MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The Finance & Audit Committee Meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 17, 2022 at 3:00 p.m. in the Administrative Conference Room of the Administrative Offices at the Music City Center, Nashville, Tennessee.

FINANCE & AUDIT COMMITTEE MEMBERS PRESENT: Robert Davidson, Tracy Hardin, Barrett Hobbs, *Vonda McDaniel, Betsy Wills, and Norah Buikstra

FINANCE & AUDIT COMMITTEE MEMBERS NOT PRESENT:

OTHERS PRESENT: **Charles Starks, **Heidi Runion, **Maryanne Morris, **Donna Gray, **Heather Jensen, **Elisa Putman, David Hunt, Katie Farris, and Kristin Wilson

Committee Chair Robert Davidson opened the meeting at 2:58 p.m. for business and noted there was a quorum 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.

ACTION: Betsy Wills made a motion to approve the Finance & Audit Committee minutes of April 26, 2022. The motion was seconded by Barrett Hobbs and approved unanimously by the Committee.

*Denotes the arrival of Vonda McDaniel

Committee Chair Robert Davidson introduced David Hunt and Katie Farris, Auditors from Crosslin Certified Public Accountants.

Robert Davidson, David Hunt, Katie Farris, Charles Starks, Heidi Runion and Maryanne Morris presented the CCA Annual Audit Presentation from Crosslin (Attachments #1, 2, and 3) and there was discussion.

ACTION: Tracy Hardin 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, 2022. The motion was seconded by Betsy Wills and approved unanimously by the Committee.

ACTION: Vonda McDaniel made a motion accepting the audit of the Employees' Savings Trust of the Convention Center Authority as of December 31, 2021. The motion was seconded by Barrett Hobbs and approved unanimously by the Committee.

Chair Robert Davidson asked that the CCA staff leave the room.

**Denotes CCA staff reentering the meeting

Chair Robert Davidson, Charles Starks, Heidi Runion, David Hunt, and Katie Farris provided information on increasing the current purchasing threshold from $10,000 to $25,000 and there was discussion.

ACTION: Betsy Wills made a motion for the Finance & Audit Committee to recommend to the Authority the approval of increasing the Purchase Threshold Limit from $10,000 to $25,000. The motion was seconded by Barrett Hobbs and approved unanimously by the Committee.

With no additional business and no objections, the Finance & Audit Committee of the CCA adjourned at 4:12 p.m.

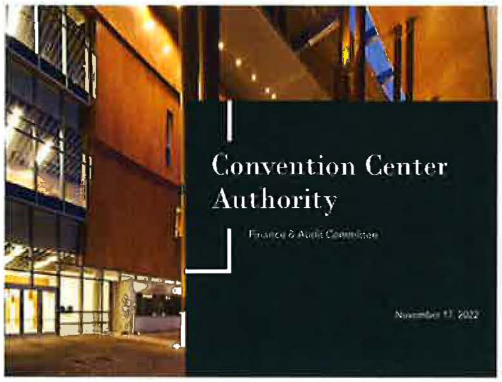
Respectfully submitted,

Charles L. Starks
President & CEO
Convention Center Authority

Approved:

Robert Davidson, Committee Chair
CCA Finance & Audit Committee
Meeting Minutes of November 17, 2022

CCA Finance & Audit Committee
Attachment #1
November 17, 2022



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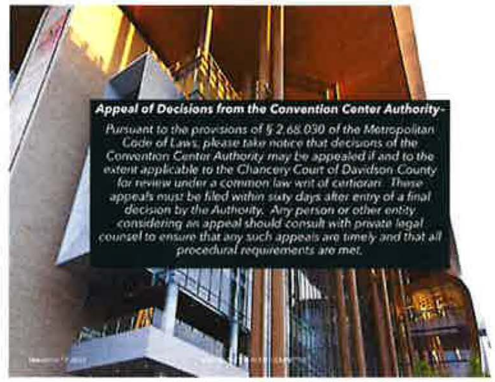

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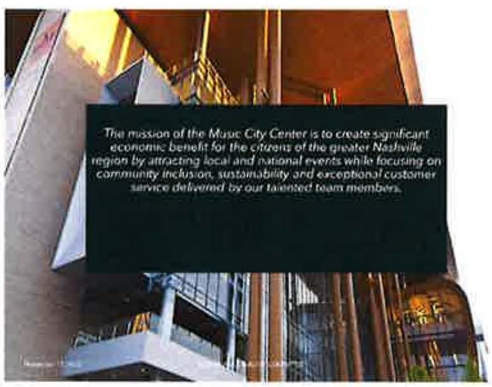

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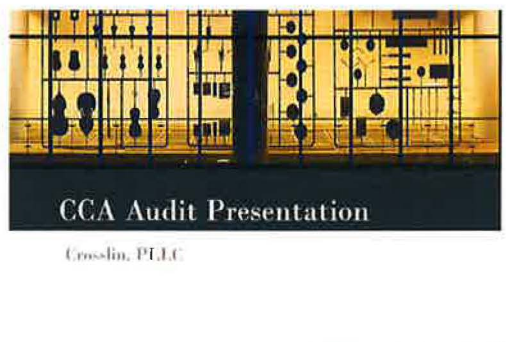

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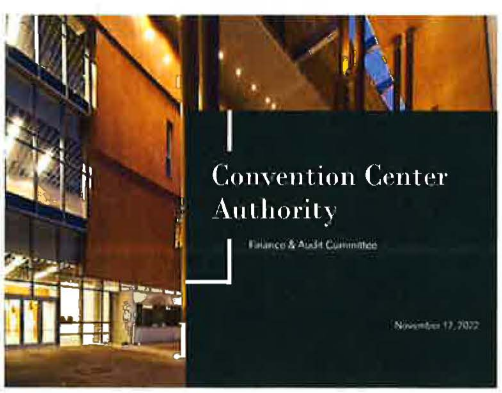

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Finance & Audit Committee
Attachment #2
November 17, 2022

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

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

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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, 2022, 2021 AND 2020

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, 2022, 2021 and 2020. 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, 2022 and 2021 are included in the statements of net position. For the years ended June 30, 2022 and 2021, 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.

