



Annual Comprehensive Financial Report

July 1, 2020 – June 30, 2021



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

Metropolitan Nashville Airport Authority

A Component Unit of The Metropolitan Government of Nashville and Davidson County

Nashville, Tennessee

Annual Comprehensive Financial Report

For the Years Ended June 30, 2021 and 2020

Prepared by:

The Finance Department

Metropolitan Nashville Airport Authority
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**Metropolitan Nashville Airport Authority
Introductory Section**

This section contains the following subsections:

Letter of Transmittal

Board of Commissioners and Executive Staff

Organization Chart

Certificate of Achievement for Excellence in Financial Reporting

October 26, 2021

To the Board of Commissioners of the Metropolitan Nashville Airport Authority,

The Annual Comprehensive Financial Report (ACFR) of the Metropolitan Nashville Airport Authority (“the Authority” or “MNAA”) as of and for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority’s financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (“GAAP”). It includes disclosures necessary to enable the reader to gain an understanding of the Authority’s financial activities included within the ACFR. The report of the independent auditors on the financial statements is included on pages 1-3 of the ACFR.

The ACFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss and misuse, and reliable data are recorded, maintained and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

The Authority’s financial statements for the year ended June 30, 2021 have received an “unmodified opinion” from Plante & Moran, PLLC, the Authority’s independent certified public accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor’s examination has disclosed no conditions that cause them to believe that the financial statements are not fairly presented in all material respects.

An independent audit was also performed by Plante & Moran, PLLC, in accordance with the requirements of the Uniform Grant Guidance (2 CFR Part 200), i.e., Single Audit. The auditor’s reports related specifically to the Single Audit are immediately following the ACFR in the Compliance Section.

A third audit was performed by Plante & Moran, PLLC, as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditor’s reports related to the schedule of Passenger Facility Charges are immediately following the ACFR in the Compliance Section.

This ACFR was prepared to meet the needs of a broad spectrum of financial statements readers and is divided into the following sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader an introduction to the ACFR and the Authority. The introductory section includes background information on

Metropolitan Nashville Airport Authority Letter of Transmittal

the reporting entity, its operations and services, accounting systems and budgetary controls, overview of the local economic conditions, its long-term financial planning and certain other pertinent information. It is complementary to financial and analytical data offered in the Management Discussion and Analysis (MD&A) and the Statistical Section of the ACFR discussed below. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Financial Section – The independent auditor's report, MD&A, financial statements, notes to the financial statements, required supplementary information, and other information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. The MD&A immediately follows the independent auditor's report and complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Continuing Disclosure Section – The continuing disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management and Budget 2 CFR Part 200 as well as Federal Aviation Administration requirements applicable to the Passenger Facility Charge Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a metropolitan airport authority created on February 9, 1970, pursuant to state statute and is an independent political subdivision of the State of Tennessee. The major purposes of the Authority are the operation, financing, and development of Nashville International Airport ("BNA") and John C. Tune Airport ("JWN"), a general aviation reliever airport.

The Authority also owns MNAA Properties Corporation ("MPC"), a Tennessee nonprofit corporation, whose purpose is to support and facilitate the operations of the Authority and to help the economic development of the surrounding area. The Authority has all the powers of a governmental entity necessary to accomplish its purpose, such as acquiring land and constructing airport facilities; issuing revenue bonds and other tax-exempt indebtedness; maintaining its own police and aircraft rescue and firefighting (ARFF); setting rates and charges for airlines; and setting rates for all activities on airport properties. Although the Authority has an independent governing body, based upon the criteria set forth by the Governmental Accounting Standards Board, it has been determined the Authority is a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee.

The Authority's Board of Commissioners consists of seven members who serve without compensation, all of whom are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. All appointments to the Authority are for a term of seven years. The terms are staggered to provide for continuity of Authority development and management. By state law, the commissioners represent different professional and management disciplines, including engineering, aviation, law, commerce, finance, and industry. The Board appoints the Authority's President and CEO, who is the chief executive and administrative officer responsible for day-to-day operations and planning for both airports and MPC. The President and CEO leads a full-time staff of professional and technical

Metropolitan Nashville Airport Authority Letter of Transmittal

personnel, with a headcount of 306 positions for fiscal year 2021. Authority staff is actively engaged with many trade and community organizations, often receiving awards, and serving in leadership positions.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals and revenue from parking, concessions and various additional sources to fund operating expenses. The Authority is not taxpayer funded. The Capital Improvement Program is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs) and other discretionary funds.

Airline Use and Lease Agreement

Leases. Revenues received from the airlines are derived from rentals, fees and charges imposed upon airlines operating at BNA under the MNAA Signatory Airline Use and Lease Agreement (the "Airline Agreement"). The following airlines are parties to such agreements: Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Federal Express, JetBlue Airways, Southwest Airlines, Spirit Airlines and United Airlines (collectively the "Signatory Airlines"). The Airline Agreement is effective July 1, 2015 – June 30, 2022.

Rates and Charges. The Airline Agreement establishes three cost centers for purpose of determining rates and charges payable by the Signatory Airlines and other users of Airport facilities: Airfield, Terminal, and Terminal Ramp Area. Baggage and passenger loading bridges fees are also assessed. The Airline Agreement has a "hybrid" airline rate-setting methodology with the Landing Fees being calculated on a residual basis, the Terminal Rental Rates being fixed rates specified in the Agreement that were initially derived based upon a compensatory basis using rental space in the calculation, and Terminal Ramp Area rates generally established through a compensatory methodology. Other than the Airfield, the Signatory Airlines are not required to provide for break-even financial operations of BNA under the Airline Agreement.

Majority-in-Interest Approvals Relating to Authority's Capital Projects. The Signatory Airlines agreed in the Airline Agreement to a Majority-in-Interest ("MII") approval process for each new capital improvement project (with a net cost in excess of \$50,000) in the Airfield that the Authority seeks to fund through airline rates and charges. The Authority must obtain approval in writing from Signatory Airlines representing a MII after providing written notice to all Signatory Airlines containing: (a) a description of the project; (b) drawing showing its location, to the extent available; (c) estimates of its total capital costs; (d) an explanation of the benefits it will provide; (e) a schedule for its implementation; (f) a summary of how the project will be funded; and (g) an estimate of the impact the project will have on the Landing Fees or other airlines rates and charges to be paid by the Signatory Airlines. A capital improvement project in the Airfield shall only be deemed to be approved by a MII when Signatory Airlines representing a MII have provided their written approval of the capital improvement project. In the event of MII disapproval, the Authority may only proceed with the capital improvement project if it is not funded through rates and charges paid by the Signatory Airlines.

The Airline Industry

In calendar year 2020, a new strain of coronavirus ("COVID-19") spread throughout the world. The outbreak of COVID-19 has been characterized as a global pandemic by the World Health Organization. As a result of the COVID-19 pandemic, many governmental entities in the United States and throughout the world issued directives limiting travel, reducing social gatherings, and restricting the movement of individuals. The pandemic and the resulting restrictions disrupted the aviation activity and passenger traffic for all Airlines around the world. In April 2020, the number of people traveling by plane hit a 10-year low with passenger counts down by about 92%. Although the pandemic continues, bringing uncertainty in the form of new virus variants, air traffic has been steadily increasing throughout fiscal year 2021 and into 2022. BNA saw daily average passengers higher than pre-pandemic levels as of summer 2021.

Metropolitan Nashville Airport Authority
Letter of Transmittal

Airport Activity

During the first half of fiscal year 2021, passengers continued to forego both leisure and business travel. Holiday travel was down by over 50% from the previous year. Later, in the spring of 2021, the COVID-19 vaccine became widely available, and BNA began to experience higher levels of traffic as tourism returned in full force. Nonetheless, BNA still ended the year with a decrease in enplanements of 24.9%, a decrease in landed weights of 12.5%, a decrease in aircraft operations of 9.1%, and a decrease in load factors of 13.8%.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Enplanements	5,151,658	6,858,395	8,596,307
% (decrease) increase	(24.9)	(20.2)	15.1
Aircraft landed weight (all-000)	7,869,238	8,995,415	9,952,397
% (decrease) increase	(12.5)	(9.6)	15.2
Aircraft operations (all)	180,653	198,722	227,425
% (decrease) increase	(9.1)	(12.6)	8.1
Load factors	58.9%	68.3%	79.2%
% (decrease) increase	(13.8)	(13.8)	(6.8)

In addition to the pandemic, on March 3, 2020, a tornado touched down in the Nashville area and continued its path across Middle Tennessee. JWN, located in west Nashville, sustained significant damage from the storm, including infrastructure damage to the terminal and other buildings (including 17 hangars), airfield, pavement, navigational aids, signage, lighting, fencing, utilities and more. Since then, JWN has begun a major transformation, including the completion of an air traffic control tower and a major redevelopment plan, which will include expanded ramp areas, a new access point, and new hangars.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year, the Authority prepares operating and capital budgets which are reviewed by various committees of the Board of Commissioners and legally adopted by the full Board of Commissioners.

The budget contains an estimate of current operational and capital expenses, including for the operation and development of Airports under the jurisdiction of the Authority and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of revenue of the Authority from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations and capital needs of the Authority. BNA, JWN, and MPC's operating budgets are the Authority's annual financial plan for operating and maintaining the airport and other properties. The operating expense and revenue budgets must be sufficient to cover the operating and maintenance expenses of the Airports and the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the Airports and MPC with a five-year horizon. The Authority's basis of budgeting is in accordance with GAAP, which is the same as the Authority's accounting basis.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control with an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved with encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms outlined in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year

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for management control purposes. Each month, Finance reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board in the monthly board packet.

AUTHORITY'S ECONOMIC CONDITION

Population and Air Trade Area

BNA resides in a region which the United States Office of Management and Budget (OMB) defines as the Nashville-Davidson-Murfreesboro-Franklin Metropolitan Statistical Area (MSA) and is composed of 14 counties of Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson Counties. The Nashville-Davidson-Murfreesboro-Franklin MSA is the 36th most populated MSA in the United States with approximately 2 million people and serves as the airport "air service area".

BNA is the primary commercial air service facility serving the Nashville metropolitan area and is the largest airport in the state of Tennessee and the only large hub in the region. BNA serves as the primary commercial service airport for the air service area. This area is generally isolated from competing airport facilities and, hence, the Airport has limited competition of air service. Huntsville International Airport (HSV) is the closest airport, about 125 (driving) miles from the Airport. The next closest airport is Chattanooga Metropolitan Airport (CHA) which is about 145 (driving) miles away. Louisville International Airport (SDF) and Knoxville McGee Tyson Airport (TYS) are about 175 (driving) miles from the Airport. Paducah Barkley Regional Airport (PAH) is a non-hub airport about 150 (driving) miles from the Airport with only Essential Air Service. Memphis International Airport (MEM) is a small hub airport about 220 (driving) miles from the Airport. Other commercial service airports in the region are small facilities and the more comparable small hub airports are over 175 miles away. Other medium and large hub airports are over 250 miles from the Airport, with Hartfield-Jackson Atlanta International Airport (ATL) the nearest at approximately 255 (driving) miles.

In calendar year 2020, BNA ranked 27th nationwide in enplaned passengers with 4,013,995 enplanements, making BNA a large hub airport as classified by the FAA.

Economy

Despite the pandemic, the Nashville population continues to grow. With more ability to work from anywhere, people from higher cost-of-living markets such as New York and Los Angeles are moving to Nashville, citing low property taxes and no state income taxes. In addition, companies such as Oracle, Facebook, and Amazon are expanding to Nashville in search of lower overhead and taxes and the talent produced by local universities.

Prior to the COVID-19 pandemic, the unemployment rate in the Middle Tennessee region was 2.5 percent. In April 2020, the region began to realize the full effect of the pandemic, and the unemployment rate spiked to 15.2 percent, with many businesses temporarily closing, permanently closing, or reducing services. As the pandemic continued, businesses re-opened with added safety measures, and COVID-19 vaccines began to roll out in December 2020 and became widely available in early 2021. Unemployment steadily dropped, sitting at 3.5 percent in August 2021. Employers across the United States, particularly in the hospitality industry, are now facing labor shortages as people are hesitant to return to work.

While leisure travel returned to Nashville during 2021, convention travel – which accounted for nearly 40% of travel spending in the city prior to the pandemic – has lagged as the COVID-19 virus continues to spread and mutate despite widespread vaccine availability. With more than a year without large conventions, Nashville did not reach pre-pandemic levels of visitors in fiscal year 2021. The Nashville Chamber of Commerce predicts that the leisure and hospitality industries will return to normal levels by the summer of calendar year 2022.

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Letter of Transmittal**

Despite the pandemic, Nashville continued to receive high praise, receiving many honors and rankings within the travel industry. Nashville's culturally diverse and friendly environment made it a favorite place for conventioners and tourists alike, as well as a great place to work, live and raise a family. A few of Nashville recent accolades are as follows:



<http://www.nashvillechamber.com/rankings>

**Nashville Ranked Top 10 City to Live After the Pandemic
Today**

With a great job market, high quality of life, low cost of living, and great music scene, there is good reason Music City is growing. Nashville is also a great place to retire with beautiful weather, access to great healthcare, relatively low taxes, and wonderful retirement communities.

**Nashville #4 in Metropolitan Economic Strength Rankings
Policom**

Policom specializes in studying the dynamics of local economies. From its research, it determines if an area is growing or declining. Policom addresses the condition of an economy from the viewpoint of its impact upon the "standard of living" of the people who live and work in the area. The highest ranked areas, such as Nashville, have had rapid, consistent growth in both size and quality for an extended period.

Nashville's High Notes

<http://www.visitmusiccity.com/accolades-honors>

- **Nashville** landed on **Southern Living's South's Best 2021** (March 2021)
 - **South's Best Walking Tours: Walkin' Nashville**
 - **South's Best Stays: Vandyke Bed & Beverage**
- **Nashville** landed in multiple categories for **TripAdvisor's Travelers' Choice Best of the Best 2021** (January 2021)
 - **Popular Destinations – United States: #11 Nashville**
 - **Top 25 Hotels – United States #12 Fairlane Hotel**
 - **Top 25 Hotels for Romance – United States: #5 The Germantown Inn**
- **Nashville** was included on the **Independent's (UK) Five of the Best U.S. Destinations to Visit in 2021** (January 2021)
- **The Telegraph (UK)** named **Nashville** of the **50 Wonderful Reasons to Rediscover America** (January 2021)
- **Nashville** landed on **Travel + Leisure's** list of **The 50 Best Places to Travel in 2021** (December 2020)
- **Nashville** was voted **#8** of the **Best Cities in the U.S.** in **Condé Nast Traveler's Readers' Choice Awards** (October 2020)



FY21 Awards & Recognitions

In January 2021, Douglas E. Kreulen was re-elected president of the Tennessee Association of Air Carrier Airports. TAACA is the trade association of the five commercial airports in Tennessee: Nashville International Airport, Memphis International Airport, Knoxville McGhee Tyson Airport, Chattanooga Airport and Tri Cities Airport. The organization advocates for airport interests and priorities as they relate to state government, including in both the General Assembly and the Executive Branch.

Throughout the fiscal year, BNA also received the following recognition and accolades:

- Nashville's new D Concourse was awarded LEED Silver Certification for Green Design and Construction.
- Concourse D was also named "Commercial Airport Architectural Project of the Year" by the Southeast Chapter of the American Association of Airport Executives.

Metropolitan Nashville Airport Authority Letter of Transmittal

The Authority cannot accurately predict the economic climate in fiscal year 2022, especially due to the ongoing COVID-19 pandemic. However, we have used conservative budget assumptions, including enplanements and landed weights, and will monitor the changes in travel throughout fiscal year 2022 and update the budget accordingly. This conservative approach should enable the Authority to meet or exceed the budgeted performance in fiscal year 2022.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the Airports. Under the terms of the Airline Agreement, certain fees and charges paid by the Airlines are used along with other non-airline income from BNA to service the debt issued to finance the construction program.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) to expand, modernize, and maintain BNA, JWN, and MPC. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each Airport. The master plans establish the framework for the CIP that is necessary for the development of the Authority.

The largest capital program currently in process is *BNA Vision*, which is an extensive, multi-phased capital improvement program. *BNA Vision* is a major renovation and expansion project intended to enable BNA to meet future needs. *BNA Vision* now include two components: *BNA Vision 1.0* and *BNA Vision 2.0*.

