



A Year of

Financial Wins

POPULAR ANNUAL FINANCIAL REPORT

For The Year Ended

June 30, 2023

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

Nashville, Tennessee | Freddie O'Connell, Mayor

I am pleased to share **the Popular Annual Financial Report** (PAFR) for the Metropolitan Government of Nashville and Davidson County (Metro) covering the fiscal year 2023, which began July 1, 2022, and ended June 30, 2023. This report aims to provide insight to users regarding the complex finances of Metro by providing **readily accessible and easily understandable financial information.**

The financial summary in this report was taken from the Annual Comprehensive Financial Report (ACFR) of Metro. The ACFR for fiscal year 2023 was prepared following generally accepted accounting principles and Crosslin, PLLC issued an “unmodified” or “clean” opinion of the report, indicating **the report is presented fairly and does not have material misstatements.** The PAFR is unaudited and does not contain all reported funds and full financial disclosures for the fiscal year. Both the ACFR and PAFR can be found at www.Nashville.gov/departments/finance/reports.

My goal is to foster transparency and accountability, and I hope that the citizens, general public and other interested parties of Metro find the PAFR both helpful and informative in understanding the financial complexities of Metro and how taxpayer dollars are spent.



Kevin Crumbo
Director of Finance



01

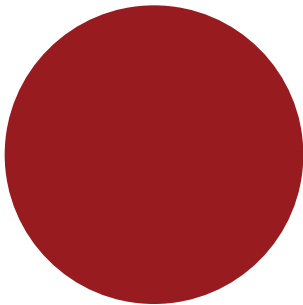
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The Metropolitan Government of Nashville and Davidson County

Elected Officials



FREDDIE O'CONNELL
Mayor

ANGIE EMERY HENDERSON
Vice Mayor

FINANCE OFFICIALS

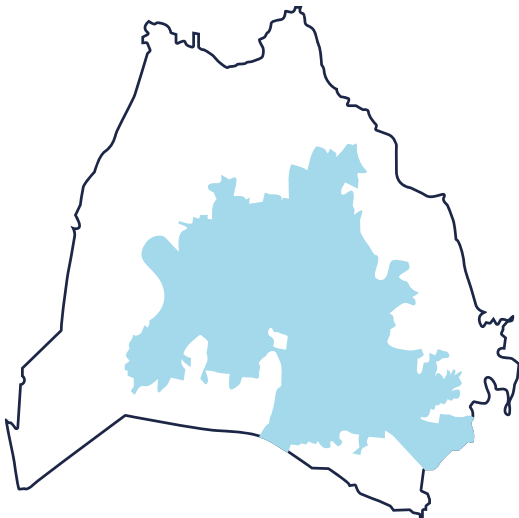
Vivian M. Wilhoite, Assessor of Property
Eric S Gilmore, Trustee
Brenda Wynn, County Clerk

MEMBERS OF THE METROPOLITAN COUNCIL:

At Large Burkley Allen
At Large Delishia Porterfield
At Large Olivia Hill
At Large Quin Evans Segall
At Large Zulfat Suara
District #1 Joy Kimbrough
District #2 Kyonzte Toombs
District #3 Jennifer Gamble
District #4 Mike Cortese
District #5 Sean Parker
District #6 Clay Capp
District #7 Emily Benedict
District #8 Deonte Harrell
District #9 Tanya Hancock
District #10 Jennifer Frensley Webb
District #11 Jeff Eslick
District #12 Erin Evans
District #13 Russ Bradford
District #14 Jordan Huffman
District #15 Jeff Gregg
District #16 Ginny Welsch
District #17 Terry Vo
District #18 Tom Cash
District #19 Jacob Kupin
District #20 Rollin Horton
District #21 Brandon Taylor
District #22 Sheri Weiner
District #23 Tom Druffel
District #24 Brenda Gadd
District #25 Jeff Preptit
District #26 Courtney Johnston
District #27 Robert Nash
District #28 David Benton
District #29 Tasha Ellis
District #30 Sandra Sepulveda
District #31 John Rutherford
District #32 Joy Styles
District #33 Antoinette Lee
District #34 Sandy Ewing
District #35 Jason Spain

Form of Government

On April 1, 1963, the governments of the City of Nashville and of Davidson County were consolidated to form “The Metropolitan Government of Nashville and Davidson County” (the “Metropolitan Government”), under which the boundaries of Nashville and Davidson County are co-extensive.



The key parties that provide leadership to Metro are the Mayor, Metropolitan Council, elected officials, boards and commissions, and departments. Each party has a noteworthy role in the government operations.

The Charter provides a framework for the Metropolitan Government in Nashville to serve the needs of two service districts: (i) the General Services District (“GSD”) and (ii) the Urban Services District (“USD”).

The GSD embraces the entire area of Davidson County and is taxed to support those services, functions, and debt obligations, which are deemed properly chargeable to the whole population. Such services include general administration, police, fire protection, courts, jails, health, welfare, hospitals, streets and roads, traffic, schools, parks and recreation, auditoriums, public housing, urban renewal, planning, and public libraries.