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, 2022, 2021 AND 2020

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

The Authority's net position as of June 30, 2022, 2021 and 2020 was as follows (in thousands of dollars):

	2022	2021 (A)	2020
Current assets	$ 253,461	$ 219,613	$ 266,789
Capital assets	647,448	666,191	683,333
Other noncurrent assets	106,936	107,782	58,576
Total assets	$1,007,845	$ 993,586	$1,008,698
Deferred outflows of resources	$ 538	$ 303	$ 326
Current liabilities	$ 50,535	$ 47,980	$ 46,836
Noncurrent liabilities	532,962	548,137	563,355
Total liabilities	$ 583,497	$ 596,117	$ 610,191
Deferred inflows of resources	$ 50,021	$ 51,682	$ 300
Net position:			
Net investment in capital assets	$ 113,761	$ 119,794	$ 115,726
Restricted for debt retirement	77,066	71,454	60,730
Restricted for other purposes	46,478	37,888	48,846
Unrestricted	137,560	116,954	173,231
Total net position	$ 374,865	$ 346,090	$ 398,533

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

The Authority was created to develop, acquire, construct, and then operate a convention center (the Music City Center) within the boundaries of the Metropolitan Government of Nashville and Davidson County, Tennessee (Metropolitan Government). During the year ended June 30, 2010, the Authority issued revenue bonds for and began construction of the Music City Center (MCC). Construction is complete, and operation of the MCC began in May of 2013. As more fully described in the financial statements and notes, the Authority's assets consist primarily of cash, accounts receivable, and other items related to operations, cash and investments restricted for construction and debt service, and capital assets related to the MCC. Liabilities consist primarily of current amounts payable related to operations, construction and debt service, and the revenue bonds payable. The components of net position reflect the nature of the underlying assets and liabilities. Note that $113.8 million of the Authority's net position of $374.9 million is invested in capital assets while $77.1 million is restricted for debt retirement and $46.5 million is restricted for other purposes.

The Authority's change in net position for the years ended June 30, 2022, 2021 and 2020 was as follows (in thousands of dollars):

	2022	2021 (A)	2020
Operating revenue	$ 28,546	$ 1,227	$ 22,413
Operating expense	(42,868)	(33,990)	(38,198)
Operating loss	(14,322)	(32,763)	(15,785)
Nonoperating revenue (expense), net	43,097	(19,680)	54,564
Net increase (decrease) in net position	$ 28,775	$(52,443)	$ 38,779

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

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

The significant decrease in operating revenue during 2021 was primarily due to the sustained impact of COVID-19 and the cancellation of all but 40 events for the entire year. The decrease in operating expenses for the year ended June 30, 2021 was likewise driven by sweeping event cancellations. Expenses were not reduced to the same extent as revenue however, due to the Authority's decision to retain all full-time staff and continue to pay them through this unprecedented time. Nonoperating revenue, net for the year ended June 30, 2021 fell into a negative balance due to the severe decline in tourism tax collections due to COVID-19, but expense obligations associated with the Payment in Lieu of Taxes (PILOT) agreement with the Metropolitan Government, an additional Memorandum of Understanding (MOU) between the Authority and Metropolitan Government, a one-time contracted payment to the Joseph Hotel and the yearly payment to the Omni Hotel, remained in place. These agreements are explained in more detail in Note L to the financial statements. There were no capital contributions for the year ended June 30, 2021.

Capital Assets and Long-Term Debt

During the year ended June 30, 2022, the Authority incurred costs of $917,624 for the addition of various capital assets, which included multiple digital signage additions throughout the building and campus, the completion of the event parking system project, and the back of house LED lighting project. During the year ended June 30, 2021, the Authority incurred costs of $1,203,306 for the addition of various capital assets. This includes the completion of an airwall recovering project, the installation of touchless actuators on all doors and elevators within the building, and the completion of the NCC redevelopment project at Fifth + Broadway. During the year ended June 30,2020, the Authority incurred costs of $5,826,213 for the addition of various capital assets. This includes the start of an airwall recovering project and the installation of the Park Assist lighting system in the parking garage.

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 Bonds	Series B Bonds
Moody's	A2	AA3
Standard & Poor's	A	AA
Fitch	A+	A+

Other Matters

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

The Authority's board entered into an agreement in 2016 with a private developer, Oliver McMillian Spectrum Emery, related to the development of the Fifth + Broadway complex on the previous Nashville Convention Center site. As more fully described in Note J to the financial statements, the Authority funded substantially all of the construction costs of the complex's parking garage, and has full ownership of the garage. Upon completion and occupancy of the comples, the Authority entered into an agreement to lease the garage to the private developer for 99 years. Subsequent to June 30, 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 $14,100,000 of impairment loss, as it is not required by generally accepted accounting principles as promulgated by the GASB.