Specific elements of *BNA Vision 1.0* – expected to total \$1.4 billion – include the following:

Terminal Garage 2

A six-story structure to the south of the terminal with approximately 2,200 spaces. Terminal garage 2 opened in December 2018.

Terminal Lobby Renovation and International Arrival Facility (IAF)

The project will provide travelers an expanded and visually engaging central terminal as well as a state-of-the-art international arrivals facility that will replace the existing interim international arrivals facility. Completion of this project is slated for late 2023.

Concourse D, Terminal Wings, Ticketing and Baggage Claim Expansion

The project will revive and expand BNA's fourth concourse, Concourse D; and enlarge the existing ticketing lobby and baggage claim. The north and south terminal wing expansion, expanded baggage claim, and Concourse D are now open.

Terminal Garage 1

The project includes a six-level parking garage near the terminal, a new administrative office building and pedestrian plaza. The garage, administrative offices, and pedestrian plaza are now open.

Donelson Pike Relocation and Terminal Access Roadway Improvement

With traffic and airport utilization continuing to rise, the Donelson Pike Relocation and Terminal Access Roadway Improvements projects are vital to improving access and circulation around BNA. Completion of this project is scheduled for late 2024.

BNA Vision 2.0 is currently in its preliminary planning stage. Specific elements of *BNA Vision 2.0* – expected to total \$187.5 million – include the following:

Metropolitan Nashville Airport Authority Letter of Transmittal

Satellite Concourse

The project will produce an eight-gate, free-standing satellite concourse near the main terminal and provide more gates to meet the increasing air travel demand in Middle Tennessee. The satellite concourse will be the airport's fifth major concourse. It is slated to open in late 2023.

Runway 2L/20R Extension – EA/Preliminary Design and Property Acquisition

The project will allow BNA to accommodate larger aircraft. This is imperative as BNA seeks to expand to more international markets in Asia and Europe.

Concourse A Site Preparation, Fill, and Ramp Paving

The project will prepare an area adjacent to the existing Concourse A to allow for future expansion, which will include an additional 12 aircraft gates.

Airport Improvement Program

The Authority participates in the Airport Improvement Program (AIP), the Federal government's airport grant program. The AIP provides funding for airport development, airport planning and noise compatibility program from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grant for eligible projects. The Authority also receives grants from the State of Tennessee.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorizes domestic airport to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and report of PFCs. PFCs may be used for projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system, reduce noise or mitigate noise impacts resulting from an airport, or furnish opportunities for enhanced competition between or among air carriers.

The FAA has approved twenty-three PFC applications and amendments submitted by the Authority. The Authority is currently authorized to impose and use a PFC of \$4.50 per enplaned passenger up to \$947 million, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC eligible costs on approved projects.

As of June 30, 2021, the Authority received approximately \$425 million of PFC revenue and interest earnings of approximately \$28 million. The Authority expended approximately \$370 million on approved projects. The current PFC expiration date is estimated at March 1, 2036.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority's a "Certificate of Achievement" for Excellence in Financial Reporting for its ACFR for the year ended June 30, 2020. This was the twentieth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues for conform to the Certificate of Achievement program requirements and are submitting this 2021 ACFR to the GFOA for consideration.

Metropolitan Nashville Airport Authority
Letter of Transmittal

Acknowledgements

The preparation of this report would not be possible without the cooperation of the Authority's Board of Commissioners and senior management and their desire to maintain the Authority as a model of excellence in the management of Nashville International Airport, John C. Tune Airport, and MNAA Properties Corporation, all in an effort to meet the air service needs to the surrounding communities.

Respectfully submitted,



Margaret Basrai, CPA, CGMA, C.M.
Executive Vice President and Chief Financial Officer

Metropolitan Nashville Airport Authority Board of Commissioners and Executive Staff

BOARD OF COMMISSIONERS

Chair

William "Bill" H. Freeman

Vice Chair

Nancy Sullivan, P.E.*

Secretary

Joycelyn Stevenson, Esq.

Commissioners

Robert "Bobby" J. Joslin, Jr.

James "Jimmy" W. Granbery*

Andrew W. Byrd

Dr. Glenda Glover

EXECUTIVE STAFF

Douglas E. Kreulen

President & Chief Executive Officer

Margaret M. Basrai

Executive Vice President & Chief Financial Officer

Neale Bedrock

Executive Vice President, General Counsel & Chief Compliance Officer

Robert L. Ramsey

Executive Vice President & Chief Operating Officer

Kristen M. Deuben

Vice President, Finance & Deputy CFO

Traci C. Holton

Vice President, Chief Engineer & Deputy COO

Gale LaRoche

Vice President, Administration

Davita L. Taylor

Vice President, Procurement & Business Diversity

SENIOR STAFF

John Corbitt

Assistant Vice President, Real Estate

W. David Griswold

Assistant Vice President, Chief of Police

KC Hampton

Assistant Vice President, Information Technology

Lisa K. Lankford

Assistant Vice President, Special Assistant to the President

Carrie R. Logan

Assistant Vice President, Law Department

Linda Macey

Assistant Vice President, Concessions

Theodore G. Morrissey

Assistant Vice President, Law Department

Stacey Nickens

Assistant Vice President, Corporate Communications

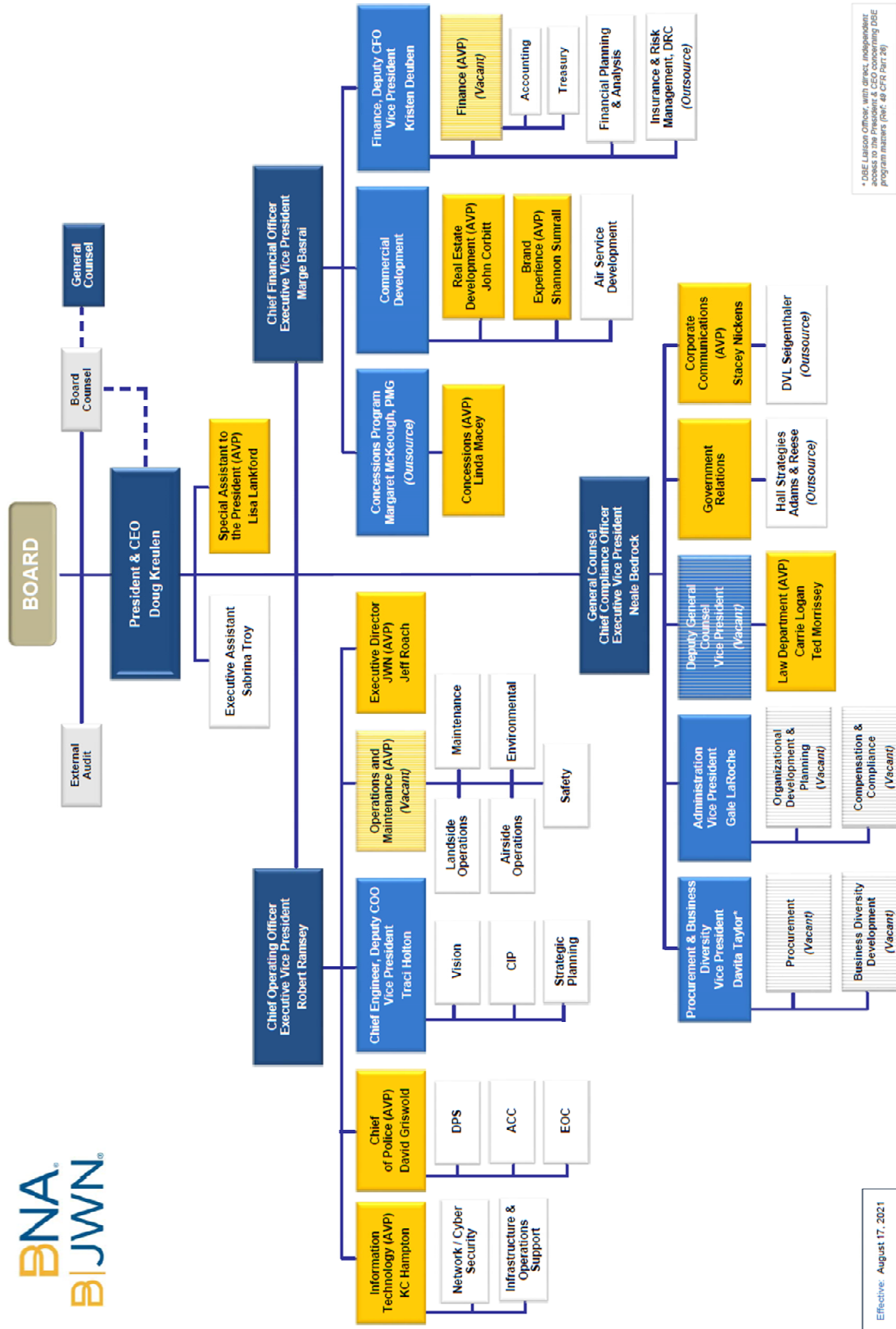
Jeff Roach

Assistant Vice President & Executive Director, John C. Tune Airport

Effective Date: October 5, 2021

* Indicates Audit Committee Member

**Metropolitan Nashville Airport Authority
Organizational Chart
June 30, 2021**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Metropolitan Nashville Airport Authority
Tennessee**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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This section contains the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Metropolitan Nashville Airport Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority as of June 30, 2021 and 2020 and the changes in its financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Metropolitan Nashville Airport Authority's basic financial statements. The other information; the schedule of expenditures of federal awards required by the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the schedule of passenger facility charge revenues and expenditures required by the *Passenger Facility Charge Audit Guide for Public Agencies*; and introductory section, statistical section schedules, and annual disclosure report are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other information, schedule of expenditures of federal awards, and schedule of passenger facility charge revenues and expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other information, schedule of expenditures of federal awards, and schedule of passenger facility charge revenues and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, statistical section schedules, and annual disclosure report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021 on our consideration of the Metropolitan Nashville Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Metropolitan Nashville Airport 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 Metropolitan Nashville Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 26, 2021

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Metropolitan Nashville Airport Authority Management’s Discussion and Analysis (Unaudited)

The following discussion and analysis provide an overview of the financial performance and activities of the Metropolitan Nashville Airport Authority (the “Authority”) as of and for the year ended June 30, 2021. It has been prepared by the Authority’s management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Position, which presents the assets, liabilities, deferred inflows and outflows of resources and net position of the Authority as of the end of the fiscal period; (b) Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expense recognized during the fiscal period; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal period. The Authority includes Fiduciary Funds to account for other postemployment benefit and pension trust funds as well as unadjudicated custodial funds.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The financial statements include the operations of Nashville International Airport (“BNA”), John C. Tune Airport (“JWN”) and MPC Properties Corporation (“MPC”).

The Airport Funding Methodology

Funding for BNA’s operations is predicated upon the stipulations in the Authority’s Signatory Airline Use and Lease Agreement (the “Airline Agreement”) between the Authority and the airlines. Once an airline signs an agreement, it is designated a “Signatory Airline”. The agreements also determine the budget and financing methodology that the Authority and airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology which combines both features.

The Authority operates under a hybrid methodology. Airport revenues are retained by the Authority to be applied in accordance with the provisions in the Senior Bond Resolution and the Subordinate Bond Resolution, to fund capital improvements, establish certain reserve funds, and provide funds for other discretionary purposes. Any excess net revenues remaining after making all required deposits to the funds and accounts established under the Senior Bond Resolution and the Subordinate Bond Resolution are accumulated in the Nashville Airport Experience (NAE) fund and may be applied to any lawful purpose of the Authority, including funding of capital improvements.

The Airline Agreement established three cost centers for purpose of determining rates and charges payable by the Signatory Airlines and other users of the airport facilities: airfield, terminal, and terminal ramp area. Baggage and passenger loading bridges fees are also assessed. The Airline Agreement has a “hybrid” airline rate-setting methodology with the landing fees being calculated on a residual basis, the terminal rental rates being fixed rates (initially derived based upon a compensatory basis), and terminal ramp area rates generally established through a compensatory methodology. Other than the Airfield, the Signatory Airlines are not required to provide for break-even financial operations of BNA under the Airline Agreement.

More detailed information on the Airline Agreement can be found in Note 9, included in the Notes to the Financial Statements.

Airport Activity Highlights

During fiscal year 2020, the spread of a new strain of coronavirus (COVID-19) impacted the aviation industry significantly and negatively. Beginning in March 2020 and continuing throughout fiscal year 2021, to reduce the spread of the virus, many states and local governments in the United States placed restrictions to limit the movement of individuals. Additionally, many nations effectively closed their borders by restricting entry to only essential travel. The outbreak of COVID-19 and related restrictions have had an adverse effect on both international and domestic

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

travel and travel-related industries around the world, including airlines serving BNA and its airport concessionaires. Passenger airlines have reported a significant downturn in traffic, causing the cancellation of numerous flights, and reduced levels of passenger traffic. In addition, the reduction in air travel has had an adverse effect on food/retail concessions, parking, ground transportation, and rental car activity.

Prior to fiscal year 2020, BNA was seeing yearly double-digit percentage increases in enplanements, and was one of the fastest-growing airports in the United States. During the first eight months of fiscal year 2020 (July 2019 through February 2020), enplanements were up 12.8% year to date over the prior year. In the last quarter of fiscal year 2020, enplanements plummeted, and BNA ended the year with 6.9 million enplanements; a decrease of 20.2% from the fiscal year 2019.

When the impact of COVID-19 hit the industry, the Authority reacted with an immediate financial response for the remaining three months of fiscal 2020 and with the preparation of the fiscal 2021 budget. The cost containment efforts included, but were not limited to the following:

- Hiring freeze; eliminated vacant positions; eliminated raises and bonuses
- Reduced travel and training
- Closed parking lots; stopped shuttle service
- Reduced contractual and professional services, sponsorships, and advertising
- Cancelled Airline and Airport Investment Fund capital projects

COVID-19 continued to spread – surging at times – during fiscal year 2021, reducing holiday enplanements by over 50%. Enplanements settled at 5.2 million for the year, a decrease of 24.9% from the previous year. Total enplanements, however, do not tell the whole story. Beginning in December 2020, the COVID-19 vaccine became available to the most at-risk members of society and became widely available to all by spring of 2021. As such, passenger volume began to increase during the final quarter of fiscal year 2021, ending with higher daily averages than BNA had seen prior to the pandemic. Due to increased volume in the last quarter of fiscal year 2021, the Authority was able to start backfilling vacant positions, re-opening some parking lots, and increasing overall spending to accommodate the return of passengers.

While the COVID-19 virus continues to mutate and cause uncertainty, we are optimistic that fiscal year 2022 will bring us back pre-pandemic levels of enplanements.

To offset the broad disruptive effects of COVID-19, the United States Congress approved the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and the President signed the bill in March 2020. The CARES Act included several relief measures, one of which was direct aid for airports as well as direct aid, loans, and loan guarantees for passenger and cargo airlines. The CARES Act provided \$10 billion of assistance to U.S. commercial airports. The Federal Aviation Administration (“FAA”) announced that BNA was eligible to receive \$54,963,454 of CARES Act funds. The Authority used \$30.1 million and \$6.3 million of CARES Act funds in fiscal years 2021 and 2020, respectively.

In December 2020, the United States Congress approved the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which includes nearly \$2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessionaires at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. The Federal Aviation Administration (“FAA”) announced that BNA is eligible to receive \$17,027,309 of CRRSA Act funds, \$1,913,784 of which is available for concession relief. The Authority has not yet drawn on these funds.

The American Rescue Plan (ARPA) Act, signed into law in March 2021, includes \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports and eligible concessionaires to prevent, prepare for, and respond

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

to the COVID-19 pandemic. Although the grant has not been officially awarded, the FAA has announced that BNA is eligible to receive \$64,030,376, of which \$7,655,137 is available for concession relief.