The residents of the USD are charged an additional tax to support those services, functions, and debt obligations, which benefit only the USD. Such services include additional police and fire protection, storm sewers, street lighting and refuse collection.

In our 60th year as Metropolitan Government, Nashville is at one of the strongest points in our history. Nashville has ranked within the top ten large metros for job growth and population growth for the past ten years and is home to more than 52,000 businesses.

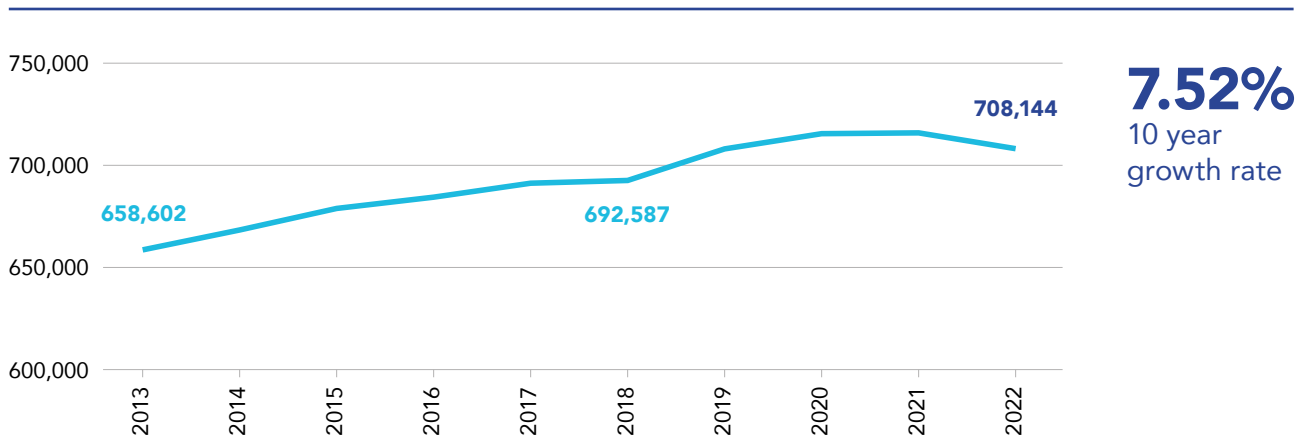
Metro has experienced high growth, but relatively low unemployment in recent years.

Computer technology, automotive, healthcare, insurance, banking, publishing, telecommunications, supply chain management, entertainment companies, and private educational institutions all find a home in Nashville.

UNEMPLOYMENT LEVEL

Calendar Year	Rate
2013	7.1%
2014	6.3%
2015	4.3%
2016	3.9%
2017	2.9%
2018	3.0%
2019	3.4%
2020	4.7%
2021	4.8%
2022	3.3%

POPULATION GROWTH



Middle Tennessee and the Nashville area has a diverse population.

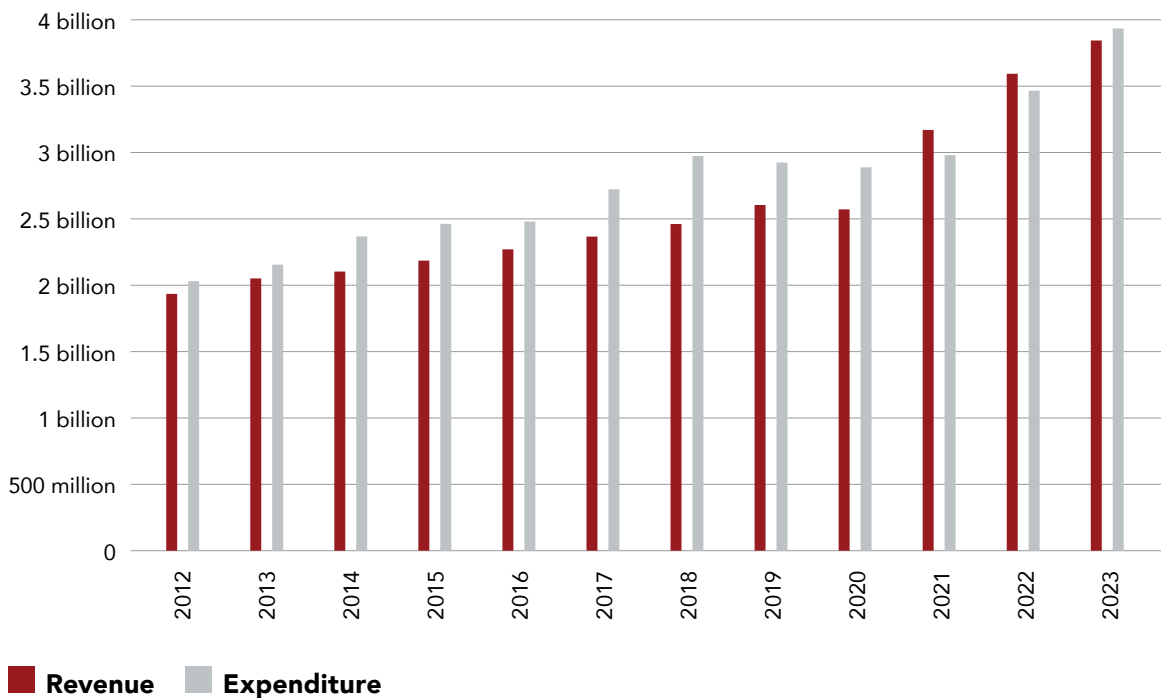
According to the Chamber of Commerce, one in eight Davidson County residents is foreign-born, over 1,500 businesses are owned by Hispanic entrepreneurs, area colleges are home to more than 6,500 international students, and Metro Nashville schools' students are from more than 130 different countries. Nashville is home to four historically black colleges and universities and is home to people from around the world.