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT
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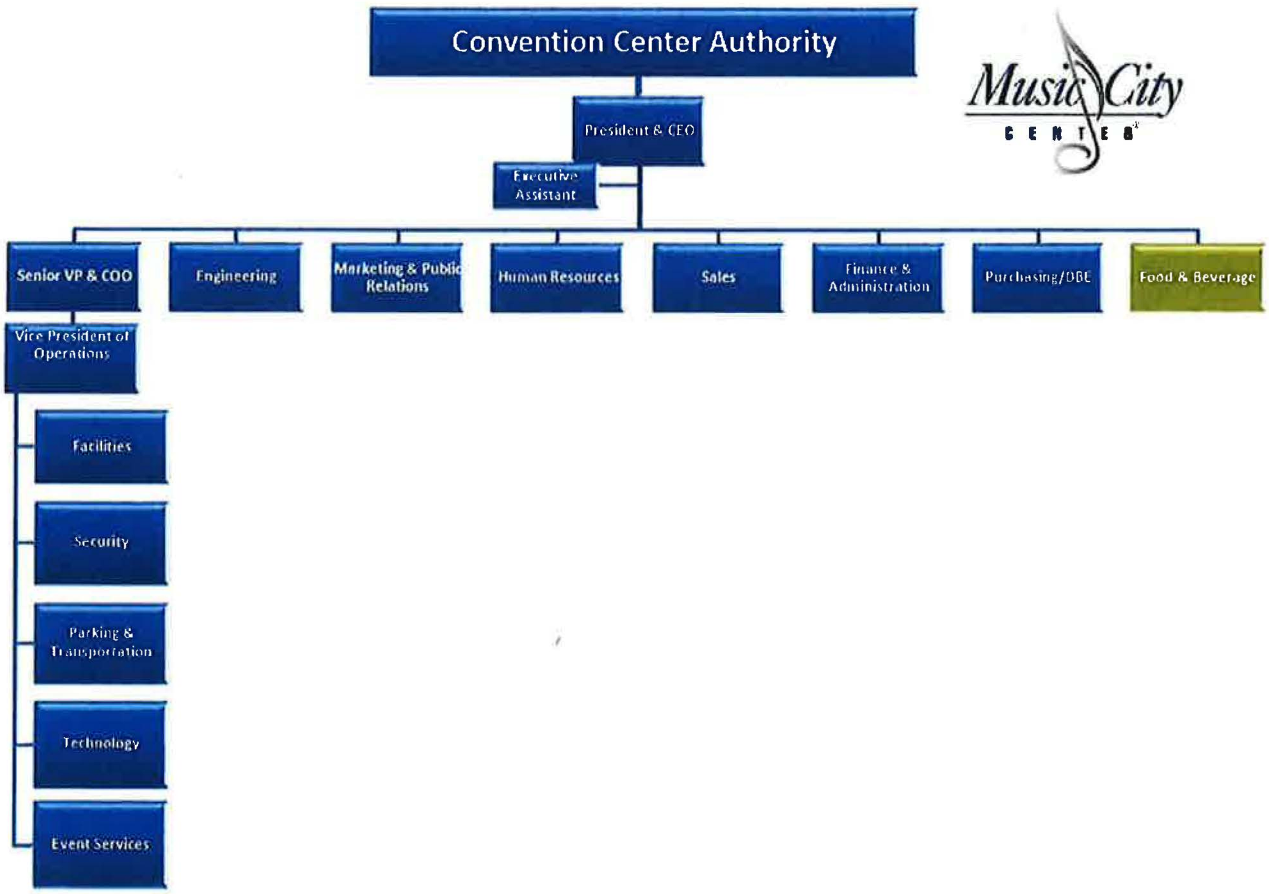
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022, 2021 AND 2020

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

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
(A Component Unit of the Metropolitan Government of Nashville and Davidson County, Tennessee)
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, 2022 (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

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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, 2022 and 2021, 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, 2022 and 2021, 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.

Emphasis of Matter

As described in Note A to the financial statements, the Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

The Astoria • 3803 Bedford Avenue, Suite 201 • Nashville, Tennessee 37215 • phone: 615-320-5500 • fax: 615-329-9465 • www.crosslinpc.com
An Independent Member of The BDO Alliance USA

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, 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, 2022

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
(A Component Unit of the Metropolitan Government
of Nashville and Davidson County, Tennessee)
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021 (as restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 149,951,418	$ 127,408,007
Accounts receivable	2,011,816	1,735,943
Accrued interest receivable	495,665	1,685,561
Due from the primary government	220	40
Prepaid expenses	991,408	49,272
Lease receivable	47,269	166,866
Restricted for construction funds:		
Cash and cash equivalents	14,490,278	16,176,203
Restricted for debt service and reserve funds:		
Cash and cash equivalents	18,919,711	19,465,046
Accrued interest receivable	85,663	144,176
Due from the primary government	16,352,431	13,329,457
Accounts receivable	3,636,750	1,564,363
Restricted for other purposes:		
Cash and cash equivalents	46,478,373	37,888,292
Total current assets	253,461,002	219,613,226
Noncurrent assets:		
Other assets:		
Advance to NCVC	-	500,000
Lease receivable	49,846,137	49,893,406
Net pension asset	442,781	1,461,674
Restricted for debt service and reserve funds:		
Cash and cash equivalents	23,785,671	17,135,603
Investments	32,861,102	38,791,282
Total other assets	106,935,691	107,781,965
Capital assets:		
Land	91,316,189	91,316,189
Art collection	1,183,844	1,183,844
Buildings and improvements	700,022,460	699,932,792
Furniture, machinery, and equipment	10,153,005	9,508,700
Construction work in progress	151,396	-
Less accumulated depreciation	(155,378,770)	(135,750,394)
Total capital assets	647,448,124	666,191,131
Total noncurrent assets	754,383,815	773,973,096
Total assets	1,007,844,817	993,586,322
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows, pensions	538,287	302,880

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, 2022 AND 2021

	2022	2021 (as restated)
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,207,673	$ 2,506,804
Accrued payroll	1,764,613	1,602,312
Due to the primary government	9,764	99,227
Unearned revenue	11,762,245	10,359,396
Liabilities payable from restricted assets:		
Construction funds:		
Accounts payable and accrued liabilities	120,263	593
Debt service and reserve funds:		
Accounts payable and accrued liabilities	2,364	480
Accrued interest payable	18,573,428	18,976,113
Current portion of long-term debt	15,095,000	14,435,000
Total current liabilities	50,535,350	47,979,925
Noncurrent liabilities:		
Long-term revenue bonds payable	532,961,978	548,137,473
Total noncurrent liabilities	532,961,978	548,137,473
Total liabilities	583,497,328	596,117,398
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows, pensions	935,411	1,986,730
Deferred inflows, leases	49,085,712	49,695,171
Total deferred inflows of resources	50,021,123	51,681,901
NET POSITION		
Net investment in capital assets	113,761,161	119,794,268
Restricted for debt retirement	77,065,536	71,453,334
Restricted for other purposes	46,478,373	37,888,292
Unrestricted	137,559,583	116,954,009
Total net position	$ 374,864,653	$ 346,089,903