While the Authority cancelled several small capital projects due to COVID-19, construction on the Authority's extensive, multi-phased capital improvement program known as the *BNA Vision*, continued. *BNA Vision* includes two components: *BNA Vision 1.0* and *BNA Vision 2.0*. *BNA Vision 1.0* is a major renovation and expansion program (\$1.4 billion) intended to enable the airport to meet future needs. Projects include expanded parking, concourse and lobby areas, adding new gates, developing a state-of-the-art International Arrivals Building, an on-site hotel, and increasing federal security lanes, among other projects. *BNA Vision 2.0* is currently in its preliminary planning stage and is expected to total \$187.5 million. Projects include a free-standing satellite concourse, runway expansion, and site preparation to expand the existing Concourse A, and more. For additional details, please visit www.bnavisionnashville.com.

On March 3, 2020, a tornado touched down in the Nashville area and continued its path across Middle Tennessee. The Authority's general aviation airport, JWN, incurred significant damage from the storm, including infrastructure damage to the terminal and other buildings (17 hangars), airfield, pavement, navigational aids, signage, lighting, fencing, utilities and more. Since then, JWN has begun a major transformation, including the completion of an air traffic control tower and a major redevelopment plan, which will include expanded ramp areas, a new access point, and new hangars.

In April 2020, BNA temporarily closed one of four runways (Runway 2R/20L) for a planned reconstruction per FAA Standards. The closure had no impact on the level of air travel service provided and is scheduled to reopen in August 2021.

The business development organization of the Authority, MPC, continued in 2021 with an occupancy level near 100%.

**Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)**

Statement of Net Position

The Statement of Net Position depicts the Authority's financial position as of June 30 and include all assets, liabilities, deferred inflows and outflows of resources, and the resulting net position. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's financial position as of June 30, 2021, 2020, and 2019 is as follows:

	2021 (000's)	2020 (000's)	2019 (000's)
ASSETS			
Current unrestricted assets	\$ 362,397	\$ 311,827	\$ 248,353
Restricted assets	494,001	735,306	97,777
Capital assets, net	1,421,053	1,224,708	898,230
Other assets	<u>30,727</u>	<u>6,437</u>	<u>1,466</u>
Total assets	<u>2,308,178</u>	<u>2,278,278</u>	<u>1,245,826</u>
DEFERRED OUTFLOWS	<u>2,648</u>	<u>3,132</u>	<u>8,472</u>
LIABILITIES			
Current liabilities	\$ 59,447	\$ 87,175	\$ 75,337
Noncurrent liabilities	<u>1,403,987</u>	<u>1,408,081</u>	<u>448,352</u>
Total liabilities	1,463,434	1,495,256	523,689
DEFERRED INFLOWS	18,822	5,005	4,322
NET POSITION			
Net investment in capital assets	376,713	397,961	507,479
Restricted	315,174	304,886	154,036
Unrestricted	<u>136,683</u>	<u>78,302</u>	<u>64,772</u>
Total Net position	<u>\$ 828,570</u>	<u>\$ 781,149</u>	<u>\$ 726,287</u>

Current unrestricted assets primarily consist of cash and investments, accounts receivable and amounts due from other governmental agencies. Between 2020 and 2021, current unrestricted assets increased \$50.6 million. This is attributed to an increase in unrestricted cash and investments (\$45.6 million) and an increase in accounts receivable (\$4.6 million). The increase of \$45.6 million in unrestricted cash and investments is primarily the result of net cash provided by operating activities of \$44.7 million. The increase in accounts receivable of approximately \$4.6 million is due to the increase in operations (i.e., landed weights, concessions, etc.) at the end of fiscal year 2021 as tourism began to rebound from the effects of COVID-19. Between 2019 and 2020, current unrestricted assets increased \$63.5 million. This is attributed to an increase in unrestricted cash and investments (\$72.7 million) offset by decreases in accounts receivable (\$6 million) and due from governmental agencies (\$2.5 million). The increase of \$72.7 million in unrestricted cash and investments is primarily the result of net cash provided by operating activities of \$41.4 million and \$26.3 million of passenger facility charges (PFC's) not used in fiscal year 2020. The decrease in accounts receivable of approximately \$6 million is due to the decline in operations (i.e., landed weights, concessions, etc.) as a result of COVID-19.

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

Restricted assets consist of cash and investments and accounts receivable which are mainly restricted for debt service and bonded construction. Restricted assets decreased approximately \$241.3 million between 2020 and 2021 due to spending airport revenue bond proceeds on *BNA Vision* capital projects, and increased by approximately \$637.5 million between 2019 and 2020 due to the issuance of the airport revenue bonds in December 2019.

Net capital assets have increased by \$196.3 million in 2021 from 2020 and \$326.5 million in 2020 from 2019. The increase in 2021 was due to the ongoing construction of the terminal lobby and international arrivals building, which are scheduled to open in 2023, and the reconstruction of Runway 2R/20L, which re-opened shortly after the close of fiscal year 2021. The increase in 2020 was due to the substantial completion of two major construction projects, Concourse D and Terminal Wings Expansion and Terminal Garage 1.

Other assets consist primarily of long-term accounts receivable, prepaid expenses and deposits, net OPEB and net pension assets. In fiscal year 2021, the net pension and OPEB assets combined increased by approximately \$24.4 million primarily due to the net appreciation in fair value from favorable market conditions. In fiscal year 2020, the net pension and OPEB liabilities became assets which resulted in an increase of other assets by \$5 million and a corresponding decrease to long-term liabilities. Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods. They are reported separately from assets and consist of deferred amounts on debt refunding and deferred outflow related to pensions and other post-employment benefits (OPEB).

Current liabilities consist mainly of accounts payable, payroll-related liabilities, accrued paid time off, and security/performance deposits. Current liabilities decreased by \$27.7 million during fiscal year 2021 and increased \$11.8 during fiscal year 2020. The decrease in fiscal year 2021 is attributed to a decrease in accounts payable of \$26.4 million, due to the timing of payments, and a reduction of construction activity during fiscal 2021 as two major projects – two Terminal Garages, Concourse D and Terminal Wings – had been substantially complete at the end of fiscal year 2020. The increase in fiscal year 2020 came mainly from an increase in accounts payable of \$8.7 million in 2020 from 2019. The increase in accounts payable can be attributed to the increase in construction activity related to the various *BNA Vision* projects such as the two Terminal Garages, Concourse D and Terminal Wings and the start of the Terminal Lobby and IAF.

Long-term liabilities consist primarily of long-term debt and when applicable (as in 2019), net pension liability and net OPEB liability. Long-term liabilities decreased by approximately \$4.1 million in 2021 and increased by approximately \$960 million in 2020. The decrease in fiscal year 2021 is attributable to a decrease in total long-term debt of \$3.3 million, and a decrease in interest payable on debt of \$1.9 million. The decrease in long-term debt includes principal repayments of \$9.9 million and bond premium amortization of \$6.3 million, offset by \$13 million in new borrowing on the short-term credit facility. The primary reason for the increase in 2020 was the issuance of approximately \$919.6 million in new general subordinate airport revenue bonds (GARBS) in December 2019. Prior to the issuance of these bonds, MNAA used a short-term credit facility to finance the *Vision* projects. The Authority drew \$191.3 million in 2020 and \$143.1 million in 2019 on the short-term credit facility but repaid the debt of \$281.5 million when the bonds were issued in December 2019. As stated above, the long-term liability decreased by \$5 million in fiscal year 2020 due to the net OPEB and pension obligations converting to assets. Deferred inflows of resources represent an acquisition of net position that is applicable to future periods. They are recorded separately from liability and consist of deferred inflows related to pensions and other post-employment benefits (OPEB).

Summary of Operations and Changes in Net Position

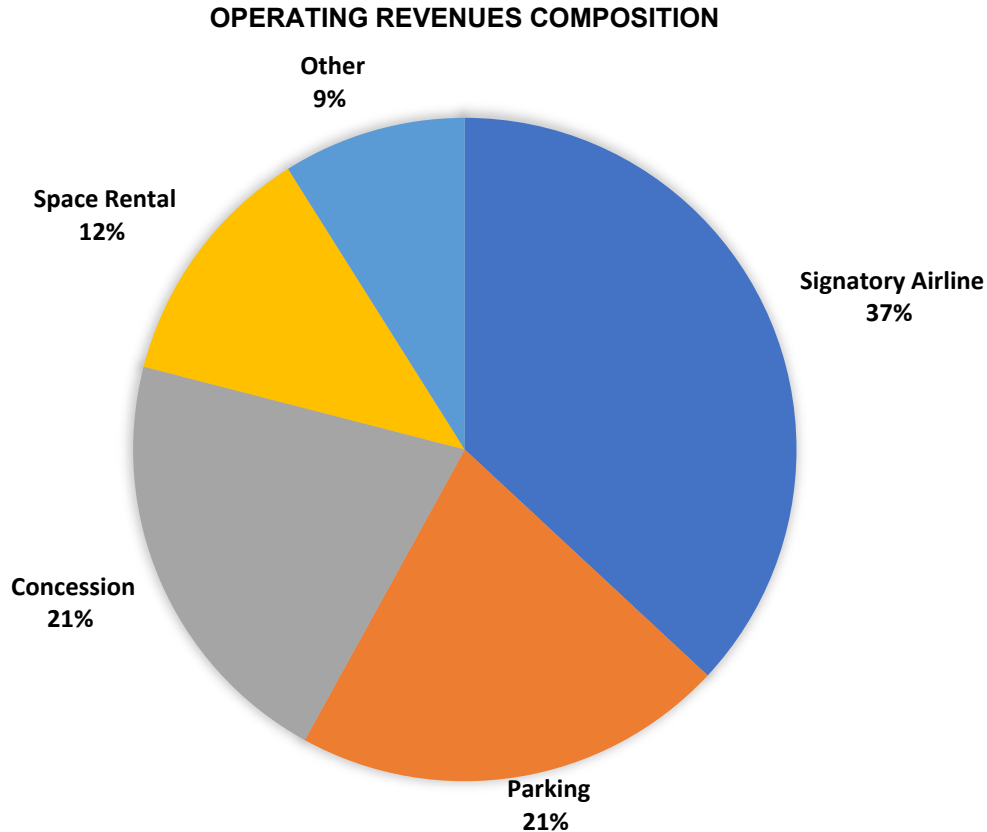
The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenue and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rentals and fees, parking fees, concession fees, and car rental revenues. Nonoperating revenues consists primarily of passenger facility charges (PFC), federal and state grants, customer facility charges (CFC) and interest income. Interest expense is the most significant nonoperating expense. A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended June 30, 2021, 2020 and 2019 is as follows:

**Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)**

	2021 (000's)	2020 (000's)	2019 (000's)
Operating revenues:			
Signatory airline	\$ 47,495	\$ 46,012	\$ 55,264
Parking	27,117	41,736	53,154
Concession	27,025	31,730	37,203
Space rental	15,470	14,918	16,886
Other	11,513	9,522	7,525
Operating revenues	<u>128,620</u>	<u>143,918</u>	<u>170,032</u>
Operating expenses:			
Salaries and benefits	25,134	36,982	38,470
Contractual services	35,012	42,219	41,434
Materials and supplies	3,674	4,545	4,047
Utilities	5,762	5,978	6,140
Insurance	1,913	1,442	1,336
Other	3,040	5,270	8,287
Depreciation	53,384	49,768	44,497
Operating expenses	<u>127,919</u>	<u>146,204</u>	<u>144,211</u>
Operating income (loss)	701	(2,286)	25,821
Nonoperating revenues (expenses):			
Investment income	1,648	23,723	7,704
Passenger facility charges	20,253	26,385	31,417
Customer facility charges	8,365	11,828	15,094
Federal and state grants	31,482	8,906	-
Insurance reimbursement	5,099	3,126	-
Loss on disposal of property and equipment	(2,161)	(113)	(15,927)
Interest expense	(49,323)	(34,057)	(13,267)
Bond issuance costs	-	(3,938)	-
Other nonoperating, net	-	-	(244)
	<u>15,363</u>	<u>35,860</u>	<u>24,777</u>
Income before capital contributions	16,064	33,574	50,598
Capital contributions	<u>31,357</u>	<u>21,287</u>	<u>18,179</u>
Increase in net position	47,421	54,861	68,777
Total net position - beginning of year	<u>781,149</u>	<u>726,288</u>	<u>657,511</u>
Total net position - end of year	<u>\$ 828,570</u>	<u>\$ 781,149</u>	<u>\$ 726,288</u>

Operating Revenues

The chart below illustrates the sources of total operating revenue for the year ended June 30, 2021:



Operating revenues decreased in fiscal year 2021 from 2020 by approximately \$15.3 million and by \$26.1 million in fiscal year 2020 from 2019.

Signatory airline revenue consists of ramp rent, terminal rent, baggage fees, landing fees; offset by in-terminal concession credit. Signatory revenue increased in 2021 from 2020 by \$1.5 million as terminal rental rates and baggage fees were raised, offset by a decrease in signatory landing fees. Per the signatory use and lease agreement, the terminal rental rate for each signatory airline was \$103.07 per square foot in fiscal year 2019, \$105.65 per square foot in 2020, and \$108.29 in 2021. The landing fee decreased by \$5 million due to a decrease in the landed weights by approximately 700 thousand, and a decrease in the landing fee from \$2.52 in fiscal year 2020 to \$2.23 in fiscal year 2021. Signatory revenue decreased in 2020 from 2019 by \$9.2 million. In 2019, a \$5 million baggage fee project was charged to the Airlines. This charge stopped in 2020. In addition, there was a decrease of \$7 million in landing fees due to a decrease in landed weights from the lower aviation activity resulting from COVID-19. These decreases were offset by terminal rents increasing \$1.3 million (contractual increase) and the in-terminal concession credit decreasing approximately \$1 million due to the reduction in concession revenue.

Parking revenue decreased in 2021 from 2020 by approximately \$14.6 million and by \$11.4 million in 2020 from 2019. From July 2019 through February 2020 parking revenue was trending approximately \$3.4 million higher than the same time the prior year. Once passenger levels declined as much as 96% in April 2020, compared to the previous year due to COVID-19, the parking occupancy also declined, and prices were reduced to compete for the

**Metropolitan Nashville Airport Authority
Management’s Discussion and Analysis (Unaudited)**

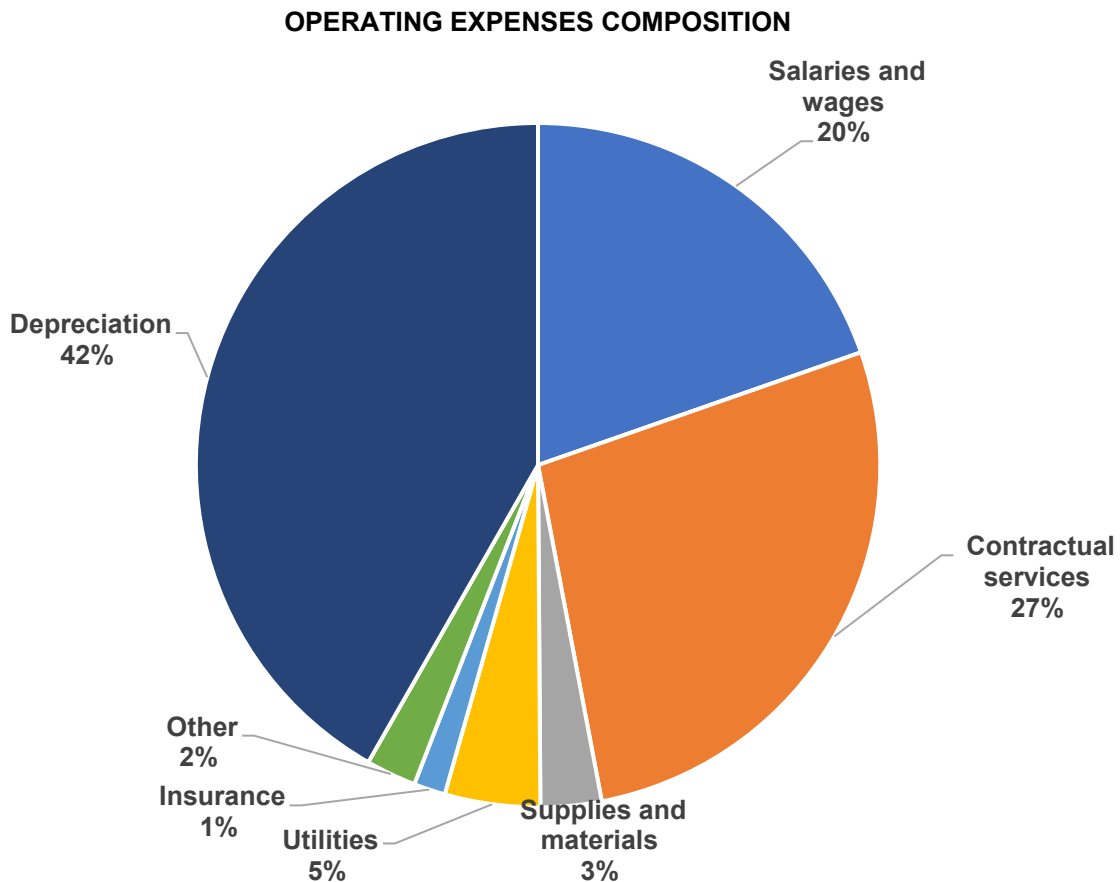
small number of passengers that were flying. The pandemic continued into fiscal year 2021, resulting in keeping parking lots closed and prices flat until we started to see the recovery in March 2021.