TOP 10 PRINCIPAL EMPLOYERS

Rank	Employer	Employees
1	Vanderbilt University	30,869
2	State of Tennessee	26,531
3	Metro Nashville-Davidson Co. Government and Public Schools	19,730
4	HCA Healthcare Inc.	14,700
5	U.S. Government	13,452
6	Nissan North America	11,000
7	Ascension Saint Thomas	8,335
8	The Kroger Company	8,091
9	Amazon.com	7,000
10	Western Express Inc.	4,455

Source FY24 Bond Book

GOVERNMENTAL FUNDS: REVENUE AND EXPENDITURE GROWTH



Among the major cities in the state Nashville has the lowest tax rate



Major City Tax Rates

Nashville Davidson \$3.254

Knoxville Knox \$3.710

Chattanooga Hamilton \$4.487

Memphis Shelby \$6.092

PROPERTY VALUATION

Fiscal Year	Total Estimated Actual Property Value	% change
2014	65,810,054,890	4.03%
2015	66,270,673,259	0.70%
2016	67,533,296,332	1.91%
2017	78,262,509,134	15.89%
2018	99,659,583,923	27.34%
2019	102,919,516,660	3.27%
2020	123,954,384,027	20.44%
2021	128,201,489,337	3.43%
2022	147,996,606,294	15.44%
2023	151,623,899,775	2.45%

130.40%
10 year growth rate

PROPERTY TAX REVENUE

Fiscal Year	Revenue	% change
2014	914,121,619	2.43%
2015	928,796,242	1.61%
2016	944,010,324	1.64%
2017	972,303,558	3.00%
2018	998,584,196	2.70%
2019	1,041,855,441	4.33%
2020	1,084,068,537	4.05%
2021	1,467,278,609	35.35%
2022	1,566,086,531	6.73%
2023	1,613,210,815	3.01%

76.48%
10 year growth rate

Financial Stewardship



Governmental Activities Highlights

Net position for governmental activities improved by **\$773 million** or **50%**.

This was driven by an increase in cash and cash equivalents of \$425.9 million due to revenue collections that exceeded budget and expenditures that were below budget.

Primary revenue growth is the result of:



Property taxes
\$45 million
2.87% growth



Local option sales tax
\$53.4 million
8.45% growth



Hotel occupancy tax
\$25 million
18.61% growth



Overall revenue growth
\$212.1 million
5.8% growth

GOVERNMENTAL ACTIVITIES

	2022	2023	
STATEMENT OF NET POSITION			
Total Assets and Deferred Outflows	9,105,822,046	9,436,613,839	3.6%
Total Liabilities and Deferred Inflows	10,657,649,891	10,212,449,454	-4.2%
Total Net Position	(1,551,827,845)	(775,835,615)	50.0%
STATEMENT OF ACTIVITIES			
Total Revenue	3,651,940,584	3,864,088,254	5.8%
Total Expenses	(2,031,263,933)	(3,091,379,671)	52.2%
Change in Net Position	1,620,676,651	772,708,583	-52.3%

Expenditure growth was driven by an investment in public works including highways and streets, fire prevention and control, and law enforcement and care of prisoners.

Business Activities Highlights

Net position for business-type activities improved by \$149.8 million or 9.1%.

This was driven by an increase in revenue that relates to charges for services of \$31 million and overall revenue growth was \$81 million. Expenses increased \$51.8 million primarily from Water and Sewerage Services.

Capital Investment continues to be a priority.