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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021 (as restated)
Operating revenue:		
Charges for services	$ 28,545,948	$ 1,227,313
Operating expense:		
Personal services	11,181,873	8,702,343
Contractual services	9,901,531	5,914,987
Supplies and materials	685,341	151,931
Depreciation	19,660,630	18,344,772
Other	1,438,538	876,270
Total operating expense	42,867,913	33,990,303
Operating loss	(14,321,965)	(32,762,990)
Nonoperating revenue (expense):		
Tourism tax revenue	95,997,114	71,943,413
Investment (loss) income	(1,508,768)	285,439
Other income	2,463,315	2,397,699
Interest expense	(25,209,036)	(25,817,904)
Other expense	(28,645,910)	(68,488,738)
Total nonoperating revenue (expense), net	43,096,715	(19,680,091)
Increase (decrease) in net position	28,774,750	(52,443,081)
Net position, beginning of year	346,089,903	398,532,984
Net position, end of year	$ 374,864,653	$ 346,089,903

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, 2022 AND 2021

	2022	2021 (as restated)
Cash flows from operating activities:		
Receipts from customers	$ 29,672,744	$ 1,056,207
Payments to suppliers	(12,356,140)	(6,642,997)
Payments to employees	(11,287,405)	(9,117,787)
Net cash provided by (used in) operating activities	6,029,199	(14,704,577)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(797,954)	(1,470,173)
Principal paid	(14,435,000)	(13,965,000)
Interest paid	(37,549,540)	(38,315,405)
Interest subsidy	11,857,324	12,053,826
Cash received from leasing activity	3,110,000	350,000
Other expense	(14,554,724)	(17,008,840)
Net cash used in capital and related financing activities	(52,369,894)	(58,355,592)
Cash flows from noncapital financing activities:		
Receipts from governments	90,901,753	59,586,048
Payments to hotel developers	(12,000,000)	(14,500,000)
Other contributions	(2,000,000)	(37,000,000)
Net cash provided by noncapital financing activities	76,901,753	8,086,048
Cash flows from investing activities:		
Purchases of investments	(10,231,245)	(31,779,794)
Proceeds from sales and maturities of investments	14,646,353	31,289,365
Interest income	76,134	1,136,331
Payment from NCVC	500,000	500,000
Net cash provided by investing activities	4,991,242	1,145,902
Net changes in cash and cash equivalents	35,552,300	(63,828,219)
Cash and cash equivalents, beginning of year	218,073,151	281,901,370
Cash and cash equivalents, end of year	$ 253,625,451	$ 218,073,151

See accompanying notes to financial statements.

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	2022	2021 (as restated)
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (14,321,965)	$ (32,762,990)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	19,660,630	18,344,772
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(275,873)	(1,370,333)
Prepaid expenses	(942,136)	5,446
Due from the primary government	(180)	(40)
Net pension asset	1,018,893	(1,461,674)
Deferred outflows of resources	(235,407)	23,391
Accounts payable and accrued liabilities	700,869	375,824
Accrued payroll	162,301	37,952
Due to the primary government	(89,463)	(81,079)
Unearned revenue	1,402,849	1,199,267
Net pension liability	-	(702,009)
Deferred inflows of resources	(1,051,319)	1,686,896
Net cash provided by (used in) operating activities	$ 6,029,199	$ (14,704,577)
Schedule of noncash capital and related financing activities:		
Amortization of bond premium	$ 80,495	$ 80,494
Acquisition of capital assets with accounts payable	120,263	593
Schedule of noncash investing activities:		
Unrealized loss on investments	$ (1,515,074)	$ (710,830)
Cash and cash equivalents as reported in the Statements of Net Position:		
Current assets	$ 149,951,418	$ 127,408,007
Current assets restricted for construction funds	14,490,278	16,176,203
Current assets restricted for debt service and reserve funds	18,919,711	19,465,046
Current assets restricted for other purposes	46,478,373	37,888,292
Noncurrent assets restricted for debt service and reserve funds	23,785,671	17,135,603
Total cash and cash equivalents	$ 253,625,451	$ 218,073,151

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.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

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

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

Newly Adopted Accounting Pronouncements

During fiscal year 2022, the Authority implemented Governmental Accounting Standards Board (GASB) No. 87, *Leases*. GASB No. 87 enhances the relevance and consistency of information of the Authority's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority adopted the standard retroactively and, accordingly, recorded an initial lease receivable and deferred inflow of resources as of July 1, 2020 totaling $50,304,630. The adoption had no effect on the beginning net position for fiscal year 2021 since the deferred inflow equals the amount of the lease receivable.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The implementation of GASB No. 87 had the following effect on net position at June 30, 2021:

Net position as of June 30, 2021, as previously reported	$345,430,557
Adjustments:	
Lease receivable	50,060,272
Lease payment receivable	(1,380,000)
Accrued interest receivable	1,674,245
Deferred inflows, leases	(49,695,171)
Net position as of June 30, 2021, as restated	$346,089,903

The Authority also implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which was issued in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation did not have an effect on the Authority's financial statements for fiscal year 2022.

Recent Accounting Pronouncements

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement will be effective for the Authority in fiscal year 2023. The Authority is in the process of evaluating the impact of GASB Statement No. 91.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. This Statement will be effective for the Authority in fiscal year 2023. The Authority is in the process of evaluating the impact of GASB Statement No. 93.

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement will be effective for the Authority in fiscal year 2023. The Authority is in the process of evaluating the impact of GASB Statement No. 94.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement will be effective for the Authority in fiscal year 2023. The Authority is in the process of evaluating the impact of GASB Statement No. 96.

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This Statement provides guidance on several practice issues identified during the implementation of certain GASB statements. This Statement will be effective for the Authority in fiscal year 2023. The Authority is in the process of evaluating the impact of GASB Statement No. 99.

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

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.

B. CASH AND INVESTMENTS

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

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

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

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

B. CASH AND INVESTMENTS - Continued

At June 30, 2021, the Authority had the following deposits and investments:

Investment Type	Fair Value	Weighted Average Maturity (in years)
Cash on deposit	$ 485,073	-
Metropolitan Government investment pool	182,173,132	(a)
U.S. Treasury money market funds	35,414,946	-
Cash and cash equivalents	218,073,151	
U.S. government agencies	29,883,404	4.6
Municipal obligations	8,907,878	4.5
Total investments	38,791,282	
Total cash and investments	$256,864,433	

(a) The Metropolitan Government investment pool includes investments in the Tennessee Local Government Investment Pool in the amount of $54,897,873 and the First Horizon Advisors Direct Holdings in the amount of $127,275,259. The weighted average maturity of these at June 30, 2021 was 0.12 and 0.41, 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, 2022 and 2021, 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, 2022 and 2021, the investments of the Authority had weighted average maturities as noted on the preceding tables.