Concessions revenue, which consist of the food/beverage concessions, retail concession, rental car revenue and ground transportation (including Transportation Network Companies), decreased from 2020 to 2021 by \$4.7 million, and from 2019 to 2020 by \$5.5 million. For 2021 as compared to 2020, in-terminal concessions decreased by approximately \$900 thousand, rental car revenues by \$1.5 million, and ground transportation revenue by \$2.1 million. For 2020 as compared to 2019, in-terminal concession decreased by \$2.7 million and rental car revenue by \$2.0 million. The decreases in concessions revenue for fiscal years 2021 and 2020 are attributed to the overall decline in air travel due to COVID-19. The ground transportation revenue stayed the same as prior year due to the Authority collecting a new \$2 drop off fee starting January 2020.

Space rental increased from 2020 to 2021 by \$552 thousand and decreased by \$2 million from 2019 to 2020. Other operating income such as non-signatory landing fees increased \$2 million from 2020 to 2021 and \$2 million from 2019 to 2020.

Operating Expenses

The chart below illustrates the sources of total operating expenses for the year ended June 30, 2021:



Total operating expenses decreased by \$18.3 million from 2020 to 2021 and increased by \$2 million from 2019 to 2020. In fiscal 2020, two events had an impact on the Authority’s operating expenses. The tornado that damaged JWN resulted in approximately \$1.8 million in additional unexpected clean-up/repair expenses. Shortly after, in the

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

middle of March 2020, the COVID-19 pandemic started spreading around the world. Prior to the pandemic, the Authority was experiencing another record year of growth in enplanements. Through February 2020, enplanements were 12.8% higher than the prior year. When the pandemic started to spread, BNA enplanements from March 2020 to June 2020 were 76.2% lower resulting in an overall decrease in fiscal year 2020 of 20.2%. As the impact of COVID-19 started to be felt in the Nashville region, the Authority's CEO and CFO started taking action to reduce costs. Examples of these cost cutting measures were: closing all surface parking lots (which reduced parking lot fees and corresponding shuttle service expenses), reducing the number of security guard hours, freezing all open positions, eliminating all travel and training expenses, and eliminating raises and bonuses. These cost-cutting measures were carried into fiscal year 2021 as the pandemic continued. Salaries and benefits decreased by \$11.8 million, and contractual services by \$7.2 million. The major factor in the decrease in salaries and benefits is due to the rate of return on the pension and OPEB assets being greater than anticipated, which increased the pension and OPEB assets while reducing the benefits expense. Contract services decreased approximately \$5.1 million from 2020 to 2021 due to deferral of slab repairs on the airfield, reduction in shuttle bus service, parking fees, and related credit card fees, which resulted from closing parking lots. The decreases were offset by increases in janitorial and legal fees.

Nonoperating, Revenues, Expense and Contributed Capital

Nonoperating revenue and expenses decreased in 2021 from 2020 by \$20.5 million and increased by \$11.1 million in 2020 from 2019. For fiscal year 2021, a cost to market adjustment was recorded at \$11 million to decrease the value of investments, and investment income decreased by \$2.3 million due to normal market fluctuations. Passenger facility charges decreased in fiscal years 2021 and 2020, corresponding with the decrease in overall passenger volume from the prior years due to the pandemic. As part of the CARES act, the Authority was allocated \$54.3 million of which \$30.1 million was drawn in fiscal year 2021, and \$6.3 million in fiscal year 2020. Interest expense increased by \$15.3 million in fiscal year 2021 and \$20.8 million in fiscal year 2020 due to issuance of \$919.6 million of airport bonds in December 2019. Investment income increased by \$16 million in fiscal year 2020, due to the implementation of a new investment strategy and receiving additional bonded construction funds to invest in 2020.

Capital contributions increased between 2020 to 2021 by \$10 million, and 2019 to 2020 by \$3.1 million. The increase was due to the reconstruction of Runway 2R/20L at BNA and the construction of the Air Traffic Control Tower at John C. Tune Airport. The increase was offset by the completion of the Taxiway Alpha/Kilo Intersection reconstruction and the Taxiway Lima Rehabilitation projects. Capital contributions include funding from the FAA for AIP grants and grants from the State of Tennessee.

Metropolitan Nashville Airport Authority
Statements of Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and investments	\$ 346,971,641	\$ 301,385,615
Accounts receivable (net of allowance for doubtful accounts of \$153,906 in 2021 and \$421,098 in 2020)	10,089,832	5,459,010
Due from governmental agencies	2,873,154	3,891,045
Inventories	970,257	563,747
Prepaid expenses and other	1,491,732	527,396
Total current unrestricted assets	<u>362,396,616</u>	<u>311,826,813</u>
Restricted assets:		
Cash and investments	492,716,987	732,767,445
Accounts receivable	1,284,394	2,538,969
Total restricted assets	<u>494,001,381</u>	<u>735,306,414</u>
Total current assets	856,397,997	1,047,133,227
Non-current assets:		
Capital assets:		
Capital assets not being depreciated		
Land and nondepreciable assets	107,554,524	105,115,818
Construction in progress	301,079,238	139,067,964
Capital assets being depreciated		
Buildings and building improvements	718,298,100	841,349,251
Equipment	393,243,815	194,396,606
Infrastructure	618,570,710	613,663,559
Total capital assets	2,138,746,387	1,893,593,198
Less accumulated depreciation	<u>(717,693,502)</u>	<u>(668,885,544)</u>
Total capital assets, net	1,421,052,885	1,224,707,654
Other assets		
Accounts receivable, net	1,110,000	1,222,546
Prepaid and deposits	135,500	146,646
Net OPEB asset	16,431,686	1,922,552
Net pension asset	13,050,301	3,145,335
Total noncurrent assets	<u>1,451,780,372</u>	<u>1,231,144,733</u>
Total assets	<u>\$ 2,308,178,369</u>	<u>\$ 2,278,277,960</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from OPEB	\$ 129,168	\$ 258,337
Deferred amount on refunding	2,518,196	2,873,706
Total deferred outflows of resources	<u>\$ 2,647,364</u>	<u>\$ 3,132,043</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	\$ 49,079,847	\$ 75,490,777
Accrued payroll and related items	6,299,307	4,804,145
Advanced billings and payments received in advance	3,356,363	5,028,893
Current maturities of notes payable	660,032	1,799,232
Accrued interest payable	51,552	51,532
	<u>59,447,101</u>	<u>87,174,579</u>
Total current liabilities		
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued interest payable	27,574,417	29,519,176
Current maturities of airport revenue bonds	28,871,706	8,175,000
Notes payable, less current maturities	24,053,793	11,677,448
Airport revenue bonds, less current maturities	1,323,487,260	1,358,709,878
	<u>1,403,987,176</u>	<u>1,408,081,502</u>
Total noncurrent liabilities		
Total liabilities		
	<u>\$ 1,463,434,277</u>	<u>\$ 1,495,256,081</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pensions	\$ 9,240,511	\$ 1,139,617
Deferred inflows from OPEB	9,581,243	3,865,123
	<u>\$ 18,821,754</u>	<u>\$ 5,004,740</u>
Total deferred inflows of resources		
NET POSITION		
Net investment in capital assets	\$ 376,713,391	\$ 397,961,301
Restricted for:		
Capital projects	40,519,090	42,129,225
Debt service	225,692,970	224,975,853
Operations	38,171,707	35,774,791
Net pension asset	3,809,790	2,005,718
Net OPEB asset	6,979,611	-
Unrestricted net position	136,683,143	78,302,294
Total net position		
	<u>\$ 828,569,702</u>	<u>\$ 781,149,182</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Signatory airline	\$ 47,495,370	\$ 46,012,326
Parking	27,116,496	41,735,515
Concession	27,024,842	31,730,323
Space rental	15,469,797	14,918,277
Other	11,513,054	9,522,197
Operating revenues	<u>128,619,559</u>	<u>143,918,638</u>
Operating expenses:		
Salaries, wages and fringe benefits	25,133,488	36,981,912
Contractual services	35,011,863	42,218,732
Materials and supplies	3,674,419	4,544,743
Utilities	5,761,724	5,977,699
Insurance	1,913,299	1,442,491
Other	3,040,336	5,270,166
Depreciation	53,383,630	49,768,473
Operating expenses	<u>127,918,759</u>	<u>146,204,216</u>
Operating income (loss)	<u>700,800</u>	<u>(2,285,578)</u>
Nonoperating revenues (expenses):		
Investment income	1,647,674	23,723,090
Passenger facility charges	20,253,069	26,384,555
Customer facility charges	8,365,388	11,827,674
Federal and state grants	31,481,570	8,906,194
Insurance reimbursement	5,098,951	3,125,867
Gain (loss) on disposal of property and equipment	(2,160,638)	(112,570)
Interest expense	(49,322,732)	(34,056,686)
Bond issuance costs	-	(3,938,224)
	<u>15,363,282</u>	<u>35,859,900</u>
Income before capital contributions	16,064,082	33,574,322
Capital contributions	<u>31,356,438</u>	<u>21,287,199</u>
Increase in net position	47,420,520	54,861,521
Total net position - beginning of year	<u>781,149,182</u>	<u>726,287,661</u>
Total net position - end of year	<u>\$ 828,569,702</u>	<u>\$ 781,149,182</u>

See accompanying notes to basic financial statements.

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Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from customers	\$ 125,967,304	\$ 148,614,314
Cash paid to employees	(34,096,176)	(42,518,060)
Cash paid to suppliers	(47,524,597)	(65,212,183)
Cash received for lease deposits	672,771	587,251
Cash reimbursed for lease deposits	(301,492)	(71,456)
	<u>44,717,810</u>	<u>41,399,866</u>
Net cash provided by operating activities		
Cash flows from noncapital financing activities:		
Grants from federal/state governments	32,195,247	8,112,924
Interest paid on long-term debt	(713,316)	(810,845)
Net insurance recoveries	1,391,382	51,804
	<u>32,873,313</u>	<u>7,353,883</u>
Net cash provided by noncapital financing activities		
Cash flows from capital and related financial activities:		
Receipt of passenger facility charges	17,148,077	28,432,852
Receipt of customer facility charges	7,816,563	12,808,026
Purchases and construction of property and equipment	(282,027,087)	(349,577,787)
Interest paid on long-term debt	(56,549,557)	(13,200,378)
Payments on long-term debt	(9,974,232)	(299,426,708)
Proceeds from issuance of long-term debt	13,036,377	1,245,310,977
Payment for bond issuance cost	-	(3,938,224)
Contributions from governmental agencies	31,655,523	14,114,119
Net insurance recoveries	3,707,569	3,074,063
Receipts from sale of capital assets	93,465	-
	<u>(275,093,302)</u>	<u>637,596,940</u>
Net cash (used in) provided by capital and related financing activities		
Cash flows from investing activities:		
Purchase of investments	(1,100,070,527)	(2,123,720,331)
Proceeds from the sale and maturities of investments	1,584,239,665	1,270,150,434
Interest received on investments	3,037,747	21,328,245
	<u>487,206,885</u>	<u>(832,241,652)</u>
Net cash provided by (used in) investing activities		
Net increase/(decrease) in cash and cash equivalents		
	<u>289,704,706</u>	<u>(145,890,963)</u>
Cash and cash equivalents:		
Beginning of year	<u>179,003,164</u>	<u>324,894,127</u>
End of year	<u>\$ 468,707,870</u>	<u>\$ 179,003,164</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 700,800	\$ (2,285,578)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for depreciation	53,383,630	49,768,473
In-kind contributions	-	583,560
Changes in operating assets and liabilities:		
Accounts receivable	(999,957)	2,916,196
Inventories	(406,510)	(23,178)
Prepaid expenses	(953,190)	779,857
Accounts payable	3,272,414	(6,953,503)
Accrued payroll and related items	1,495,162	(140,103)
Advanced billings and payments received in advance	(1,677,901)	1,704,917
Lease deposits	371,279	515,797
Net pension liability/asset and related deferred inflows/outflows of resources	(6,408,240)	2,672,395
Net OPEB liability/asset and related deferred inflows/outflows of resources	(4,059,677)	(8,138,967)
Net cash provided by operating activities	<u>\$ 44,717,810</u>	<u>\$ 41,399,866</u>
Cash and investments - end of year consist of:		
Cash and cash equivalents	\$ 468,707,870	\$ 179,003,164
Investments	370,980,758	855,149,896
	<u>\$ 839,688,628</u>	<u>\$ 1,034,153,060</u>
Unrestricted cash and investments	\$ 346,971,641	\$ 301,385,615
Restricted cash and investments	492,716,987	732,767,445
	<u>\$ 839,688,628</u>	<u>\$ 1,034,153,060</u>
Noncash investing and financing activities:		
Deferred bond refundings	\$ 355,510	\$ 355,510
Interest expense, net of bond premium amortization	6,350,912	3,618,081
Net noncash financing activities	<u>\$ 6,706,422</u>	<u>\$ 3,973,591</u>
Change in fair value of derivative financial instruments	<u>\$ -</u>	<u>\$ (8,445)</u>
In-kind capital contribution	<u>\$ -</u>	<u>\$ 987,943</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Fiduciary Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
	Other Post- Employment and Pension Trust Funds	Other Post- Employment and Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 5,561,681	\$ 13,562,625
Investments, at fair value		
Pooled, common, and collective funds	72,513,900	51,160,185
Mutual funds	58,749,979	39,897,380
Total assets	<u>136,825,560</u>	<u>104,620,190</u>
NET POSITION		
Restricted for:		
OPEB	44,299,417	28,854,095
Pension	92,526,143	75,766,095
Total net position	<u>\$ 136,825,560</u>	<u>\$ 104,620,190</u>

See accompanying notes to basic financial statements.

**Statements of Fiduciary Net Position
June 30, 2020 and 2019**

	<u>2021</u> Unadjudicated Funds - Custodial Fund	<u>2020</u> Unadjudicated Funds - Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 716,402	\$ 606,760
Total assets	<u>716,402</u>	<u>606,760</u>
NET POSITION		
Restricted for:		
Unadjudicated funds	715,967	606,416
Unrestricted net position	435	344
Total net position	<u>\$ 716,402</u>	<u>\$ 606,760</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
	Other Post- Employment and Pension Trust Funds	Other Post- Employment and Pension Trust Funds
Additions:		
Employer contributions	\$ 3,619,862	\$ 8,982,284
Investment income		
Net appreciation in fair value	26,131,274	5,509,872
Interest and dividends	195,581	341,709
Investment expenses	164,989	173,627
Investment income, net	<u>26,161,866</u>	<u>5,677,954</u>
Total additions	<u>29,781,728</u>	<u>14,660,238</u>
Deductions:		
Benefits paid to participants	7,163,137	4,947,716
Administrative expenses	66,595	59,148
Total deductions	<u>7,229,732</u>	<u>5,006,864</u>
Change in net position	<u>22,551,996</u>	<u>9,653,374</u>
Net position - beginning of year	<u>114,273,564</u>	<u>104,620,190</u>
Net position - end of year	<u>\$ 136,825,560</u>	<u>\$ 114,273,564</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u> Unadjudicated Funds - Custodial Fund	<u>2020</u> Unadjudicated Funds - Custodial Fund
Additions:		
Collection of unadjudicated funds	\$ 931,341	\$ 943,762
Interest and dividends	91	271
Total additions	<u>931,432</u>	<u>944,033</u>
Deductions:		
Payout of unadjudicated funds	<u>821,790</u>	<u>974,421</u>
Total deductions	<u>821,790</u>	<u>974,421</u>
Change in net position	<u>109,642</u>	<u>(30,388)</u>
Net position - beginning of year	<u>606,760</u>	<u>637,148</u>
Net position - end of year	<u>\$ 716,402</u>	<u>\$ 606,760</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

1. Metropolitan Nashville Airport Authority

The creation of the Metropolitan Nashville Airport Authority (the "Authority") was authorized by Public Chapter 174 of the Public Acts of the 86th General Assembly of the State of Tennessee, 1969 Session. The Metropolitan Council of the Metropolitan Government of Nashville and Davidson County, Tennessee ("Metropolitan Government") created the Authority to operate as a separate enterprise. The Authority owns and operates Nashville International Airport and John C. Tune Airport, a general aviation reliever airport. Based upon the criteria set forth by the Governmental Accounting Standards Board ("GASB"), it has been determined that the Authority is a component unit of the Metropolitan Government.

