed income funds	6,460	-	-	6,460
Money market funds	<u>15,244</u>	<u>-</u>	<u>-</u>	<u>15,244</u>
Total investments at fair value	<u>\$2,567,254</u>	<u>\$ -</u>	<u>\$ -</u>	2,567,254
Collective trust funds				<u>28,341</u>
Total investments				<u>\$2,595,595</u>

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D. INVESTMENTS

Investment Risk Disclosures

*Interest Rate Risk*

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Additionally, the fair values of the investments may be highly sensitive to interest rate fluctuations. The Plan has no specific policy to address interest rate risk.

Investment Risk Disclosures - Continued

As of December 31, 2023 and 2022, the Plan had the following fixed income and money market investments with the corresponding average duration:

<u>Type of Investments</u>	<u>2023</u>		<u>2022</u>	
	<u>Average Duration (Years)</u>	<u>Value</u>	<u>Average Duration (Years)</u>	<u>Value</u>
Fixed income mutual funds:				
Western Asset Core Bond IS	6.76	\$10,675	7.38	\$ 6,460
Money market fund:				
American Funds US Govt MMKT	-	\$24,184	-	\$15,244

*Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each investment by a nationally recognized statistical rating organization. The Plan has no specific policy to address credit risk. Additionally, none of the fixed income funds held by the Plan were rated by nationally recognized statistical rating organizations.

*Concentration of Credit Risk*

The Plan does not have a policy regarding the concentration of credit risk, since investments are participant directed.

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E. INFORMATION CERTIFIED BY THE PLAN'S CUSTODIAN

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA. Accordingly, Capital Bank and Trust, the custodian of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedule are complete and accurate as of December 31, 2023 and 2022, and for the years then ended:

	<u>2023</u>	<u>2022</u>
Mutual funds	\$3,148,834	\$2,567,254
Collective trust funds	66,698	28,341
Net appreciation (depreciation) in fair value of investments	372,724	(580,358)
Interest and dividends	88,399	127,866

The Plan's independent auditor did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

F. INCOME TAX STATUS

The Plan adopted a Defined Contribution Pre-Approved Plan as provided by the Plan's record keeper, Capital Group/American Funds. The IRS has issued an opinion letter dated June 30, 2020, indicating that the prototype plan is designed in accordance with applicable sections of the IRC. Although the Plan is amended periodically, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.



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G. TRANSACTIONS WITH PARTIES-IN-INTEREST

Certain Plan investments are shares of mutual funds managed by American Funds. American Funds is the record keeper of the Plan's assets and, therefore, qualifies as a party-in-interest.

H. PLAN TERMINATION

Although it has not expressed any intent to do so, the Authority has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

I. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net position restricted for pensions according to the financial statements as compared to Form 5500 at December 31:

	<u>2023</u>	<u>2022</u>
Net position restricted for pensions per the financial statements	\$ 3,238,672	\$ 2,616,273
Less: contributions receivable at end of year	<u>( 23,140)</u>	<u>( 20,678)</u>
Net position restricted for pensions per Form 5500	<u>\$ 3,215,532</u>	<u>\$ 2,595,595</u>

The following is a reconciliation of the net increase in net position restricted for pensions according to the financial statements as compared to Form 5500 at December 31:

	<u>2023</u>	<u>2022</u>
Total increase (decrease) in net position restricted for pensions	\$ 622,399	\$(253,159)
Add: contributions receivable at beginning of year	20,678	19,918
Less: contributions receivable at end of year	<u>( 23,140)</u>	<u>( 20,678)</u>
Total increase (decrease) in net position restricted for pensions per Form 5500	<u>\$ 619,937</u>	<u>\$(253,919)</u>

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I. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 - Continued

The following is a reconciliation of participant contributions according to the financial statements as compared to Form 5500 at December 31:

	<u>2023</u>	<u>2022</u>
Participant contributions per financial statements	\$ 348,731	\$ 332,704
Add: participant contributions receivable at beginning of year	13,411	12,732
Less: participant contributions receivable at end of year	<u>( 14,738)</u>	<u>( 13,411)</u>
Total participant contributions per Form 5500	<u>\$ 347,404</u>	<u>\$ 332,025</u>

The following is a reconciliation of employer contributions according to the financial statements as compared to Form 5500 at December 31:

	<u>2023</u>	<u>2022</u>
Employer contributions per financial statements	\$ 194,637	\$ 183,322
Add: employer contributions receivable at beginning of year	7,267	7,186
Less: employer contributions receivable at end of year	<u>( 8,402)</u>	<u>( 7,267)</u>
Total employer contributions per Form 5500	<u>\$ 193,502</u>	<u>\$ 183,241</u>

J. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 10, 2024, the date the financial statements were available for issuance, and has determined there were no subsequent events requiring disclosure.