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, 2022 and 2021, all investments were insured or registered or the securities were held by the Authority or its agent in the Authority's name.

Fair Value Measurement

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

All investments held by the Authority are considered Level 1.

C. ACCOUNTS RECEIVABLE

Accounts receivable of $5,648,566 at June 30, 2022 consisted of $2,011,816 for operating events and $3,636,750 of accrued tourism taxes. Accounts receivable of $3,300,306 at June 30, 2021 consisted of $1,390,943 for operating events, $1,564,363 of accrued tourism taxes, and $345,000 of other receivables.

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D. ADVANCE TO NCVC

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

E. CAPITAL ASSETS

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

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

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E. CAPITAL ASSETS – Continued

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Increases	Decreases/ Transfers	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	$ 91,316,189	$ -	$ -	$ 91,316,189
Art collection	1,183,844	-	-	1,183,844
Construction in progress	36,451,043	1,203,306	(37,654,349)	-
Total capital assets, note being depreciated	128,951,076	1,203,306	(37,654,349)	92,500,033
Capital assets, being depreciated:				
Buildings and improvements	663,496,834	-	36,435,958	699,932,792
Furniture, machinery, and equipment	8,290,309	-	1,218,391	9,508,700
Total capital assets, being depreciated	671,787,143	-	37,654,349	709,441,492
Less accumulated depreciation:				
Buildings and improvements	(113,279,696)	(17,386,175)	-	(130,665,871)
Furniture, machinery, and equipment	(4,125,926)	(958,597)	-	(5,084,523)
Total accumulated depreciation	(117,405,622)	(18,344,772)	-	(135,750,394)
	$ 683,332,597	$(17,141,466)	$ -	$ 666,191,131

During fiscal year 2021, construction projects were completed and placed in service, primarily consisting of the parking garage at the Fifth + Broadway complex. Construction in progress at June 30, 2022 consisted of one new project which will be complete within the next fiscal year. The cost to complete the construction in progress at June 30, 2022 is immaterial.

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F. UNEARNED REVENUE

Unearned revenue of $11,762,245 and $10,359,396 represents deposits received for events scheduled to occur in future years at June 30, 2022 and 2021, respectively.

G. LONG-TERM REVENUE BONDS PAYABLE

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

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

G. LONG-TERM REVENUE BONDS PAYABLE - Continued

Long-term debt activity during the year ended June 30, 2021 and descriptions of the amounts outstanding are as follows:

	Balance June 30, 2020	Increases	Decreases/ Transfers	Balance June 30, 2021
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	$ 33,935,000	$ -	$(4,050,000)	$ 29,885,000
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	389,805,000	-	(9,915,000)	379,890,000
Original issue premium	482,967	-	(80,494)	402,473
	$576,617,967	$ -	$(14,045,494)	$562,572,473

G. LONG-TERM REVENUE BONDS PAYABLE - Continued

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

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

The bond proceeds were used as follows:

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

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

The Series 2010A-1 bonds are tax exempt, and the Series 2010A-2 and Series 2010B bonds are Federally taxable and were issued as Build America Bonds (BABs) under an irrevocable election under Section 54 of the Internal Revenue Code. BABs qualify for a 35.0% credit from the Federal government on interest payable on the bonds. The Metropolitan Government is required to file requests for these interest credits no earlier than 90 days prior to each scheduled interest payment. Subsequent to issuance of the bonds, the Federal government has reduced the credit. The credit reduction was 5.7% in the fiscal years ended June 30, 2022 and 2021. 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.

G. LONG-TERM REVENUE BONDS PAYABLE - Continued

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

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

	Principal	Interest	Estimated Federal Credit
Year(s) ending June 30:			
2023	$ 15,095,000	$ 36,718,109	$(11,378,807)
2024	15,810,000	35,853,147	(11,170,542)
2025	16,660,000	34,933,708	(10,950,901)
2026	17,385,000	33,957,161	(10,720,023)
2027	18,080,000	32,904,948	(10,469,001)
2028-2032	102,510,000	144,538,129	(46,187,159)
2033-2037	127,955,000	104,609,128	(33,427,847)
2038-2042	159,735,000	54,740,938	(17,492,467)
2043-2044	74,505,000	5,247,206	(1,676,745)
	$547,735,000	$483,502,474	$(153,473,492)

H. EMPLOYEE BENEFIT PLANS

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

(a) Pension Plans (Former Metropolitan Government Employees)

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

All plans of the Metropolitan Government were established by or continue under the authority of the Metropolitan Charter, Article XIII, effective April 1, 1963. Approval of the Metropolitan Council is required to establish and amend benefit provisions. Article XIII also requires that all pension plans be actuarially sound. Administrative costs of the plans are financed by plan assets. The plans are administered by the Metropolitan Employee Benefit Board, an independent board created by the Metropolitan Charter. The financial position and results of operations of the pension plans are reported as fiduciary funds of the Metropolitan Government and, accordingly, are not included in the financial statements of the Authority.

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

H. EMPLOYEE BENEFIT PLANS - Continued

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

A net pension asset has been recorded in the financial statements of the Authority based on its pro rata share of the total net pension asset for the Metropolitan Government. The net pension asset was $442,781 at June 30, 2022 and $1,461,671 at June 30, 2021, and the net pension liability was $702,009 at June 30, 2020. The Authority's proportion of the Metro Plan's net pension asset at June 30, 2022 and 2021 was 0.26%, and the Authority's proportion of the Metro Plan's net pension liability at June 30, 2020 was 0.32%.

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 $538,287 and $935,411, respectively, at June 30, 2022 and $302,880 and $1,986,730, respectively, at June 30, 2021. The deferred outflows of resources and deferred inflows of resources were $326,271 and $299,834, respectively, at June 30, 2020. The amounts will be recognized as pension expense in future years.

Contributions by the Authority to the Metro Plan totaled $244,686, $220,108, and $221,651 for the years ended June 30, 2022, 2021 and 2020, respectively.