The Authority's Board of Commissioners consists of seven members who serve without compensation, all of whom are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. All appointments to the Authority are for a term of seven years. The terms are staggered to provide for continuity of Authority development and management. The Board of Commissioners appoints a President who has general supervision over the active management of the business of the Authority.

The Authority formed the MNAA Properties Corporation ("MPC"), a Tennessee non-profit corporation, for the purpose of supporting and facilitating the operations of the Authority and to help the economic development of the surrounding area. The Commissioners of the Authority constitute the Board of Directors of MPC. During fiscal year 2008, MPC Holdings, LLC, a limited liability company in which MPC is the sole member, purchased two separate multi-tenant buildings and commenced operation. Both facilities are on Nashville International Airport property. In July 2012, MPC Holdings, LLC purchased a small commercial building adjoining Nashville International Airport.

During November 2009, the Board of Commissioners approved the formation of a Tennessee nonprofit limited liability company, MPC CONRAC, LLC. This entity was created in connection with the special facilities financing for the Authority's consolidated rental car facility. MPC CONRAC, LLC is a single-member LLC, wholly owned by MPC. The formation of MPC CONRAC, LLC created an appropriate entity to execute various agreements and secure financing and services for the consolidated rental car ("CONRAC") facility, which was completed in November 2011, and is located at Nashville International Airport.

MPC, including its subsidiaries MPC Holdings, LLC and MPC CONRAC, LLC, is considered to be a blended component unit for financial reporting purposes based on the following: (i) the Authority's Board of Commissioners constitutes the Board of Directors of MPC; (ii) management of the Authority has operational responsibility for MPC; (iii) the Authority is financially accountable for MPC, including MPC's fiscal dependence on the Authority and MPC's potential to provide specific financial benefits or burden to the Authority; and (iv) MPC was created for the benefit of the Authority. The Authority does not issue separate financial statements for the blended component unit (see Note 16).

The accompanying financial statements also include the accounts of the Arts at the Airport Foundation, a nonprofit organization that facilitates the display and performance of artists within the Nashville International Airport terminal. The Arts at the Airport Foundation qualifies as a blended component unit of the Authority due to it being fiscally dependent on the Authority and due to the Authority's appointment of the voting majority of its governing board. The financial operations of the Arts at the Airport Foundation are generally immaterial to the Authority's financial statements and; thus, not shown separately in the financial statements.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

1. Metropolitan Nashville Airport Authority (continued)

Fiduciary Activities

As defined by the GASB, the Authority reports the operations of the pension and other post-employment benefits (“OPEB”), as blended component units in the Fiduciary Fund Financial Statements. The pension and OPEB trust funds provide retirement and health benefits for qualified Authority employees and retired employees. The pension and OPEB trust funds are legally separate entities and the resources of the trust funds cannot be used to finance the Authority’s operations. The assets of the trust funds are held and administered in trust arrangements which are governed by a Retirement Committee (see Notes 12 and 13). The Authority is committed to making contributions to the trusts, and therefore assumes a financial burden for the trust funds and thus has financial accountability. As a result, the activity of the of the fiduciary funds is presented as a blended component unit. The assets in each trust are held for only for the Authority employees’ benefit.

The Authority also reports unadjudicated funds as a fiduciary activity. The unadjudicated funds are comprised of cash that was seized from individuals suspected of committing a crime. These funds are deposited into a separate bank account in the Authority’s name. The funds are held by the Authority until the court issues a verdict. Once a judgment is rendered, the funds are distributed to the individuals, agencies, and/or the Authority in accordance with the judgment.

2. Summary of Significant Accounting Policies

Measurement focus, basis of accounting, and basis of presentation

The financial statements of the Authority are presented using the economic resources measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred. The financial statements include the operations of Nashville International Airport, John C. Tune Airport, and MPC, including MPC CONRAC, LLC, as noted earlier. The Authority’s pension and other post-employment benefits trust funds are reported as component units in the Fiduciary Fund Financial Statements.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities, 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. Significant estimates include the useful lives of capital assets, the fair value of derivative financial instruments, the allowance for doubtful accounts, valuation of net pension and OPEB liabilities or assets and the related deferred inflows and/or outflows, and certain self-insured liabilities. Actual results could differ from those estimates.

Budgets

The Authority prepares an annual operating budget and capital improvement budget and submits for approval to the Board of Commissioners. A five-year capital improvement program, including modifications and reasons therefore, is also submitted each year.

The Authority is not required to demonstrate statutory compliance with its annual operating budget. Accordingly, budgetary data is not included in the basic financial statements. All budgets are prepared in accordance with bond covenants and airport lease and use agreements. Unexpended operating appropriations lapse at year-end.

2. Summary of Significant Accounting Policies (continued)

Employer contributions to the pension and OPEB trust funds are recognized when the employer has made formal commitments to provide the contribution. The contributions for each year are based on an actuarial valuation performed as of the year prior to the year for which the contribution relates. The contribution amount for any given year incorporates (1) the current and projected funded status of the funds; (2) recent investment performance, and the advice of the investment consultant; and (3) anticipated changes to the Plans' demographics to the extent reflected in the actuarial assumptions used by the actuary in their most recent actuarial valuation or projections.

Operating and nonoperating revenues and expenses

The Authority distinguishes operating revenues and operating expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal, ongoing operations such as space rental and fees, landing fees, parking and other miscellaneous income. Transactions that are capital, financing, or investing related are reported as nonoperating revenues. Such nonoperating revenues include Passenger Facility Charges ("PFCs") as described in Note 6 and Customer Facility Charges ("CFCs") as described in Note 7.

Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

Revenues are reported net of discounts and allowances. Bad debts are expensed using the allowance method. Bad debt (recovery) expense was (\$237,431) and \$337,604 for the years ended June 30, 2021 and 2020, respectively. The allowance for doubtful accounts was \$153,906 and \$421,098 at June 30, 2021 and 2020, respectively.

The Authority's operating revenues are presented in five components as follows:

Signatory airline

Signatory Airline revenue consists of the revenues earned from the signatory airlines operating at Nashville International Airport primarily for terminal space rentals and landing fees. The Airline Agreements have a "hybrid" airline rate-setting methodology with the landing fees being calculated on a residual basis and the terminal rental rates and terminal ramp area rates being compensatory. Other than the airfield, the signatory airlines are not required to provide for break-even financial operation of the airport per the Airline Agreements (See Note 9).

Parking

Parking revenue is generated primarily from the operation of Authority-owned parking facilities at Nashville International Airport. This amount is presented net of 'frequent parker' and other incentive programs.

Concession

Concession revenue is generated through concessionaires and tenants who pay monthly fees for using airport facilities to offer their goods and services to the public. Payments to the Authority are based on negotiated agreements with concessionaires to remit amounts usually based either on a minimum guarantee or on a percentage of gross receipts.

Space rental

Space rental revenue includes non-signatory airline terminal space rental, car rental companies' space rental, and certain other income received from leases of Authority-owned property.

2. Summary of Significant Accounting Policies (continued)

Other

Other revenue consists primarily of non-signatory airline landing fees, cargo airline landing fees, and the Authority's portion of fixed-based operators' fuel sales.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments with original maturities of three months or less. Certain cash and cash equivalents are reported as noncurrent as these amounts are restricted to the withdrawal or use.

Investments

Investments are accounted for in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which requires that certain investments be recorded at fair value (e.g., quoted market prices).

Amounts due from governmental agencies

The Authority has grants for aid in construction and equipment from the Federal Airport Improvement Program ("AIP") of the Federal Aviation Administration ("FAA"), the U.S. Department of Homeland Security ("DHS"), and the Tennessee Department of Transportation ("TDOT"). Amounts due from governmental agencies under the terms of grant agreements are accrued as the related reimbursable costs are incurred which is the point when the criteria for revenue recognition has been satisfied for these arrangements under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Inventories

Inventories are stated at cost under the first-in, first-out method and consist primarily of supplies and maintenance repair parts.

Restricted assets and payables from restricted assets

Restricted assets consist of cash and cash equivalents, investments, and other resources which are restricted legally or by enabling legislation. The Authority's restricted assets are to be used for purposes specified in the respective bond indentures or other authoritative or legal documents as is the case with the collection of CFCs for the consolidated rental car facility or for purposes specified by the PFC program, as administered by the FAA.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

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 needed. A summary of the restricted assets at June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Debt Service:		
Cash and investments	\$ 165,209,138	\$ 186,681,145
Accounts receivable	1,284,394	2,538,969
Total	<u>166,493,532</u>	<u>189,220,114</u>
Construction:		
Cash and investments	321,516,668	540,858,066
Total	<u>321,516,668</u>	<u>540,858,066</u>
Operations:		
Cash and investments	5,991,181	5,228,234
Total	<u>5,991,181</u>	<u>5,228,234</u>
Total restricted assets	<u>\$ 494,001,381</u>	<u>\$ 735,306,414</u>

Capital assets

Capital assets are stated at cost, except for contributions of property received from governmental agencies, which are recorded at acquisition value at the time of contribution. The Authority's policy is to capitalize assets with a cost of \$25,000 or more at Nashville International Airport and \$10,000 at John C. Tune Airport and MPC. Routine maintenance and repairs are expensed as incurred. Provision for depreciation of property and equipment is made on a basis considered adequate to depreciate the cost of depreciable assets over their estimated useful lives and is computed on the straight-line method.

Asset lives used in the calculation of depreciation are generally as follows:

Infrastructure	10 to 30 years
Buildings and building improvements	10 to 40 years
Equipment, furniture and fixtures	3 to 15 years

Postemployment benefits

Postemployment pension benefits are accounted for under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment to GASB Statement No. 27* ("GASB No. 68"), which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred inflows/outflows of resources, note disclosures, and required supplementary information. See additional information regarding the Authority's pension benefits in Note 12.

Postemployment benefits other than pension benefits are accounted for under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which establishes standards for the measurement, recognition, and display of postemployment benefits expense and related

2. Summary of Significant Accounting Policies (continued)

liabilities, assets, deferred inflows/outflows of resources, note disclosures, and required supplementary information. See additional information regarding the Authority's OPEB in Note 13.

Compensated absences

Compensated absences are accrued as payable when earned by employees and are cumulative from one fiscal year to the next. The compensated absences liability is reported with accrued payroll and related items in the accompanying statements of net position.

Self-insurance

The Authority is self-insured, up to certain limits, for employee group health insurance claims. The Authority has purchased reinsurance in order to limit its exposure. The cost of claims reported and an estimate of claims incurred but not reported are charged to operating expenses. Liabilities for unpaid claims are accrued based on management's estimate using historical experience and current trends and are included in accrued payroll and related items on the statements of net position. The appropriateness of the self-insurance accrued liabilities is continually reviewed and updated by management.

Deferred outflows/Inflows of resources

The statement of net position will report a separate section for deferred outflows of resources and/or deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position that applies to a future period and, therefore, not recognized as an outflow of resources (expense) until then. *Deferred inflows of resources* represent an acquisition of net position that applies to a future period and, therefore, not recognized as an inflow of resources (revenue) until then.

The Authority has several items that qualify for reporting as deferred outflows/inflows of resources. These items may include gains or losses on bond refundings; GASB No. 68 deferred inflows and outflows from earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses related to the Authority's pension plan, and GASB No. 75 deferred inflows and outflows earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses relating to the Authority's OPEB plan.

A deferred loss on refunding results from the difference between the net carrying amount of the original debt and the reacquisition price, shown as a deferred outflow of resources in the accompanying statements of net position. This amount is deferred and amortized over the term of the new bonds or old bonds, whichever is shorter, using the effective interest method or the straight-line method, when not materially different.

GASB No. 68 and GASB No. 75 variances can occur due to actuarial assumptions that differ between the actual plan experience and the original actuarial assumed rates. Differences can result from, among others, earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses. A variance represents a gain or a loss, shown as deferred inflows of resources or deferred outflows of resources, respectively, in the accompanying statements of net position. These deferred outflows/inflows are amortized in accordance with the provisions of GASB No. 68 and GASB No. 75. Additional items are determined annually based on each subsequent year's variances from actuarial assumptions.

Advanced billings and payments received in advance

Advanced billings and payments received in advance represents incremental amounts due to airlines under the signatory airline agreements (Note 9). Incremental amounts due from airlines are reflected in accounts receivable. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated

2. Summary of Significant Accounting Policies (continued)

rates used during the year, exceed actual expenses for the year. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses for the year. Amounts due from or to airlines are typically settled in one to three months after period end and are therefore recorded as a current asset or liability.

The amount also includes lease rentals received in advance under certain ground leases with developers (Note 15). The unearned rental income is being recognized in operating income on a straight-line basis over the terms of the related leases. Unearned revenues are included within liabilities in the accompanying statements of net position as such amounts may be returned to the counterparty if the related agreements were terminated.

Components of net position

The Authority's net position classifications are defined as follows:

Net investment in capital assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, capital lease obligations or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position

This component of net position represents restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

Unrestricted net position

This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Taxes

The Authority is exempt from payment of federal and state income, property, and certain other taxes.

Fair value measurements

Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

- Level 1** - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
- Level 2** - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

2. Summary of Significant Accounting Policies (continued)

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Authority's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Change in presentation

The Authority has made certain reclassifications to the 2020 financial statements to conform with the presentation of the 2021 financial statements.

3. Cash and Cash Equivalents and Investments

The Authority's deposit and investment policy is governed by the laws of the State of Tennessee and bond trust indentures and supplemental resolutions, which govern the investment of bond proceeds. Permissible investments generally include direct obligations of, or obligations guaranteed by, the U.S. Government, obligations issued or guaranteed by specific agencies of the U.S. Government, secured certificates of deposit, secured repurchase agreements, and specifically rated obligations of state governments, commercial paper and money market funds.

Cash and cash equivalents

The Authority's unrestricted and restricted cash and cash equivalent balances totaled \$468,707,870 and \$179,003,164 at June 30, 2021 and 2020, respectively.

Cash deposits, maintained at four financial institutions, are carried at cost plus interest, which approximates fair value. Cash deposits are required by State statute to be secured and collateralized by such institutions.

The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance or the bank must be a member of the State's Bank Collateral Pool.

The amount of collateral required to secure public deposits for Collateral Pool participants ranges between 90% and 115% of the average daily balance of public deposits held, depending on the participant's status and compliance with certain benchmarks established by the Collateral Pool. Collateral securities pledged by the participating banks are pledged to the State Treasurer on behalf of the Collateral Pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered insured for purposes of credit risk disclosure in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The Authority's financial institutions are members of the State of Tennessee's Bank Collateral Pool that collateralizes public funds accounts, including those of the Authority. Financial institutions participating in the Collateral Pool determine the aggregate balance of their public fund accounts and the required collateral for the Authority. The amount of collateral required to secure these public deposits must be equal to 105% of the average daily balance of public deposits held.