Capital and right-to-use leased assets in the governmental activities and business-type activities increased by \$160.6 million and \$218.9 million, respectively. Capital investment include:



Construction of new schools and other government buildings



Renovations to the stormwater system and other infrastructure



Renovation of existing government buildings



Planned land acquisition and utility plant construction for the Department of Water and Sewerage Services and Stormwater

BUSINESS-TYPE ACTIVITIES

	2022	2023	
STATEMENT OF NET POSITION			
Total Assets and Deferred Outflows	3,338,106,520	3,470,698,390	4.0%
Total Liabilities and Deferred Inflows	1,686,928,086	1,669,705,291	-1.0%
Total Net Position	1,651,178,434	1,800,993,099	9.1%
STATEMENT OF ACTIVITIES			
Total Revenue	431,517,631	512,523,706	18.8%
Total Expenses	(310,887,921)	(362,709,041)	16.7%
Change in Net Position	120,629,710	149,814,665	24.2%

Metro's budget and finances are a foundation of all the services, opportunities and solutions offered to residents.

The ability to sustain and grow these opportunities stems from the strong financial position of the government. Metro's clean audit, strong bond ratings, a structurally balanced budget, and robust reserves support the ability to invest in Nashville and Davidson County.

WHERE DOES THE MONEY COME FROM?

TOTAL GENERAL FUND REVENUE FOR FISCAL YEAR 2023

\$2,783,020,320

Property taxes		\$1,286,607,077
Local option sales taxes	\$605,099,189	
Revenues from other governmental agencies	\$442,534,136	
Other taxes, licenses and permits	\$246,249,231	
Other revenues	\$104,948,962	
Transfers in and other sources	\$97,581,725	



HOW IS THE MONEY USED?