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

H. EMPLOYEE BENEFIT PLANS - Continued

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

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

The contribution requirements of the Benefit Plan members and the Metropolitan Government are established and may be amended by the Employee Benefit Board. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For health insurance, the Metropolitan Government contributes 75% of all premium payments, and the retirees contribute 25%. The Metropolitan Government also provides a 50% matching contribution on dental insurance for retirees who choose to participate. Finally, the Metropolitan Government provides life insurance at no charge to retirees.

As the Metropolitan Government has assumed the responsibility for funding these benefits, the Authority has accrued no liability as of June 30, 2022 or June 30, 2021. 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.

H. EMPLOYEE BENEFIT PLANS - Continued

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

The Authority offers a 401(k) defined contribution deferred compensation plan to its employees hired directly by the Authority. The plan is administered by the Authority and benefit terms, including contribution requirements, for the plan are established and may be amended by the Authority. Former employees of the Nashville Convention Center who are members of the Metro Pension Plan are not eligible to participate in this plan. The plan permits deferral of a portion of salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees can contribute as much as is allowed by Federal law. The Authority matches 100% of employee contributions up to 3% of salary and 50% of employee contributions up to 5% of salary. Participants are immediately vested in their own contributions, rollover contributions, and actual earnings thereon. Employer contributions to the Plan through December 31, 2019, vest 20% at the end of each participant's first year of service and then vest 20% per year, plus actual earnings thereon for each year of credited service, as defined by the Plan document. These Employer contributions are 100% vested after five years of credited service for each Participant. The Plan was amended to become a safe harbor plan effective January 1, 2020. Employer matching contributions to the Plan beginning on or after that date, are 100% vested immediately for all participants, including earnings thereon. For Employer discretionary contributions, the participants are subject to the 5- year vesting schedule. Pension expense recorded by the Authority to the 401(k) Plan totaled $206,378, $130,448, and $152,157 for the years ended June 30, 2022, 2021 and 2020, respectively. Forfeitures are used to reduce future employer matching contributions or to pay certain administrative expenses of the plan. Financial statements for the plan can be obtained from the Convention Center Authority, c/o Music City Center, Human Resources, 201 Rep. John Lewis Way South, Nashville, TN 37203.

I. RISK MANAGEMENT

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

J. LEASES

On December 30, 2010, the Authority entered into a development agreement for the Country Music Hall of Fame and Museum Expansion with Omni Nashville, LLC (Omni) and into a development, lease, and operating agreement with the Country Music Foundation, Inc. (Hall of Fame). Under the terms of the agreements, Omni constructed a connector (expansion project) between its headquarters hotel and the Hall of Fame, with funding from tax increment financing provided by the Metropolitan Development and Housing Agency. Upon completion of construction, the connector was transferred to the Authority on June 20, 2014 and is now leased to the Hall of Fame for an initial term of 60 years. The lease includes an option for the Hall of Fame to purchase the premises upon expiration of the initial term for $750,000. Rent is payable annually on October 1st. 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. Subsequent to June 30, 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 $14,100,000 of impairment loss, as it is not required by generally accepted accounting principles as promulgated by the GASB.

The Authority recognized lease revenue and interest revenue of $609,459 and $1,764,554, respectively, for the year ended June 30, 2022, and $609,459 and $1,779,887, respectively, for the year ended June 30, 2021. Lease-related revenue is included in other revenue in the statements of revenues, expenses, and changes in net position.

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)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

J. LEASES - Continued

Future principal and interest payment requirements related to the Authority's lease receivables at June 30, 2022 are as follows:

	Principal	Interest	Total
Year(s) ending June 30:			
2023	$ 47,269	$ 1,682,731	$ 1,730,000
2024	48,950	1,681,050	1,730,000
2025	50,691	1,829,309	1,880,000
2026	52,494	1,827,506	1,880,000
2027	64,861	1,815,139	1,880,000
2028-2032	736,547	8,663,453	9,400,000
2033-2037	877,186	8,522,814	9,400,000
2038-2042	1,044,678	8,355,322	9,400,000
2043-2047	1,244,152	8,155,848	9,400,000
2048-2052	1,481,714	7,918,286	9,400,000
2053-2057	1,764,637	7,635,363	9,400,000
2058-2062	2,101,581	7,298,419	9,400,000
2063-2067	2,969,058	6,880,942	9,850,000
2068-2072	4,185,862	6,264,138	10,450,000
2073-2077	2,880,206	5,519,794	8,400,000
2078-2082	1,734,725	5,165,275	6,900,000
2083-2087	2,065,959	4,834,041	6,900,000
2088-2092	2,460,439	4,439,561	6,900,000
2093-2097	2,930,242	3,969,758	6,900,000
2098-2102	3,489,751	3,410,249	6,900,000
2103-2107	4,156,093	2,743,907	6,900,000
2108-2112	4,949,670	1,950,330	6,900,000
2113-2117	5,894,773	1,005,227	6,900,000
2118-2122	2,661,868	98,132	2,760,000
	$ 49,893,406	$111,666,594	$161,560,000

K. RELATED-PARTY TRANSACTIONS

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

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)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

L. COMMITMENTS AND CONTINGENCIES

On October 19, 2010, the Authority entered into a Development and Funding Agreement with Omni to facilitate the development of a premier headquarters hotel adjacent to the Music City Center. Under the terms of the development and funding agreement, the Authority will pay Omni annual economic development payments and incentives from excess tourism tax revenues collected over a period of 20 years. These payments are additionally secured by a pledge of the Metropolitan Government's nontax revenues of the General Fund of the General Services District, subject to the prior pledge and application of certain requirements related to bonds issued by the Sports Authority, a component unit of the Metropolitan Government. No payments related to this financial guarantee have been made by the Metropolitan Government. Should any payments be made by the Metropolitan Government in the future, the agreements provide for recovering any such payments from the Authority's revenues after operating expenses are covered and annual principal and interest payments and certain other obligations are met.

These payments to Omni began after the hotel opened for business, including the renting of rooms. The amount remitted to Omni during the years ended June 30, 2022 and 2021 totaled $12,000,000 in each year. The schedule of future annual payments is expected to be as follows.