Cash equivalents are held at another financial institution and consist of money market and other short-term investments with original maturities of three months or less. Investment risk for such cash equivalent funds is governed by the Authority's investment policy.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents and Investments (continued)

Investments

Interest rate risk

The Authority's investment policy states that the investment portfolio may be allocated among U.S. Treasury Obligations (0 - 100%), Government National Mortgage Association Securities (0 – 40%), U.S. Government Guaranteed AID and GTC (0 – 10%), Federal Agency Instruments (0 - 75%, 40% per agency cap for FMNA, FHLMC, FHLB, FFCB and 10% cap for all other Government Sponsored Enterprises), Non-Negotiable Collateralized Bank Deposits or Savings Accounts (0 – 50%), Commercial Paper (0 - 35%, 10% cap per issuer), Repurchase Agreements (0 - 20%), Money Market Mutual Funds (0 - 50%, 25% per fund), Tennessee Local Government Investment Pool (0 - 50%), and Cash Equivalents (0 - 100%). In addition, the maximum maturity of investments is 270 days for commercial paper, one year for repurchase agreements, two years for certificates of deposit, time deposits and bankers acceptances, no time restriction on money market mutual funds or Tennessee Local Government Investment Pool, and 4 years for all other permitted investments. No more than 50% of the portfolio can have a maturity date greater than two (2.0) years. To control the volatility of the portfolio and limit exposure to interest rate risk, the Authority's Chief Financial Officer ("CFO") determines a duration target for the portfolio, which typically does not exceed 3 years.

At June 30, 2021, the average maturities of cash and investments subject to interest rate risk are as follows:

	<u>Fair Value</u>	<u>Average Maturity</u>
Primary Government:		
Investments subject to risk:		
U.S. agencies	\$ 417,013,474	1.5 years
Commercial paper	128,819,220	2.7 months
Certificate of deposit	1,000,000	10 months
Investments subject to risk	<u>546,832,694</u>	
Deposits/investments not subject to risk:		
Investment pool	\$ 49,340,693	
Deposits	5,638,409	
Money market funds	237,876,832	
Total Primary Government	<u>\$ 839,688,628</u>	
Fiduciary Fund		
Investments subject to risk:		
Pooled, common and collective funds	2,541,842	5.9 years
Mutual funds	828,129	5.9 years
Investments subject to risk	<u>3,369,971</u>	
Deposits/investments not subject to risk:		
Deposits	716,402	
Money market funds	5,561,411	
Pooled, common and collective funds	69,972,058	
Mutual funds	57,921,850	
Total Fiduciary Funds	<u>\$ 137,541,692</u>	

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents and Investments (continued)

At June 30, 2020, the average maturities of cash and investments subject to interest rate risk are as follows:

	<u>Fair Value</u>	<u>Average Maturity</u>
Primary Government:		
Investments subject to risk:		
U.S. agencies	\$ 685,670,254	1.8 years
Commercial paper	124,211,710	2.7 months
Certificate of deposit	1,016,084	3.5 months
Investments subject to risk	<u>810,898,048</u>	
Deposits/investments not subject to risk:		
Investment pool	\$ 67,343,522	
Deposits	2,700,441	
Money market funds	153,211,049	
Total Primary Government	<u>\$ 1,034,153,060</u>	
Fiduciary Fund		
Investments subject to risk:		
Pooled, common and collective funds	2,081,374	5.6 years
Mutual funds	616,049	5.6 years
Investments subject to risk	<u>2,697,423</u>	
Deposits/investments not subject to risk:		
Deposits	606,760	
Money market funds	10,716,921	
Pooled, common and collective funds	57,310,998	
Mutual funds	43,548,222	
Total Fiduciary Funds	<u>\$ 114,880,324</u>	

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents and Investments (continued)

Credit risk

The investment policy specifies acceptable credit ratings by instrument type; however, the investment policy requires all investments must be ranked in the Highest Fund Quality or Rating for its individual investment category.

At June 30, 2021, the credit quality ratings of investments are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial Paper	\$ 128,819,220	A1, P1	S&P, Moody
Unrated investments	710,869,408		
Total Primary Government investments	<u>\$ 839,688,628</u>		
Fiduciary Funds:			
Pooled, common and collective funds	\$ 14,227,716	AA	S&P, Moody, Fitch
Pooled, common and collective funds	14,215,458	A	S&P, Moody, Fitch
Pooled, common and collective funds	14,170,603	BBB	S&P, Moody, Fitch
Mutual funds	14,215,423	BBB	S&P, Moody, Fitch
Unrated investments	80,712,492		
Total Fiduciary Fund investments	<u>\$ 137,541,692</u>		

At June 30, 2020, the credit quality ratings of investments are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial Paper	\$ 124,211,710	A1, P1	S&P, Moody
Unrated investments	909,941,350		
Total Primary Government investments	<u>\$ 1,034,153,060</u>		
Fiduciary Funds:			
Pooled, common and collective funds	\$ 11,520,898	AA	S&P, Moody, Fitch
Pooled, common and collective funds	11,520,339	A	S&P, Moody, Fitch
Pooled, common and collective funds	11,519,304	BBB	S&P, Moody, Fitch
Mutual funds	11,528,674	BBB	S&P, Moody, Fitch
Unrated investments	68,791,109		
Total Fiduciary Fund investments	<u>\$ 114,880,324</u>		

Custodial credit risk

All investment securities purchased by the Authority are held in third-party safekeeping at a financial institution, acting solely as agent of the Authority and qualified to act in this capacity. To limit custodial credit risk, all trades of marketable securities are executed on the basis of delivery versus payment and avoid the physical delivery of securities (bearer form) to ensure that securities are deposited with a custodian prior to the release of Authority funds. The Authority's investments at June 30, 2021 and 2020, are collateralized by securities held by the Authority's agent in the Authority's name.

3. Cash and Cash Equivalents and Investments (continued)

Financial Instruments Reported at Fair Value

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2021:

- U.S agency issues of \$417,013,474 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$58,749,979 are valued using quoted market prices (Level 1 inputs).
- Money market funds of \$239,803,762 are valued using market prices (Level 1 inputs).
- Commercial paper of \$128,819,220 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of \$72,513,900 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Money market funds of \$3,634,481 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

The Authority has the following recurring fair value measurements as of June 30, 2020:

- U.S. agency issues of \$685,670,254 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$44,164,271 are valued using quoted market prices (Level 1 inputs).
- Money market funds of \$158,528,705 are valued using market prices (Level 1 inputs).
- Commercial paper of \$124,211,710 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of \$59,392,372 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Money market funds of \$5,398,323 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

A total of \$49,340,693 and \$67,343,522 is invested in the Tennessee Local Government Investment Pool at June 30, 2021 and 2020, respectively. The amounts are recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and are not included in the fair value disclosures above.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

4. Capital Assets

Capital assets and related accumulated depreciation activity for the years ended June 30, 2021 and 2020, were as follows:

	Balance July 1, 2020	Additions	Retirements	Transfers and Adjustments *	Balance June 30, 2021
Capital assets not being depreciated:					
Land & nondepreciable assets	\$ 105,115,818	\$ 3,066,128	\$ -	\$ (627,422)	107,554,524
Construction in progress	139,067,964	249,134,815	-	(87,123,541)	301,079,238
Total capital assets not being depreciated	244,183,782	252,200,943	-	(87,750,963)	408,633,762
Capital assets being depreciated:					
Infrastructure	613,663,559	-	-	4,907,151	618,570,710
Buildings and building improvements	841,349,251	-	(2,675,232)	(120,375,919)	718,298,100
Equipment, furniture, and fixtures	194,396,606	409,444	(4,154,544)	202,592,309	393,243,815
Total capital assets being depreciated	1,649,409,416	409,444	(6,829,776)	87,123,541	1,730,112,625
Less accumulated depreciation:					
Infrastructure	(387,127,588)	(19,988,650)	-	-	(407,116,238)
Buildings and building improvements	(188,771,873)	(21,296,362)	444,834	-	(209,623,401)
Equipment, furniture, and fixtures	(92,986,083)	(12,098,618)	4,130,838	-	(100,953,863)
Total accumulated depreciation	(668,885,544)	(53,383,630)	4,575,672	-	(717,693,502)
Net capital assets being depreciated	980,523,872	(52,974,186)	(2,254,104)	87,123,541	1,012,419,123
Net capital assets	<u>\$ 1,224,707,654</u>	<u>\$ 199,226,757</u>	<u>\$ (2,254,104)</u>	<u>\$ (627,422)</u>	<u>\$ 1,421,052,885</u>
	Balance July 1, 2019	Additions	Retirements	Transfers and Adjustments *	Balance June 30, 2020
Capital assets not being depreciated:					
Land & nondepreciable assets	\$ 97,169,587	\$ 7,318,809	\$ -	\$ 627,422	\$ 105,115,818
Construction in progress	233,273,255	364,662,226	-	(458,867,517)	139,067,964
Total capital assets not being depreciated	330,442,842	371,981,035	-	(458,240,095)	244,183,782
Capital assets being depreciated:					
Infrastructure	588,779,486	5,385,779	(7,138,301)	26,636,595	613,663,559
Buildings and building improvements	422,874,974	68,559	(1,729,383)	420,135,101	841,349,251
Equipment, furniture, and fixtures	183,211,887	-	(283,680)	11,468,399	194,396,606
Total capital assets being depreciated	1,194,866,347	5,454,338	(9,151,364)	458,240,095	1,649,409,416
Less accumulated depreciation:					
Infrastructure	(373,532,882)	(19,649,079)	7,131,528	(1,077,155)	(387,127,588)
Buildings and building improvements	(170,297,360)	(20,117,546)	1,643,033	-	(188,771,873)
Equipment, furniture, and fixtures	(83,248,467)	(10,001,848)	264,232	-	(92,986,083)
Total accumulated depreciation	(627,078,709)	(49,768,473)	9,038,793	(1,077,155)	(668,885,544)
Net capital assets being depreciated	567,787,638	(44,314,135)	(112,571)	457,162,940	980,523,872
Net capital assets	<u>\$ 898,230,480</u>	<u>\$ 327,666,900</u>	<u>\$ (112,571)</u>	<u>\$ (1,077,155)</u>	<u>\$ 1,224,707,654</u>

*Transfers and adjustments include reclassifications amongst fixed asset classes.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

4. Capital Assets (continued)

The amount of construction in progress at June 30, 2021, is attributable to the following:

Terminal Lobby IAF	\$ 155,282,451
Reconstruct Runway 2R/20L	54,423,043
Terminal and Taxilane Expansion	22,323,354
Terminal Area Roadway Improvements (TARI)	16,688,495
Other Projects	<u>52,361,896</u>
Total construction in progress	<u>\$ 301,079,238</u>

During fiscal year 2021, \$87,123,541 of construction in progress was substantially completed and transferred to capital assets as follows:

Concourse D & Terminal Wings	\$ 34,606,630
Terminal Garage 1 and Administrative Offices	33,055,575
Other Projects	<u>19,461,336</u>
Total transferred to capital assets	<u>\$ 87,123,541</u>

The amount of construction in progress at June 30, 2020, is attributable to the following:

Terminal Lobby and International Arrivals Facility	\$ 57,851,399
Terminal & Taxilane Expansion	23,172,026
Terminal & Landside Area Programming & Initial Design	9,995,047
Reconstruct Runway 2R/20L	9,853,450
Other projects	<u>38,196,042</u>
Total construction in progress	<u>\$ 139,067,964</u>

During fiscal year 2020, \$458,867,517 of construction in progress was substantially completed and transferred to capital assets as follows:

D Concourse Expansion	\$ 248,923,066
Terminal Garage "C"	148,169,680
Taxiway Alpha Kilo Intersection	12,079,290
Taxiway Alpha South	10,956,788
Baggage Handling System Improvements	9,463,978
Other projects	<u>29,274,715</u>
Total transferred to capital assets	<u>\$ 458,867,517</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

4. Capital Assets (continued)

Uncompleted construction contracts

Estimated costs of completion of construction in progress at June 30, 2021 total \$380,053,135 and relate to various projects. The estimated costs to complete construction in progress are anticipated to be received from the following sources:

Reimbursed by governmental agencies and grant contracts	\$ 18,595,439
Funded by the Authority	361,457,696
	<u>\$ 380,053,135</u>

5. Long-term Debt

The following is a detail of long-term debt at June 30:

	<u>2021</u>	<u>2020</u>
Airport Revenue Bonds - Direct Borrowing:		
Senior lien, CONRAC Series 2018, 3.40%, due 7/1/2028	\$ 27,358,295	\$ 27,358,295
Total Direct Borrowing Airport Revenue Bonds	<u>27,358,295</u>	<u>27,358,295</u>
Airport Revenue Bonds - Other:		
Senior lien, Series 2003B, 5.49% to 5.94%, due 7/1/2033	12,050,000	13,235,000
Senior lien, CONRAC Series 2010, 4.82% to 5.79%, due 7/1/2020	-	3,000,000
Senior lien, Series 2015A, 4.00% to 5.00%, due 7/1/2045	86,655,000	88,475,000
Senior lien, Series 2015B, 4.00% to 5.00%, due 7/1/2045	102,365,000	104,535,000
Subordinate lien, Series 2019A, 4.00% to 5.00%, due 7/1/2054	254,435,000	254,435,000
Subordinate lien, Series 2019B, 4.00% to 5.00%, due 7/1/2054	665,150,000	665,150,000
Total Other Airport Revenue Bonds	<u>1,120,655,000</u>	<u>1,128,830,000</u>
Note Payables - Direct Borrowing:		
Energy Loan Phase II	522,745	880,802
Geothermal Loan	3,182,759	3,469,861
Total Direct Borrowing Note Payables	<u>3,705,504</u>	<u>4,350,663</u>
Other Long-term Debt - Other:		
BNA Credit Facility 2	21,008,321	7,971,944
BNA Valet Express Parking Facility	-	1,154,073
Total Other Long-term Debt - Other	<u>21,008,321</u>	<u>9,126,017</u>
 Total Authority bonds payable and other debt	 1,172,727,120	 1,169,664,975
Add:		
Unamortized bond premiums	204,345,671	210,696,583
Total Authority bonds payable and other debt, net	<u>1,377,072,791</u>	<u>1,380,361,558</u>
Less current portion	29,531,738	9,974,232
Total Authority bonds payable and other debt, noncurrent	<u>\$ 1,347,541,053</u>	<u>\$ 1,370,387,326</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

5. Long-term Debt (continued)

The annual requirements to pay principal and interest on the Authority's debt outstanding at June 30, 2021 are summarized as follows:

	Principal				Total
	Direct Placement	Other	Direct Placement	Other	
	Airport Revenue Bonds	Airport Revenue Bonds	Note Payables	Long-term Debt	
2022	3,028,385	4,835,000	660,032	21,008,321	29,531,738
2023	3,132,780	5,080,000	453,087	-	8,665,867
2024	3,240,774	5,320,000	303,474	-	8,864,248
2025	3,350,795	16,455,000	309,136	-	20,114,931
2026	3,468,000	17,270,000	314,904	-	21,052,904
2027-2031	11,137,561	99,855,000	1,664,871	-	112,657,432
2032-2036	-	129,565,000	-	-	129,565,000
2037-2041	-	112,275,000	-	-	112,275,000
2042-2046	-	194,460,000	-	-	194,460,000
2047-2051	-	230,370,000	-	-	230,370,000
2052-2054	-	305,170,000	-	-	305,170,000
Total	<u>\$ 27,358,295</u>	<u>\$ 1,120,655,000</u>	<u>\$ 3,705,504</u>	<u>\$ 21,008,321</u>	<u>\$ 1,172,727,120</u>

	Interest			
	Direct Placement	Other	Direct Placement	Total
	Airport Revenue Bonds	Airport Revenue Bonds	Note Payables	
2022	890,475	54,177,702	90,980	
2023	784,265	53,972,977	76,928	54,834,170
2024	674,395	53,674,434	67,850	54,416,679
2025	562,462	53,366,466	59,335	53,988,263
2026	443,220	52,612,216	50,661	53,106,097
2027-2031	583,350	250,153,853	117,418	250,854,621
2032-2036	-	222,039,960	-	222,039,960
2037-2041	-	189,274,469	-	189,274,469
2042-2046	-	143,418,010	-	143,418,010
2047-2051	-	83,733,300	-	83,733,300
2052-2054	-	18,320,748	-	18,320,748
Total	<u>\$ 3,938,167</u>	<u>\$ 1,174,744,135</u>	<u>\$ 463,172</u>	<u>\$ 1,179,145,474</u>

The Revenue Bonds contain default provisions as defined in the agreements. In each case of default, unless cured by the Authority within 30 days after written notice, the trustee may declare all outstanding bonds and accrued interest immediately due and payable. Upon the event of default, the trustee may

5. Long-term Debt (continued)

demand the Authority net revenues and all funds and accounts established under the General Resolution be transferred to and administered by the trustee. The trustee may exercise any of the following remedies to the extent they are legally available:

- (i) the trustee may protect and enforce its rights and the rights of the holders of the bonds by suit or suits of equity.
- (ii) the trustee may obtain the appointment of receiver, where the receiver may enter upon and take possession of the airport and fix rates and charges and collect all airport revenues. The receiver will collect and dispose of airport revenues in accordance with the terms and conditions of the General Resolution or as the court directs.