TOTAL GENERAL FUND EXPENDITURES FOR FISCAL YEAR 2023

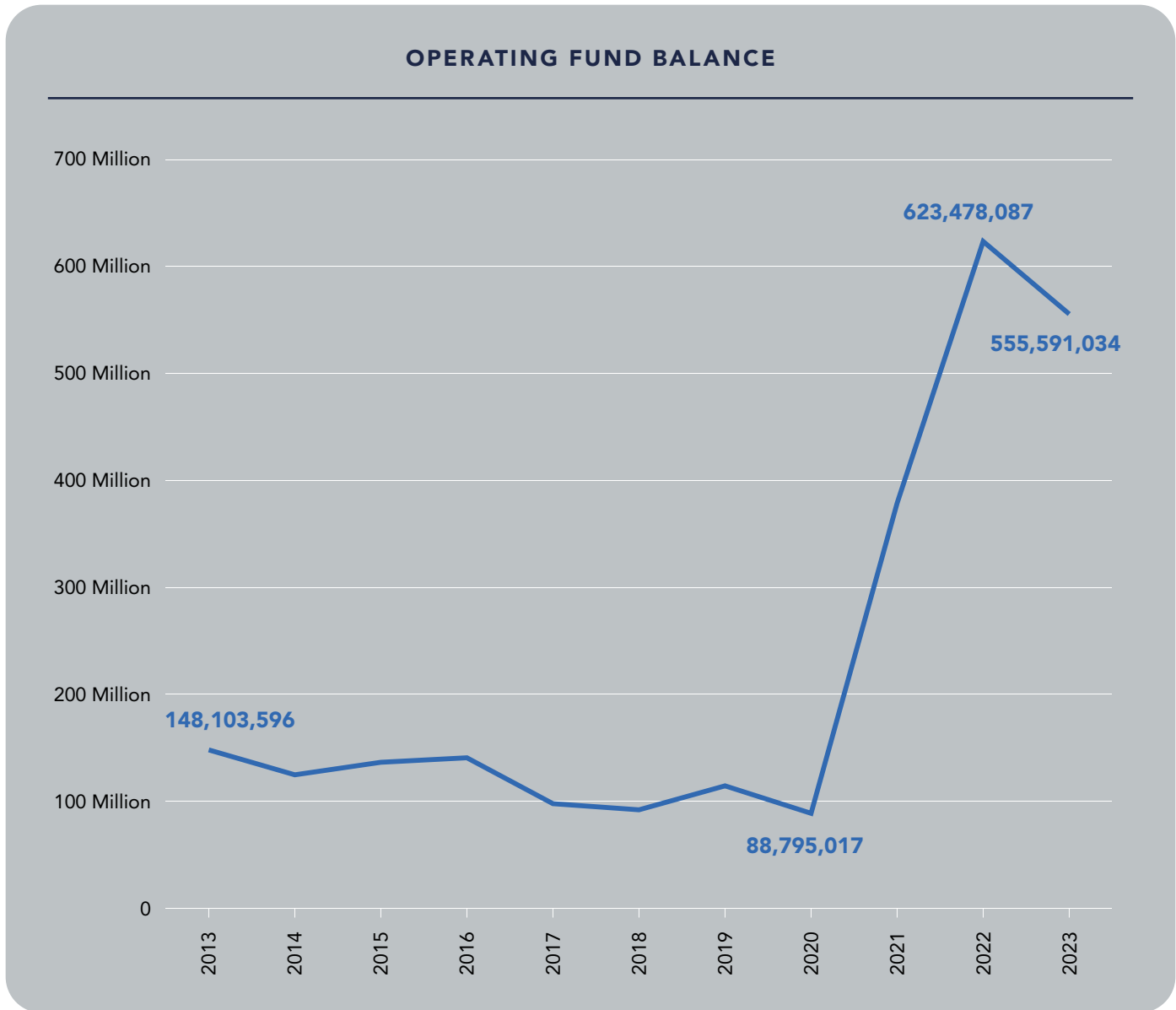
\$2,670,983,180

Education	\$891,763,106
Transfers out	\$479,667,284
Law enforcement and care of prisoners	\$379,962,278
Fire prevention and control	\$172,978,973
Miscellaneous	\$135,280,503
Retiree benefits	\$82,537,345
General government and fiscal administration	\$100,654,904
Administration of justice	\$81,140,835
Public health and hospitals	\$83,388,263
Recreational and cultural	\$62,181,963
Capital outlay	\$66,387,800
Other Expenses	\$135,039,926



OPERATING FUNDS

The Government adopted a Fund Balance Policy during fiscal year 2023. The Fund Balance Policy requires a minimum fund balance of 17% of budgeted expenditures for the Operating Funds and 50% of budgeted expenditures for the Debt Service Funds. Operating Fund Balance decreased in fiscal year 2023 due to transferring \$71 million to debt service fund to be in compliance with the new policy. This policy change contributed to the upgrading of Metro’s bond rating.



Fund Balance above includes General Services District and Urban Services District General Fund Unassigned Fund Balances, and General Purpose School Fund committed for education balance.

Fund Balance now has a two-month reserve of budgeted expenditures in all operating funds, so Metro is prepared financially for unexpected events.



OPERATING FUND BALANCE

Fiscal Year	Operating Fund Balance	Fiscal Year	Operating Expenditures	% of Operating Expenditures
2013	148,103,596	2014	1,605,031,584	9.2%
2014	124,802,516	2015	1,685,689,871	7.4%
2015	136,521,176	2016	1,749,958,498	7.8%
2016	140,726,604	2017	1,869,945,114	7.5%
2017	97,810,057	2018	1,950,891,680	5.0%
2018	92,080,162	2019	1,971,189,052	4.7%
2019	114,499,314	2020	2,007,686,605	5.7%
2020	88,795,017	2021	2,058,891,992	4.3%
2021	378,796,570	2022	2,313,851,181	16.4%
2022	623,478,087	2023	2,670,983,180	23.3%
2023	555,591,034	2024	2,804,451,500	19.8%

Operating fund balance is shown in relationship to the subsequent fiscal year’s audited expenditures (if available) or, budgeted expenditures (i.e. Fiscal Year 2023 Fund Balance is shown on the same line as the Fiscal Year 2024 Budget Operating Expenditures).

DEBT SERVICE FUNDS

During fiscal year 2023, Standard and Poor’s Global Ratings (S&P) upgraded the Metropolitan Government’s General Obligation debt to AA+ rating.

THIS UPGRADE MARKS THE FIRST UPGRADE METRO HAS RECEIVED FROM S&P IN AS FAR BACK AS METRO’S RECORDS SHOW, TO 1981.

MOODY'S

Aa2

S&P GLOBAL
KROLL BOND

AA+

DEBT SERVICE FUND REVENUE

FOR THE YEAR ENDED JUNE 30, 2022

\$426,732,971

Property taxes	\$320,930,834
Sales tax	\$80,286,524
Net transfers with other funds	\$16,168,653
Other sources	\$9,346,960

DEBT SERVICE FUND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2022

\$396,989,420

Principal	\$266,213,241
Interest and other chargers	\$130,776,179

This upgrade to AA+ serves as an independent acknowledgement of Metro’s financial accomplishments. Credit ratings are a key factor in determining the interest rate Metro pays on its borrowing.

Fiscal Year	Total Debt Service	Total General Expenditures (1)	% of Debt Service to Total General Expenditures
2014	186,428	2,059,327	9.05
2015	202,033	2,134,006	9.47
2016	206,228	2,231,093	9.24
2017	221,886	2,359,209	9.41
2018	251,833	2,517,414	10.00
2019	268,357	2,565,093	10.46
2020	315,964	2,626,506	12.03
2021	311,552	2,802,442	11.12
2022	339,470	3,146,621	10.79
2023	393,655	3,511,628	11.21

(Amounts expressed in thousands)
 (1) Includes General, Special Revenue and Debt Service Funds.

OPERATING FUND BALANCE

Fiscal Year	Debt Fund Balance	Fiscal Year	Debt Expenditures	% Change
2013	19,363,228	2014	202,044,045	9.6%
2014	19,118,110	2015	223,801,150	8.5%
2015	8,290,457	2016	228,838,375	8.0%
2016	17,233,433	2017	243,018,847	7.1%
2017	14,156,214	2018	272,753,274	5.2%
2018	10,272,826	2019	285,532,837	3.6%
2019	17,952,500	2020	295,509,523	6.1%
2020	34,315,751	2021	335,529,842	10.2%
2021	69,865,897	2022	353,706,357	19.8%
2022	127,839,964	2023	396,989,420	32.2%
2023	157,583,515	2024	413,120,700	38.1%

The Prior Fiscal Year’s Debt Service Fund Balance is shown in relationship to the subsequent Fiscal Year’s audited expenditures (if available) or budgeted expenditures (i.e., Fiscal Year 2023 Fund Balance is shown on the same line as the Fiscal Year 2024 Budgeted Debt Service Expenditures).