Year(s) Ending June 30,	Annual Payment
2023 - 2026	$12,000,000
2027 - 2033	15,000,000

In May 2015, the Metropolitan Council approved a redevelopment agreement related to the sale and development of the former Nashville Convention Center (NCC) site that was under the management of the Authority. The final sale of the NCC land to Oliver McMillan Spectrum Emery Inc. closed on November 10, 2016. Along with the redevelopment agreement, the Authority agreed to contribute $34,500,000 from its surplus tax revenue to fund the parking garage, which the CCA owns and leases back to the management company, and $4,000,000 to partially fund conference center space at the Fifth + Broadway complex, of which the CCA does not retain any ownership. Contributions were made in periodic payments upon verification of ongoing construction and completion of specified work allowable for reimbursement. The CCA's commitments were fully met in fiscal year 2021 and the Fifth + Broadway garage lease payments have commenced (see Note J).

L. COMMITMENTS AND CONTINGENCIES - Continued

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 $14,280,240 and $16,884,000 in fiscal years 2022 and 2021, respectively.

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

In May 2020, the Authority executed an MOU with the Metropolitan Government agreeing to transfer revenues generated from campus sales tax and/or Music City Center operating revenues to the Metropolitan Government in the amounts of $5,000,000 in fiscal year 2020 and $35,000,000 in fiscal year 2021. These amounts were transferred in May 2020 and July 2020, respectively.

In August 2022, the Authority entered into another 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 will be made in December 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 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.

M. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through October 31, 2022, and has determined that, except as discussed in Notes J and L, there are no other subsequent events that require disclosure.

SUPPLEMENTARY INFORMATION

Finance & Audit Committee
Attachment #2
November 17, 2022

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
(A Component Unit of the Metropolitan Government
of Nashville and Davidson County, Tennessee)
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2022
BONDS PAYABLE									
Tourism Tax Revenue Bonds, Series 2010A-1	$ 51,730,000	3 25 - 5.00%	4/21/2010	7/1/2026	$ 29,885,000	$ -	$ 4,200,000	$ -	$ 25,685,000
Tourism Tax Revenue Bonds Federally Taxable (BABs), Series 2010A-2	152,395,000	7 431%	4/21/2010	7/1/2043	152,395,000	-	-	-	152,395,000
Subordinate Tourism Tax Revenue Bonds Federally Taxable (BABs), Series 2010B	419,000,000	4 862 - 6 731%	4/21/2010	7/1/2043	379,890,000	-	10,235,000	-	369,655,000
Total bonds payable					$ 562,170,000	$ -	$ 14,435,000	$ -	$ 547,735,000

See independent auditor's report

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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, 2022, 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, 2022.

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.

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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, 2022

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
(A Component Unit of the Metropolitan Government of
Nashville and Davidson County, Tennessee)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

The Authority had no prior year audit findings.

Finance & Audit Committee
Attachment #3
November 17, 2022

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

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

DECEMBER 31, 2021 AND 2020

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

Table of Contents

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.

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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 for the 2021 Financial Statements

We have performed an audit 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 statement of fiduciary net position as of December 31, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 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 audit 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 a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note E to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section—

- the amounts and disclosures in the accompanying 2021 financial statements, 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 accompanying 2021 financial statements 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 on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 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 audit. 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 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements 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 audit 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 2021 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

2021 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, 2021 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, are 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.

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 11, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Crosslin, PLLC

Nashville, Tennessee
October 11, 2022

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
EMPLOYEES' SAVINGS TRUST
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Investments:		
Mutual funds, at fair value	$ 2,845,453	$ 2,316,030
Collective Trust Funds	4,061	2,395
Total investments	2,849,514	2,318,425
Contributions receivable	19,918	17,094
NET POSITION RESTRICTED FOR PENSIONS	$ 2,869,432	$ 2,335,519

See accompanying notes to financial statements.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
EMPLOYEES' SAVINGS TRUST
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Additions:		
Investment income		
Net appreciation in fair value of investments	$ 211,908	$ 123,512
Interest and dividends	147,064	99,191
Total investment income	358,972	222,703
Contributions:		
Participants	282,123	297,083
Employer	147,714	152,504
Rollovers	1,800	-
Total contributions	431,637	449,587
Other income	-	6,988
Total additions	790,609	679,278
Deductions:		
Benefits paid directly to participants	248,297	360,256
Administrative fees and charges	8,399	7,289
Total deductions	256,696	367,545
Net increase in net position	533,913	311,733
Net position restricted for pensions:		
Beginning of year	2,335,519	2,023,786
End of year	$ 2,869,432	$ 2,335,519

See accompanying notes to financial statements.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
EMPLOYEES' SAVINGS TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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.

CUNA Mutual Retirement Solutions (CUNA) served as the record keeper of the Plan and maintained and administered the Plan's records and investment allocations for the benefit of participants until April 10, 2020 at which point, Capital Group/American Funds became the record keeper. Matrix Trust Company was the custodian of the Plan assets until April 10, 2020, at which point Capital Bank and Trust became the custodian of the Plan assets. There were no significant modifications to the provisions of the Plan as a result of this change.

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, 2021 and 2020, the Plan had 129 and 108 participants, respectively.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
EMPLOYEES' SAVINGS TRUST
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DECEMBER 31, 2021 AND 2020

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 $14,243 and $30,361 were used to reduce Employer contributions for 2021 and 2020, respectively. At December 31, 2021 and 2020, unallocated forfeitures totaled $10,809 and $19,363, 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.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
EMPLOYEES' SAVINGS TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
EMPLOYEES' SAVINGS TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 2021 or 2020.

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.

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C. FAIR VALUE MEASUREMENTS - Continued

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.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

	2021			
Description	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Balanced funds	$ 153,282	$ -	$ -	$ 153,282
Target date funds	2,436,995	-	-	2,436,995
Index funds	240,351	-	-	240,351
Fixed income funds	4,016	-	-	4,016
Money market funds	10,809	-	-	10,809
Total investments at fair value	$2,845,453	$ -	$ -	2,845,453
Collective trust funds				4,061
Total investments				$2,849,514

C. FAIR VALUE MEASUREMENTS - Continued

	2020			
Description	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Balanced funds	$ 139,588	$ -	$ -	$ 139,588
Target date funds	2,002,117	-	-	2,002,117
Index funds	143,546	-	-	143,546
Fixed income funds	11,416	-	-	11,416
Money market funds	19,363	-	-	19,363
Total investments at fair value	$2,316,030	$ -	$ -	2,316,030
Collective trust funds				2,395
Total investments				$2,318,425

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.