Net revenues (as defined in the various bond ordinances) of the Authority in the operation of the Airport System have been pledged toward the repayment of the Airport Revenue Bonds. Net revenues consist of operating revenues reduced by operating expenses not including depreciation.

All Authority bonds were issued under the Airport Improvement Revenue Bond Resolution adopted by the Board of Commissioners of the Authority on August 15, 1991, (as amended and supplemented, the "General Resolution") and a nineteenth Supplemental Resolution adopted by the Board on October 21, 2015. In 2019, the Board approved the 2019 Master Subordinate Resolution and the First Supplemental Resolution. Bonds issued under the First Supplemental Resolution payable from net revenues are subordinate to bonds issued under the General Resolution. The Authority anticipates using PFC funds for approximately \$4,400,000, and \$8,400,000 of the Series 2015A and Series 2015B bonds, respectively (Note 6). A portion of the Series 2019A and 2015B bonds are also eligible to be reimbursed with PFC funds. Although the CONRAC Series 2010 and 2018 Bonds were issued under the General Resolution, the CFCs are not in and of themselves a part of airport revenues or net revenues as defined in the General Resolution. Therefore, airport revenues derived by the Authority from the operation of the Airport are not pledged for payment of and do not constitute security for the CONRAC Series 2010 and 2018 Bonds. All other bonds are secured by a pledge of and lien on net revenues derived by the Authority from the operation of the airports.

Operating revenues (as defined in the various bond ordinances) of the Authority in the operation of the Airport System have been pledged toward the repayment of the Airport Revenue Bonds. For the years ended June 30, 2021 and 2020, operating revenues were \$125,103,988 and \$140,324,281, compared to the net debt service (principal and interest) for senior and subordinate revenue bonds of \$63,585,942 and \$30,590,959, respectively. In addition, a portion of the Airport Revenue Bonds has been approved by the FAA to be funded by Passenger Facility Charges. For the years ended June 30, 2021 and 2020, the PFC revenues were \$20,253,069 and \$26,384,555, compared to the net debt service (principal and interest) of \$0 and \$573,900, respectively.

Net CONRAC revenues have been pledged toward the repayment of the CONRAC Series 2010 Revenue Bonds and CONRAC Series 2018 Refunding Revenue Bonds. For the years ended June 30, 2021 and 2020, the CONRAC revenues were \$8,365,388 and \$11,827,674, compared to the net debt service (principal and interest) of \$4,028,740 and \$4,025,706, respectively.

Direct Placement Debt:

Special facility revenue bond (MPC CONRAC LLC Project) Refunding Series 2018 bonds

During May 2018, the Authority issued CONRAC Refunding Series 2018 bonds in the principal amount of \$27,358,295. The bonds, together with \$23,334,428 available Customer Facility Charge ("CFC") revenues were placed in an irrevocable trust to advance refund the Series 2010 Bonds maturing in the years 2021

5. Long-term Debt (continued)

through 2029 and pay the costs of issuance of the bond of \$150,858. Accordingly, the trust account assets and the liability on the defeased bonds are not included in the Authority's financial statements. At June 30, 2021, \$42,505,000 of defeased bonds remain outstanding. The difference between the reacquisition price and the net carrying amount of the refunded debt was \$3,614,352. This difference is reported as a deferred outflow of resources and is being amortized through fiscal year 2029. The refunding resulted in an economic gain of approximately \$6,400,000.

The CONRAC Refunding Series 2018 bonds are payable from and secured by a pledge of certain rental payments derived from CFCs under leases with rental car agencies (Note 7). The remaining CONRAC Refunding Series 2018 bonds contain serial bonds at an interest rate of 3.4%, maturing in progressive annual amounts ranging from \$3,028,385 on July 1, 2021, to \$3,838,790 on July 1, 2028.

Energy savings performance contract

The Authority has entered into an energy savings performance contract with an energy service company (ESCO) that conducted a comprehensive energy audit and identified improvements to save energy. The ESCO worked with the Authority to design and construct the approved projects, as well as to assist it with project financing. The ESCO guarantees that the improvements will generate energy cost savings sufficient to pay for the project over the term of the contract. After the contract ends, the Authority continues to benefit with additional energy cost savings as a result of the contract.

The Authority agreed to an energy saving project known as "Comprehensive Energy and Operational Services", Phases I and II. The project primarily included lighting retrofits and replacement of a chiller, but also a conceptual design for a quarry geothermal system.

In December 2012, the Authority entered into another financing agreement in the amount of \$2,777,500 with a financial institution for phase II of the energy enhancement project. The annual interest rate is 1.85%. Principal and interest payments are due in progressive monthly installments between \$23,700 and \$31,178 from January 2014 through November 2022. The principal balance outstanding was \$522,745 and \$880,802 at June 30, 2021 and 2020, respectively.

In July 2015, the Authority entered into an equipment lease purchase agreement in the amount of \$4,300,000 with a financial institution providing for the equipment to be installed in the geothermal project. The annual interest rate is 2.78%. Principal payments are due annually beginning July 2017; interest payments are due semi-annually beginning January 2016. The final principal and interest payment are due in July 2030. The principal balance outstanding was \$3,182,759 and \$3,469,861 at June 30, 2021 and 2020.

Other Debt:

Airport improvement revenue bonds, Series 2003B

During November 2003, the Authority issued Series 2003B taxable bonds in the principal amount of \$19,585,000. These bonds were issued to provide funding for a portion of the projected unfunded liability of the Metropolitan Nashville Airport Authority Retirement Plan for Employees (See Note 12).

The remaining Series 2003B bonds contain serial bonds at interest rates ranging from 5.49% to 5.94%, with annual sinking fund requirements in progressive annual amounts ranging from \$645,000 on July 1, 2021, to \$1,280,000 on July 1, 2033. The annual amounts accumulated in the sinking fund will be used to pay bond holders on July 1, 2023, and 2033. The 2003B bonds are subject to an extraordinary optional redemption, in whole at any time, at a redemption price equal to the principal amount plus accrued interest

5. Long-term Debt (continued)

to the date of redemption only in the event of the destruction or damage to all or substantially all of the Nashville International Airport or the condemnation of the airport facility.

Special facility revenue bonds (MPC CONRAC LLC Project) Series 2010

During February 2010, the Authority issued CONRAC Series 2010 bonds in the principal amount of \$66,300,000. The bonds, together with Customer Facility Charge (“CFC”) collections on hand and collected during the construction period, were used for the development and construction of a new consolidated rental car (“CONRAC”) facility and related improvements, including quick turnaround facilities at the airport, to fund certain deposits to the debt service reserve fund and coverage fund, and to pay bond issue costs of \$2,268,828. The CONRAC Series 2010 bonds are payable from and secured by a pledge of certain rental payments derived from CFCs under leases with rental car agencies (Note 7). The bonds maturing in the years 2021 through and including 2029 were refunded with the Special Facility Revenue Bond (MPC CONRAC LLC Project) Refunding Series 2018 bonds in May 2018.

The remaining CONRAC Series 2010 bonds contain serial bonds at interest rates ranging from 4.816% to 5.787%. The Series 2010 bonds matured on July 1, 2020 with a final principal payment of \$3,000,000.

Airport improvement revenue bonds, Series 2015A&B

During December 2015, the Authority issued Series 2015A bonds in the principal amount of \$91,855,000 and Series 2015B in the principal amount of \$108,145,000, collectively the “Series 2015A&B bonds”. The Series 2015A&B bonds were issued to finance certain capital improvement at Nashville International Airport and John C. Tune Airport, fund capitalized interest on the Series 2015A&B bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of \$13,825,131 and \$13,078,625 for 2015A and 2015B, respectively. This amount is being amortized through 2045.

Interest on the Series 2015A&B bonds is payable on each January 1 and July 1, commencing July 1, 2016.

The Series 2015A bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from \$1,910,000 on July 1, 2021, to \$3,575,000 on July 1, 2035. \$20,730,000 of term bonds at 5% are due on July 1, 2040, and \$26,460,000 of term bonds at 5% are due on July 1, 2045.

The Series 2015B bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from \$2,280,000 on July 1, 2021, to \$4,475,000 on July 1, 2035. \$23,525,000 of term bonds at 5% are due on July 1, 2040, \$17,130,000 of term bonds at 5% are due on July 1, 2043, and \$12,825,000 of term bonds at 3.875% are due on July 1, 2045.

The Series 2015A&B bonds maturing on and after July 1, 2026, are subject to redemption prior to maturity, at the option of the Authority, at a redemption price equal to the principal amount plus interest to the date of redemption. The first optional call date is July 1, 2025.

Subordinate Airport improvement revenue bonds, Series 2019A&B

During December 2019, the Authority issued, under the First Supplemental Resolution, Series 2019A bonds in the principal amount of \$254,435,000 and Series 2019B in the principal amount of \$665,150,000, collectively the “Series 2019A&B bonds”. The Series 2019A&B bonds were issued to finance certain capital improvement at Nashville International Airport, fund capitalized interest on the Series 2019A&B Bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of \$56,925,475 and \$134,372,678 for 2019A and 2019B, respectively. This amount is being amortized through 2054.

5. Long-term Debt (continued)

Interest on the Series 2019A&B bonds is payable on July 1, commencing July 1, 2020.

The Series 2019A bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from \$2,965,000 on July 1, 2025, to \$6,530,000 on July 1, 2039. \$37,870,000 of term bonds at 5% are due on July 1, 2044, \$25,000,000 and \$39,200,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2049, and \$25,000,000 and \$60,120,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2054.

The Series 2019B bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from \$7,920,000 on July 1, 2025, to \$17,260,000 on July 1, 2039. \$100,175,000 of term bonds at 5% are due on July 1, 2044, \$50,000,000 and \$116,170,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2049, and \$62,500,000 and \$157,550,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2054.

The Series 2019A&B bonds maturing on and after July 1, 2031, are subject to redemption prior to maturity, at the option of the Authority, on or after July 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount plus interest to the date of redemption.

BNA credit facility loan agreement

On December 5, 2016, the Authority entered into a Credit Facility Loan Agreement (BNA Credit Facility 1) with a financial institution. The lender made available to the Authority a non-revolving line of credit in the maximum principal of \$100,000,000, the proceeds of which were to be used to finance a portion of the cost of the Authority's capital improvement program, including land acquisition and the acquisition, construction, rehabilitation, replacement, repair, renovation, improvement and reconstruction of terminal, airfield, parking, hangar, roadway, hotel, multi-modal transit facilities and the acquisition of airport equipment and other facilities and improvements as necessary and appropriate for the operation of such airport facilities at the Nashville International Airport or John C. Tune Airport. The note was payable from, but not secured by, available revenues of the Authority, including, without limitation, various grant funds to be received by the Authority for these projects. The loan carried interest at a variable rate equal to LIBOR (as adjusted by lender on the first calendar day of each month) plus 75 basis points per annum.

On January 7, 2019, the Authority entered into a new Credit Facility Loan Agreement (BNA Credit Facility 2) with a financial institution, which repaid the draws on BNA Credit Facility 1 in full. The lender made available to the Authority a non-revolving line of credit in the maximum principal amount of \$300,000,000, the proceeds of which were to be used to finance a portion of the cost of the Authority's capital improvement program, including land acquisition and the acquisition, construction, rehabilitation, replacement, repair, renovation, improvement and reconstruction of terminal, airfield, parking, hangar, roadway, hotel, multi-modal transit facilities and the acquisition of airport equipment and other facilities and improvements as necessary and appropriate for the operation of such airport facilities at the Nashville International Airport or John C. Tune Airport. The Credit Facility was amended in December 2019 to increase the maximum principal amount to \$400,000,000. Principal and interest on this line of credit are payable from the net revenues subject and subordinate, and secured by a lien and pledge on the net revenues junior and inferior, to the lien and pledge on the net revenues created under the General Resolution including the Master Subordinate Resolution for the payment and security of the bonds but on a parity with the Parity Other Obligations. The note matures on January 7, 2022. The taxable portion of the Credit Facility bears interest at a variable interest rate equal to 1 month LIBOR plus 40 basis points. The nontaxable portion of the Credit Facility bears interest at a variable interest rate equal to 80% of 1 month LIBOR plus 33 basis points. The rates at June 30, 2021 were 0.46366% for the taxable Credit Facility, and 0.38765% for the nontaxable Credit Facility. Interest on this Credit Facility totaled \$58,377 and \$2,042,827 during fiscal years 2021 and

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Years Ended June 30, 2021 and 2020

5. Long-term Debt (continued)

2020, respectively. Accrued interest on this line of credit was \$7,312 and \$3,301 at June 30, 2021 and 2020, respectively.

The Credit Facility contains default provisions as defined in the agreements. In the event of default, the obligations shall bear interest at the default rate – PRIME plus 3%. In the event of default, the lender may make one of more of the following actions at any time and from time to time (the actions may be taken at the same time or at different times):

- (iii) The lender may terminate the available commitment and declare the outstanding amount due under the obligations immediately due and payable.
- (iv) The lender may sell or otherwise transfer all or a portion of the notes.
- (v) At the expense of the Authority, the lender may cure any default, event of default, or event of nonperformance, bringing all delinquent balances current and adding the delinquent balances to the total outstanding owed by the Authority.

BNA Valet Express Parking Facility

In July 2015, the Authority entered into an agreement, which was amended in July 2016, with a parking facilities management contractor. As a result of the agreement the contractor would construct the BNA Express valet parking facility. The Authority would reimburse the contractor through payment of a management fee. The amount paid to the contractor for the year ended June 30, 2021 was \$1,154,073. As of June 30, 2021, the amount owed to the contractor has been paid in full.

Long-term debt activity for the years ended June 30, 2021 and 2020 were as follows:

	Balance July 1, 2020	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2021	Due within one year
Direct Placement - airport revenue bond:	\$ 27,358,295	\$ -	\$ -	\$ -	\$ 27,358,295	\$ 3,028,385
Other - airport revenue bonds	1,128,830,000	-	(8,175,000)	-	1,120,655,000	4,835,000
Direct Placement - note payables	4,350,663	-	(645,159)	-	3,705,504	660,032
Other - long-term debt	9,126,017	13,036,377	(1,154,073)	-	21,008,321	21,008,321
Add:						
Unamortized bond premiums	210,696,583	-	-	(6,350,912)	204,345,671	-
Total long-term debt	<u>\$ 1,380,361,558</u>	<u>\$ 13,036,377</u>	<u>\$ (9,974,232)</u>	<u>\$ (6,350,912)</u>	<u>\$ 1,377,072,791</u>	<u>\$ 29,531,738</u>

	Balance July 1, 2019	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2020	Due within one year
Direct Placement - airport revenue bond:	\$ 27,358,295	\$ -	\$ -	\$ -	\$ 27,358,295	\$ -
Other - airport revenue bonds	227,665,000	919,585,000	(18,420,000)	-	1,128,830,000	8,175,000
Direct Placement - note payables	4,972,846	-	(622,183)	-	4,350,663	645,159
Other - long-term debt	153,928,645	136,697,041	(281,499,669)	-	9,126,017	1,154,073
Add:						
Unamortized bond premiums	23,016,511	191,298,153	-	(3,618,081)	210,696,583	-
Total long-term debt	<u>\$ 436,941,297</u>	<u>\$ 1,247,580,194</u>	<u>\$ (300,541,852)</u>	<u>\$ (3,618,081)</u>	<u>\$ 1,380,361,558</u>	<u>\$ 9,974,232</u>

Metropolitan Nashville Airport Authority
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Years Ended June 30, 2021 and 2020

6. Passenger Facility Charges

On January 1, 1993, the airlines began collecting a Passenger Facility Charge (“PFC”) on qualifying enplaning passengers at Nashville International Airport on behalf of the Authority. PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the FAA. Federal guidance on the PFC program has been updated from time to time since 1993, and the current maximum fee that can be authorized through federal regulation is \$4.50 per enplaning passenger. PFCs are recorded as nonoperating revenue. PFC revenue during fiscal years 2021 and 2020 totaled \$20,253,069 and \$26,384,555, respectively.