During Fiscal Year 2024, the GSD general fund is transferring \$71 million to the GSD debt service fund per the Fund Balance Policy. This transfer will increase the % of fund balance to debt expenditures to 55.3% and will bring all debt service funds in compliance with the Fund Balance Policy.

Major priorities

Metro is a great place to live, work and raise a family.

In our 60th year as a Metropolitan Government, Nashville now has a fund balance policy and two months of reserves in all our general funds. Nashville is fiscally ready to address the needs of our growing city. We are working to *Build a Nashville that Works for All Nashvillians*.



Public Safety

The Government is targeting investments in public safety and justice to ensure appropriate personnel, competitive pay, equipment, and facilities to meet the needs and bolster community safety in Nashville. Metro is also investing in innovative non-traditional policing strategies like violence interruption.

LAW ENFORCEMENT SPENDING

Fiscal Year	Expenditure	% change
2014	240,770,156	---
2015	249,765,327	3.74%
2016	262,052,423	4.92%
2017	272,631,001	4.04%
2018	284,014,877	4.18%
2019	288,482,195	1.57%
2020	301,194,426	4.41%
2021	312,866,080	3.88%
2022	351,730,198	12.42%
2023	379,962,278	8.03%

57.81%
10-year increase

FIRE SPENDING

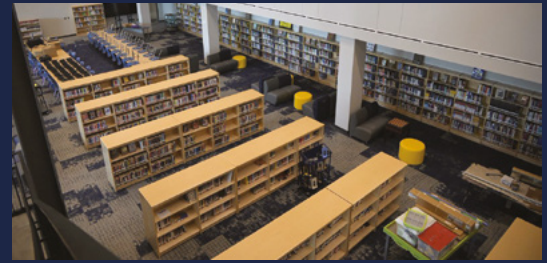
Fiscal Year	Expenditure	% change
2014	109,211,951	-1.39%
2015	113,389,098	3.82%
2016	116,948,664	3.14%
2017	124,384,360	6.36%
2018	131,839,625	5.99%
2019	130,611,622	-0.93%
2020	136,829,267	4.76%
2021	138,443,891	1.18%
2022	156,953,762	13.37%
2023	172,978,973	10.21%

58.39%
10-year increase



Education and Youth

Metro is taking the steps necessary to ensure **families can meaningfully choose Metro Schools to educate their children.** For example, the James Lawson High School was a \$124 million project that encompasses 307,000 square feet and is home to 150 teachers and staff and **more than 1,200 students.** It is named after Reverend James Lawson, a key leader in Nashville’s Civil Rights movement. This state of the art school is just an example of the **dedication and commitment to Metro’s children and families.**



SPEND PER STUDENT

Per Cap	% change
\$8,383	---
\$8,214	-2.02%
\$8,309	1.16%
\$8,353	0.52%
\$8,781	5.13%
\$8,760	-0.24%
\$9,120	4.11%
\$8,957	-1.79%
\$9,977	11.39%
\$11,318	13.44%

35.01%
10-year growth



How Nashville Moves

The focus is to **make transportation options accessible for more Nashvillians to bring down the rising transportation costs residents experience.** Proposed action includes bringing transit closer to communities with community transit hubs, extending hours and frequency of service, and introducing more technology to make traffic flow better - like synchronizing street lights. When public transportation becomes more accessible, data consistently shows ridership increases.

- Nashville’s Department of Transportation and Multimodal Infrastructure leads on infrastructure projects that help the city accommodate its growth.
- Full-time equivalent employees has grown by 169 FTEs or 43% increase
- In addition, expenditures increased by 15% in fiscal year 2023.



Housing and Homelessness

Recognizing significant community needs, Metro’s approach is designed to **provide a diversity of housing options inclusive of all incomes and neighborhoods.**

Development of supportive services for both permanent and temporary housing options with services needed by our most vulnerable neighbors is a key to success.