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NOTES TO FINANCIAL STATEMENTS
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D. INVESTMENTS - Continued

Investment Risk Disclosures - Continued

As of December 31, 2021 and 2020, the Plan had the following fixed income and money market investments with the corresponding average duration:

	2021		2020	
Type of Investments	Average Duration (Years)	Value	Average Duration (Years)	Value
Fixed income mutual funds:				
Western Asset Core Bond IS	7.60	$ 4,016	7.06	$11,416
Money market fund:				
American Funds US Govt MMKT	-	$10,809	-	$19,363

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, Matrix Trust Company and Capital Bank and Trust, the custodians of the Plan, have certified that the following data included in the accompanying financial statements and supplemental schedule are complete and accurate as of December 31, 2021 and 2020, and for the years then ended:

	2021	2020
Mutual funds	$2,845,453	$2,316,030
Collective trust funds	4,061	2,395
Net appreciation in fair value of investments	211,908	123,512
Interest and dividends	147,064	99,191

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 prototype Volume Submitter Profit Sharing Plan as provided by the Plan's record keeper, CUNA Mutual Retirement Solutions through April 10, 2020. The IRS issued an opinion letter dated March 31, 2014, indicating that the prototype profit sharing plan is designed in accordance with applicable sections of the IRC. Upon the change in the Plan record keeper on April 10, 2020 to Capital Group/American Funds, the Plan adopted a Defined Contribution Pre-Approved Plan as provided by 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.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY EMPLOYEES' SAVINGS TRUST NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

G. TRANSACTIONS WITH PARTIES-IN-INTEREST

Certain Plan investments are shares of mutual funds as of December 31, 2021 and for the period April 10, 2020 through December 31, 2021, were managed by American Funds. American Funds is the record keeper of the Plan's assets and, therefore, qualifies as a party-in-interest. In addition, certain Plan investments for the period from January 1, 2020 through April 10, 2020 were managed by CUNA Mutual Retirement Solutions. CUNA Mutual Retirement Solutions was the record keeper of the Plan's assets through April 10, 2020, 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:

	2021	2020
Net position restricted for pensions per the financial statements	$ 2,869,432	$ 2,335,519
Less: contributions receivable at end of year	(19,918)	(17,094)
Net position restricted for pensions per Form 5500	$2,849,514	$ 2,318,425

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NOTES TO FINANCIAL STATEMENTS
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I. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 - Continued

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:

	2021	2020
Total increase in net position restricted for pensions	$ 533,913	$ 311,733
Add: contributions receivable at beginning of year	17,094	-
Less: contributions receivable at end of year	(19,918)	(17,094)
Total increase in net position restricted for pensions per Form 5500	$ 531,089	$ 294,639

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

	2021	2020
Participant contributions per financial statements	$ 282,123	$ 297,083
Add: participant contributions receivable at beginning of year	10,879	-
Less: participant contributions receivable at end of year	(12,732)	(10,879)
Total participant contributions per Form 5500	$ 280,270	$ 286,204

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

	2021	2020
Employer contributions per financial statements	$ 147,714	$ 152,504
Add: employer contributions receivable at beginning of year	6,215	-
Less: employer contributions receivable at end of year	(7,186)	(6,215)
Total employer contributions per Form 5500	$ 146,743	$ 146,289

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NOTES TO FINANCIAL STATEMENTS
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J. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 11, 2022, 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
EMPLOYEES' SAVINGS TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021

(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	$ 21,450
*	American Funds	AM FDS 2020 TARGET DATE FUND - R6	a	95,098
*	American Funds	AM FDS 2025 TARGET DATE FUND - R6	a	289,492
*	American Funds	AM FDS 2030 TARGET DATE FUND - R6	a	944,730
*	American Funds	AM FDS 2035 TARGET DATE FUND - R6	a	168,863
*	American Funds	AM FDS 2040 TARGET DATE FUND - R6	a	171,719
*	American Funds	AM FDS 2045 TARGET DATE FUND - R6	a	264,753
*	American Funds	AM FDS 2050 TARGET DATE FUND - R6	a	250,393
*	American Funds	AM FDS 2055 TARGET DATE FUND - R6	a	150,267
*	American Funds	AM FDS 2060 TARGET DATE FUND - R6	a	56,734
*	American Funds	AM FDS 2065 TARGET DATE FUND - R6	a	23,496
*	American Funds	AM FDS AMERICAN BALANCED - R6	a	17,787
*	American Funds	AM FDS EUROPACIFIC GROWTH - R6	a	10,338
*	American Funds	AM FDS US GOVT MONEY MARKET - R6	a	10,809
	Dodge & Cox	DODGE & COX STOCK FUND	a	21,713
	Franklin Templeton	FRANKLIN GROWTH - R6	a	87,680
	MFS	MFS MID CAP GROWTH - R6	a	37,477
	Vanguard	VANGUARD 500 INDEX FUND ADM	a	120,886
	Vanguard	VANGUARD MID CAP INDEX - ADM	a	19,465
	Vanguard	VANGUARD REAL ESTATE INDEX ADM	a	17,244
	Vanguard	VANGUARD SHORT-TERM BOND INDEX ADM	a	46,577
	Vanguard	VANGUARD SMALL CAP INDEX FUND ADM	a	12,826
	Vanguard	VANGUARD TOTAL BOND MARKET INDEX ADM	a	376
	Vanguard	VANGUARD TOTAL INTL STOCK INDEX ADM	a	1,264
	Western Asset	WESTERN ASSET CORE BOND IS	a	4,016
		Total mutual fund accounts		2,845,453
	Morley	MORLEY STABLE VALUE FUND	a	4,061
		Total collective trust funds		4,061
		Total investments held at end of year		$ 2,849,514

* 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.