**SUPPLEMENTAL INFORMATION**

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN  
 GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
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 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 DECEMBER 31, 2023

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	American Funds	AM FDS 2015 TARGET DATE FUND - R6	a	\$ 1,303
*	American Funds	AM FDS 2020 TARGET DATE FUND - R6	a	133,756
*	American Funds	AM FDS 2025 TARGET DATE FUND - R6	a	204,009
*	American Funds	AM FDS 2030 TARGET DATE FUND - R6	a	917,178
*	American Funds	AM FDS 2035 TARGET DATE FUND - R6	a	235,965
*	American Funds	AM FDS 2040 TARGET DATE FUND - R6	a	220,571
*	American Funds	AM FDS 2045 TARGET DATE FUND - R6	a	331,954
*	American Funds	AM FDS 2050 TARGET DATE FUND - R6	a	240,587
*	American Funds	AM FDS 2055 TARGET DATE FUND - R6	a	160,714
*	American Funds	AM FDS 2060 TARGET DATE FUND - R6	a	81,234
*	American Funds	AM FDS 2065 TARGET DATE FUND - R6	a	58,775
*	American Funds	AM FDS AMERICAN BALANCED - R6	a	29,996
*	American Funds	AM FDS EUROPACIFIC GROWTH - R6	a	20,158
*	American Funds	AM FDS US GOVT MONEY MARKET - R6	a	24,184
	Dodge & Cox	DODGE & COX STOCK FUND - I	a	32,856
	Franklin Templeton	FRANKLIN GROWTH - R6	a	109,614
	Janus Henderson	JANUS HENDERSON SMALL CAP VALUE N	a	1,169
	MFS	MFS MID CAP GROWTH - R6	a	40,877
	Vanguard	VANGUARD 500 INDEX FUND ADMIRAL	a	188,932
	Vanguard	VANGUARD MID CAP INDEX - ADM	a	19,252
	Vanguard	VANGUARD REAL ESTATE INDEX ADMIRAL	a	18,307
	Vanguard	VANGUARD SHORT-TERM BOND INDEX ADM	a	1,986
	Vanguard	VANGUARD SMALL CAP INDEX FUND ADMIRAL	a	46,029
	Vanguard	VANGUARD TOTAL BOND MARKET INDEX ADMIRAL	a	2,652
	Vanguard	VANGUARD TOTAL INTL STOCK INDEX ADMIRAL	a	16,101
	Western Asset	WESTERN ASSET CORE BOND IS	a	10,675
		Total mutual fund accounts		<u>3,148,834</u>
	Morley	MORLEY STABLE VALUE FUND	a	<u>66,698</u>
		Total collective trust funds		<u>66,698</u>
		Total investments held at end of year		<u>\$ 3,215,532</u>

\* Party-in-interest as defined by ERISA.

a The cost of participant - directed investments is not required to be disclosed.

See accompanying independent auditor's report.



**RFP Intent to Award Summary Sheet for the Music City Center**

**RFP:** *Parking Access and Revenue Control System for the Music City Center*

**Selected Vendor:**  
*SKIDATA*

**Compensation and Cost:**

	<i>Fee</i>
<b>Fixed Fee</b>	\$ 596,315.00

<i>Alternate Add-on Options</i>	<i>Price</i>	<i>Total</i>
<b>Licesnse Plate Recognition</b>	\$ 4,885.57	\$ 63,513.00
<b>LPR Camera License</b>	\$ 10,135.02	\$ 10,135.02
<b>LPR Cameras</b>	Included Above	
<b>Intercoms</b>	Included	Included
<b>Monthly Parking Management System</b>	\$ 300.00	\$ 3,900.00
<b>Spare Lighted Folding Gate Arms</b>	\$ 3,887.50	\$ 23,325.00

**Term:**  
*Five (5) year term*

**DBE participation:**  
*Montgomery Electronics & Communications (MBE)*

**Other Vendors that Submitted Bids:**  
Amano McGann  
Flash Parking  
Guardian Access Solutions  
Metropolis