SOCIAL SERVICES - CLIENTS SERVED

Fiscal Year	Clients Served	% change
2014	13,122	---
2015	13,990	6.61%
2016	13,737	-1.81%
2017	12,396	-9.76%
2018	13,039	5.19%
2019	12,848	-1.46%
2020	12,735	-0.88%
2021	10,711	-15.89%
2022	14,704	37.28%
2023	18,723	27.33%

42.68%
10-year increase



Neighborhoods

Metro is cultivating **livable neighborhoods and communities for the citizens of Nashville.**

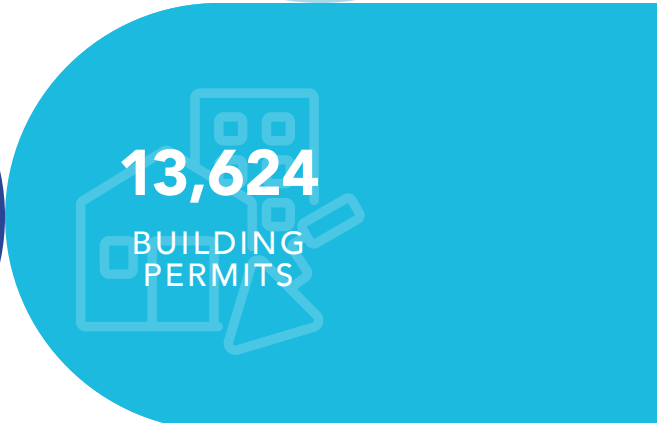
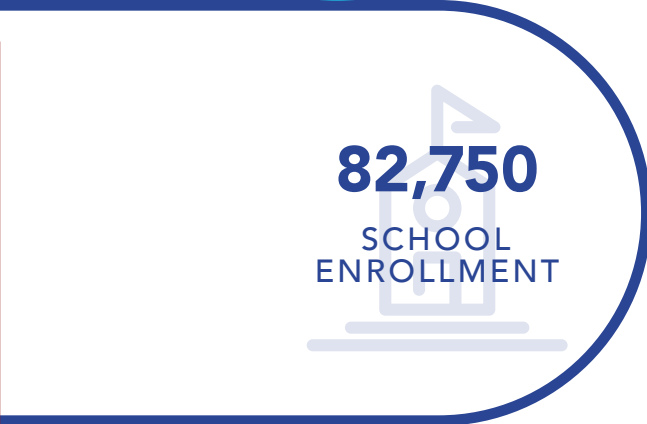
Protecting the culture, history, and affordability of our communities is a top priority. Organized neighborhoods provide accountability. Integrated neighborhoods and services, through things like translated transit maps or water bills, make our diversity our strength.



Back-to-Basics: Customer Service

Improving the day-to-day lives of Nashvillians by **refocusing the government on the goal of great customer service**, from prioritizing pothole requests to addressing the backlog of sidewalk and paving projects. When a resident reaches out to Metro for help through hubNashville or another means, they should know a person is on the other end working in real time to solve their issue.

Metro by the Numbers



Glossary

ASSETS

Metro-controlled resources with economic value that have a useful life of one month or longer.

BOARDS AND COMMISSIONS

There are numerous boards and commissions that serve critical government roles. The Mayor and Council appoint select members of these boards and exercise a degree of influence with those appointments.

BUSINESS-TYPE ACTIVITIES

Activities that resemble private-sector businesses in which the consumer is charged for services provided by Metro. Metro's water and sewerage services, district energy system, and stormwater operations are listed as business type activities.

DEBT SERVICE

Annual principal and interest payments the city owes on money it has borrowed. Total Debt Service includes the GSD General Purposes Debt Service Fund, GSD School Purposes Debt Service Fund, and USD General Purposes Debt Service Fund Committee for Debt Service balances.

DEBT SERVICE FUND

Fund used in governmental accounting to track the accumulation of resources for, and the payment of, long-term debt service and related costs.

DEFERRED INFLOWS

Resources coming into a government during a fiscal year that are related to a future reporting period.

DEFERRED OUTFLOWS

Resources leaving a government during the fiscal year that are related to a future reporting period.

ELECTED OFFICIALS

Metro has numerous elected officials that provide significant community leadership and management of important governmental services. They manage the daily operations of their organizations, establish an organizational vision, set goals and manage performance. They are responsible for financial management with funding provided through the overall budget process as well as potentially from other sources.

EXPENSE/EXPENDITURE

A resource leaving a government during the fiscal year that are related to that year.

FISCAL YEAR (FY)

A one-year fiscal period. Metro's fiscal year extends from July 1 through June 30.

FUND BALANCE

Metro prepares for the unexpected by having reserves in the form of fund balance. Reserves are similar to savings because they provide financial flexibility to react to economic downturns and unforeseen circumstances in a timely manner.

Fund Balance is an accumulation of revenues minus expenditures and each fund maintained by Metro has a fund balance. Fund Balance types include:

- **Non-spendable fund balance** - Fund balance in a form that cannot be spent, such as inventory.
- **Restricted fund balance** - Fund balance amounts constrained by their providers, such as grantors.
- **Committed fund balance** - Fund balance amounts constrained by an action of the Metro Council.
- **Assigned fund balance** - Fund balance amounts intended to be used for a specific purpose.
- **Unassigned fund balance** - Fund balance amounts available for any purpose.

GENERAL FUND

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

GENERAL PURPOSE SCHOOL FUND

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

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A common set of accounting principles, standards and procedures that must be followed when compiling financial statements.

GOVERNMENT-WIDE STATEMENTS

Government-wide statements report Metro's financial activity and information in one place using accounting methods similar to those used by private-sector companies. As a result, all assets and liabilities are accounted for, as well as all inflows and outflows of resources. Government-wide statements categorize services as governmental activities or business-type activities.

GOVERNMENTAL ACTIVITIES

Most of Metro's basic services, such as law enforcement, fire prevention, public health, public works, highways and streets, and education are listed as governmental activities. Property taxes, local option sales tax, other taxes, and grants and contributions fund most of these activities.

GENERAL SERVICE DISTRICT (GSD) / URBAN SERVICE DISTRICT (USD)

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

libraries. USD residents are charged an additional tax to support those services, functions and debt obligations which benefit only the USD. Such services include additional police protection, storm sewers, street lighting and refuse collection.

GSD GENERAL PURPOSES DEBT SERVICE FUND

Fund used to account for the accumulation of resources and the payment of principal and interest for the General Services District general obligation debt.

GSD SCHOOL PURPOSES DEBT SERVICE FUND

Fund is used to account for the accumulation of resources and the payment of principal and interest for the debt related to schools.

USD GENERAL PURPOSES DEBT SERVICE FUND

Fund is used to account for the accumulation of resources and the payment of principal and interest for the Urban Services District general obligation debt.

INTEREST

Cost of borrowing money that must be repaid along with the principal.

LIABILITIES

Present obligations to give up economic resources the government has little or no discretion to avoid.

LICENSES AND FEES

Costs charged to those who receive certain governmental services or use governmental facilities, such as solid waste service fees, land development fees and zoning petition filing fees. Fees vary with the type of activity.

MAYOR'S OFFICE

The mayor provides leadership for the government and influences decisions through significant budgetary and board appointment authority. Management oversight is advanced by the mayor through establishing a vision for the city and overarching goals, which are articulated as priority areas. The Mayor's Office develops and implements policy and provides day-to-day management of the many key city functions.

METROPOLITAN COUNCIL

The Metropolitan Council is the legislative body for the Metropolitan Government. There are forty councilmembers including thirty-five district councilmembers and five at-large councilmembers. The vice mayor serves as the presiding officer of the Council. The role of the Council is to enact ordinances and resolutions that further public policy of the Metropolitan Government and to assist with constituent services for the residents of Nashville and Davidson County.

MISCELLANEOUS EXPENDITURES

Miscellaneous expenditures include contributions and community support, subsidies and administration and internal support.

NET POSITION

The difference between assets, liabilities, deferred outflows of resources and deferred inflows of resources for government-wide statements and enterprise funds.

OPERATING FUND BALANCE

The Operating Fund Balance information includes the General Services District and Urban Services District General Fund Unassigned Fund Balances, and General Purpose School Fund committed for education balance.

OPERATING FUNDS

The Operating Funds include the GSD General Fund, USD General Fund and General Purpose School Fund and are the primary funds for Metro's general government.

OTHER EXPENDITURES

Other expenditures are for the public library system, regulation and inspection, capital outlay, and public welfare.

OTHER GOVERNMENTAL AGENCY REVENUE

Other governmental agency revenue includes revenues from the Tennessee sales tax levy, gas and fuel tax, and the Tennessee excise tax allocation.

OTHER TAXES, LICENSES AND PERMITS

Other taxes, licenses and permits includes revenues from business tax, alcoholic beverage tax, motor vehicle licenses, wholesale beer tax, and building permits.

PRINCIPAL

Amount of debt owed, not including interest, for funds that are borrowed.

RATING

An opinion by a rating agency of the creditworthiness of a bond.

REVENUE

A resource coming into a government during a fiscal year that is related to that period.

STATEMENT OF ACTIVITIES

The Statement of Activities is an income statement that summarizes amounts received (revenues) and amounts spent (expenses). A positive difference between revenue and expenses indicates Metro has enough revenues to cover its obligations and the ability to save for the future.

STATEMENT OF NET POSITION

This is a balance sheet that provides a snapshot of what Metro owns (assets), what Metro owes (liabilities), and the net position represents Metro's investment in the assets it uses to provide services to residents.

TRANSFERS IN AND OUT

The movement of assets into one fund and out of another fund. Transfers in and other revenue sources include the hotel occupancy tax, short term rental, local cost allocation plan reimbursement and lease revenue.

Transfers out include transfers to the 4% reserve fund, fleet management, grant matching, injury on duty and self- insurance. Also, transfers out include transfers from the general purpose school fund to the education services fund which supports the food service operations of the school system and charter schools.

A blue-tinted photograph of the Nashville skyline at night, viewed from a bridge. The bridge's white metal structure is prominent in the foreground, with a decorative railing. The city lights are visible in the background, including the prominent AT&T Building. The sky is dark, and the water in the foreground reflects the city lights.

POPULAR ANNUAL FINANCIAL REPORT

June 30, 2023

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

Nashville, Tennessee | Freddie O'Connell, Mayor