Effective September 2010, the Authority could to collect a \$3.00 PFC per enplaning passenger. In May 2015, the Authority began collecting at a \$4.50 PFC per enplaning passenger. The Authority anticipates remaining at this \$4.50 collection level. The following project summary has been approved by the FAA as of June 30, 2021:

Airfield development	\$ 220,910,934
Terminal development	704,766,710
Land acquisition	<u>21,260,411</u>
	<u>\$ 946,938,055</u>

As of June 30, 2021, cumulative expenditures to date on approved PFC projects totaled \$370,307,078.

7. Customer Facility Charges

On January 1, 2008, the Authority began requiring the car rental companies at Nashville International Airport to charge a Customer Facility Charge (“CFC”) to be used to pay, or to reimburse the Authority, for costs, fees and expenses associated with the planning, design, construction, financing, maintenance and operation of the Consolidated Rental Car (“CONRAC”) Facility, and other costs, fees, and expenses that may be paid from CFC proceeds. The CFC is a \$4.50 per transaction day fee and is collected by on-airport car rental companies from each of their customers and subsequently remitted to the Authority. The Authority has pledged the CFC proceeds as collateral security for the payment of the CONRAC Series 2010 and 2018 bonds issued in February 2010 and May 2018, respectively. Additionally, in accordance with the terms of the CONRAC Series 2010 and 2018 bond agreements, CFCs must be used to establish bond principal, interest, and reserve funds, as well as various other funds for the operation and maintenance of the CONRAC facility (See Note 5). The Authority can use CFCs collected in excess of the various refunded funds for any lawful purpose. CFC revenue during fiscal years 2021 and 2020 totaled \$8,365,388 and \$11,827,674, respectively. CFC revenue is reported as non-operating revenues.

The Authority is leasing the facility to MPC CONRAC LLC under a lease agreement and is leasing-back the facility from MPC CONRAC LLC under a sublease agreement. In turn, the Authority will lease the CONRAC facility to on-airport rental car companies under the consolidated rental car lease agreements. Under these lease agreements, on-airport rental car companies have agreed to collect the CFC on all vehicle rental transactions as specifically set forth in the CFC enabling resolution and the related lease agreements.

Net position relating to CFCs totaled \$30,733,480 and \$30,645,255 at June 30, 2021 and 2020, respectively, and is included in net investment in capital assets and restricted net position in the statements of net position.

8. Special Facility Revenue Bonds

Special facility revenue bonds, series 2005

During April 2005, the Authority issued \$9,500,000 of Special Facility Revenue Bonds, Series 2005, on behalf of Embraer Aircraft Maintenance Services, Inc. The bonds were issued to finance the development and construction of an aircraft maintenance facility at Nashville International Airport.

The outstanding Special Facility Revenue Bonds, Series 2005, are special obligations of the Authority, and the debt service thereon shall be payable solely from revenues provided by Embraer Aircraft Maintenance Services, Inc., pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. These bonds mature in April 2030. The principal balance outstanding as of June 30, 2020 and 2019 was \$9,500,000. Since these bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations, they represent conduit debt and have not been recorded in the Authority's financial statements.

Special facility revenue bonds, series 2006/refunding series 2010

During July 2006, the Authority approved an amendment to the ground lease with Aero Nashville, LLC, whereby the Authority agreed to issue \$6,515,000 of Special Facility Revenue Bonds, Series 2006, on behalf of Aero Nashville, LLC. Aero Nashville is an affiliate of Aeroterm US, Inc., the firm selected by Federal Express Corporation to be the developer of a 69,000-square-foot cargo and support facility on approximately 15 acres of land at Nashville International Airport in 2005.

During November 2010, the Authority issued \$6,200,000 in Special Facility Revenue Bonds, Refunding Series 2010, the proceeds of which were used to currently refund the outstanding Series 2006 bonds. The Refunding Series 2010 bonds are term bonds with mandatory sinking fund requirements annually through July 2026.

The Special Facility Revenue Bonds, Series 2006, and outstanding Refunding Series 2010 bonds are special obligations of the Authority and the debt service thereon shall be payable solely from revenues provided by Aero Nashville, LLC pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. The principal balance outstanding as of June 30, 2021 and 2020 was \$2,880,000 and \$3,335,000, respectively. Since these bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations, they represent conduit debt and have not been recorded in the Authority's financial statements.

9. Airline Use and Lease Agreement

During fiscal year 2015, the Authority entered into a Signatory Airline Use and Lease Agreement with a term from July 1, 2015 to June 30, 2022 (the "Airline Agreement") with American Airlines, Delta Air Lines, Southwest Airlines and United Airlines.

The Airline Agreements establish three cost centers for the purpose of determining rates and charges payable by the signatory airlines and other users of airport facilities: airfield, terminal, and terminal ramp area. Baggage and passenger loading bridge fees are also assessed. The Airline Agreements have a "hybrid" airline rate-setting methodology with landing fees calculated on a residual basis (as described below); whereas, terminal rental rates (as described below) and terminal ramp area rates are compensatory. Other than the airfield, the signatory airlines are not required to provide for break-even financial operation of the Nashville International Airport ("Airport") per the Airline Agreements.

9. Airline Use and Lease Agreement (continued)

Landing fees under the Airline Agreements are calculated on a primarily residual basis. Capital cost allocable to the airfield, including debt service on bonds, may be included in the calculation of the landing fees with Majority-in-Interest (“MII”) approval. While debt service on bonds allocable to the airfield may be included in the landing fees, the Airline Agreements do not permit inclusion in the landing fees of coverage on bonds allocable to the airfield or any amount required for replenishing the Airport Improvement Bond Reserve Fund requirement allocable to such bonds.

The terminal rental rate under the Airline Agreements is calculated on a compensatory basis with fixed rates. There is no provision in the new Airline Agreements for increasing the terminal rental rate to provide for the payment of debt service on outstanding or additional bonds, as defined, allocable to the terminal or coverage on such bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to such bonds. However, it should be noted that when the fixed terminal rental rates were established, the Authority assumed allowances for outstanding bonds, the funding of its approximately \$150.3 million capital improvement program for the terminal from various sources including the debt service on additional bonds required to support approximately \$66.5 million of projects costs, and typical operations and maintenance expense escalations. With limited exceptions, there is no provision in the Airline Agreements for increasing the terminal rental rates for payment of debt service on additional bonds or increases in operations and maintenance expenses, greater than modeled and assumed.

Additionally, other than revenues allocable to the airfield and the sharing with airlines a portion of revenues from in-terminal concessions and rental car concessions, the Authority is permitted to retain all other revenues.

Except as provided in the next succeeding paragraph, there is no provision in the Airline Agreements for including debt service on outstanding or additional bonds in airline rates and charges for bonds issued for other airport improvements not included in the airfield or terminal cost centers with or without MII approval.

Debt service on bonds allocable to the acquisition of passenger loading bridges or for baggage claim equipment, baggage make-up equipment and the baggage claim areas may be included in the passenger loading bridge fees or baggage fees that may be imposed under the Airline Agreements without MII approval. There is no provision in the Airline Agreements for increasing the passenger loading bridge fees or baggage fees to provide for coverage on such bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to such bonds. Debt service on bonds allocable to capital improvements in the terminal ramp area may be included in the terminal ramp area rate without MII approval. There is no provision in the Airline Agreements for increasing the terminal ramp area rate to provide for coverage on such bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to such bonds.

Debt service on bonds that are not allocated to airfield improvements or the acquisition of passenger loading bridges, as well as coverage or amounts required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to any bonds, must be paid from sources other than signatory airlines rates and charges, which would principally be the Authority’s share of in-terminal concession revenues, rental car concessions, parking fees, and other non-airline lease revenues. Under the Airline Agreement, the Authority shares a portion of in-terminal concession and rental car concession revenue with the signatory airlines by means of revenue sharing credits. The Authority does not share parking fees with the signatory airlines.

The Authority is obligated under the Airline Agreements to undertake \$250,312,000 of capital improvement projects that may not be funded through rates and charges to be paid by signatory airlines. It is anticipated

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

9. Airline Use and Lease Agreement (continued)

that a large portion of the capital improvement project costs will be funded from sources other than rates and charges to be paid by signatory airlines (e.g. federal and state grants, Passenger Facility Charges (PFCs), Authority net revenues, and new, additional non-airline revenues). Principal amount of bonds allocable to the funding of capitalized interest are not counted toward these requirements.

The Airline Agreements provide signatory airline support for John C. Tune Airport, including certain reliever airport support costs in the landing fees and the use of amounts in the Operations and Maintenance Reserve Fund to pay operating expenses at John C. Tune Airport.

The Authority also owns MPC, a Tennessee nonprofit corporation, whose purpose is to support and facilitate the operations of the Authority and to help the economic development of the surrounding area. The Airline Agreements do not provide any signatory airline support for MPC. MPC financial obligations are not included within the Master Resolution, and any MPC shortfalls or deficits must be paid from other available Authority funds.

10. Risk Management and Insurance Arrangements

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; illnesses or injuries to employees; and natural disasters.

Self-insured employee medical benefit claims are accrued as incurred. The liability for reported claims and claims incurred but not reported, an estimate of which is based on historical experience and management projections, is reported with accrued payroll and related items in the financial statements. This liability does not include non-incremental claims adjustment expenses.

The following summarizes the changes in the estimated claims liability at June 30:

	2021	2020
Balance - Beginning of year	\$ 829,977	\$ 251,298
Provision for incurred claims	2,360,229	4,287,976
Claim payments	(2,262,104)	(3,709,297)
Balance - End of year	<u>\$ 928,102</u>	<u>\$ 829,977</u>

The Authority carries commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Environmental remediation

On October 9, 2012, the Authority entered into a Consent Order with the Tennessee Department of Environment and Conservation in response to a routine inspection which identified that a local area stream had been contaminated by untreated de-icing chemicals. In the Consent Order, the Authority was assessed a penalty of \$22,500, and it was determined that Natural Resource Damages in the amount of \$218,520 exist. In lieu of payment, the Authority proposed to upgrade its de-icing fluid collection and treatment system. Multiple projects, worth over \$8,000,000, were undertaken. The upgrades diverted uncontaminated storm water away from the treatment system so that only storm water containing deicer fluid is collected for treatment. This allows for additional fluid storage and improves the treatment system process by systematically feeding the fluids to the biological treatment lagoon. The Authority continues to perform monitoring and reporting to the Tennessee Department of Environment and Conservation in compliance with NPDES Permit TN0064041.

Metropolitan Nashville Airport Authority
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10. Risk Management and Insurance Arrangements (continued)

The Authority is a defendant to various legal proceedings incidental to its operations. In the opinion of management and the Authority's legal counsel, while the ultimate outcome of these matters, including an estimate of potential loss, cannot presently be determined, any losses sustained would not be material to the Authority's financial position or operations. Additionally, losses sustained would be recoverable through the Authority's leases with certain airlines discussed in Note 9.

11. Compensated Absences

Compensated absences are another component of the Authority's employee benefits program. Based on years of service, employees earn annual leave and may accumulate earned hours to certain limits for future use. In 2021 and 2020, employees sold back \$235,112 and \$202,351 of their annual leave balances to the Authority in exchange for cash. Additional payments of \$505,518 and \$321,823 were made to employees who left employment with the Authority during the years ended June 30, 2021 and 2020, respectively. The change in accrued compensated absences balance is charged to salaries and wages expense.

The following summarizes the changes in the compensated absences liability at June 30, 2021 and 2020, which is included in accrued payroll and related items on the statements of net position:

	2021	2020
Balance - Beginning of year	\$ 3,074,878	\$ 2,251,415
Provision for compensated absences	2,726,707	3,550,056
Annual leave used	(2,243,400)	(2,202,419)
Annual leave buy-back and other	(740,630)	(524,174)
	<u>\$ 2,817,555</u>	<u>\$ 2,251,415</u>

12. Retirement Benefit Plan

General information about the pension plan

Plan description

Effective September 1, 1989, the Metropolitan Nashville Airport Authority (the "Authority") adopted a single-employer public employee retirement system ("PERS") for its employees, whereby the net position restricted for benefits relative to the Authority's employees were transferred from the retirement system of the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") to the Metropolitan Nashville Airport Authority Retirement Plan for Employees. Those net assets transferred from the Metropolitan Government's retirement system to the Plan included accumulated employee contributions and allocated investment income. The Plan is a defined benefit pension plan.

The Plan is administered by management of the Authority and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. At June 30, 2021, the Committee consists of 7 voting members, five of whom are active Authority senior management, and two of whom are active Authority employees and members of the Plan. Non-voting members of the Committee consist of an Advisor Member (retiree in the plan), and the Authority's paralegal and Director of Treasury.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

12. Retirement Benefit Plan (continued)

Benefits provided

Eligible employees become 100% vested in their accrued pension benefit after 5 years of credited service and may elect to retire at any time after age 65 (or after age 55 for safety and security employees with completion of 10 years of service).

The employees who retire at or after age 65 (55 for safety and security employees) are entitled to a retirement benefit, payable monthly for life, equal to one-twelfth of the product of 2% of average earnings multiplied by years of credited service. Average earnings are the average of annual earnings for the five full consecutive calendar years in which earnings were the highest or for such lesser number of full calendar years of service as have been completed. Credited service is the total number of years and completed one-half months of service from the date of hire to date of termination, adjusted for some certain periods of unpaid absence. Certain supplemental benefits have been provided for in the Plan as incentives for certain prior officers of the Authority.

Early retirement under the Plan is retirement from service prior to the participant's normal retirement date and on or after the date as of which the participant has attained both the age of 55 years and completed 5 years of vesting service. A participant classified as a safety and security employee is eligible for early retirement on or after the date as of which such employee has attained both the age of 50 years and completed 5 years of vesting service. Participants electing early retirement, as defined above, receive reduced benefits immediately or may defer and receive full benefits at normal retirement age. There are also certain benefit provisions upon death or disability.

Changes to the Plan, including benefits provided thereunder can be made only by formal resolutions of the Authority's Board of Commissioners. Additionally, cost-of-living adjustments are made only as approved by the Board of Commissioners. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Authority. Benefit provisions are established and may be amended by the Authority.

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Retired	183
Deferred vested	53
Active vested	61
	<u>297</u>

Effective June 27, 2003, the Plan was closed to new participants; therefore, employees hired after June 27, 2003, are not eligible to participate in the Plan.

Contributions

The Plan is non-contributory for employees; accordingly, no contributions shall be required or permitted to be made by plan participants. The Authority's Board of Commissioners has approved a funding plan which establishes the expected employer contributions to the Plan through fiscal year 2022. In determining the funding plan, the Authority considers the actuarially determined contribution, as recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan participants, with an additional amount to finance the net pension liability.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

12. Retirement Benefit Plan (continued)

Pension Net Position

The investments of the Plan are governed by an investment policy approved by the Authority's Retirement Committee. The investment policy establishes the Plan's investment objectives, portfolio benchmarks, and asset allocation parameters. The investment policy also requires certain qualifications of investment managers, review of investment returns, and reporting requirements. Generally, the investment policy specifies a long-term investment horizon with investment returns to be achieved without undue investment risk. Changes to the investment policy can be made only by formal resolution of the Board of Commissioners. The Investment Policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefit Plans was updated and became effective August 2019.

The Plan's investment assets are held in trust by the Plan's trustee for the benefit of plan participants. Investments in equity and bond mutual funds are stated at fair value using quoted market prices in active markets (level 1) and various market and industry inputs (level 2). 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. The Plan's investment assets are held in trust by the Plan's trustee, Wells Fargo Bank N.A.

The Plan's investments which represented 5% or more of net position as of June 30, 2021 and 2020 are as follows:

<u>Description of Investment</u>		<u>2021</u>	<u>2020</u>
Wells Fargo	Wells Fargo Core Bond	\$ 10,725,415	\$ 9,051,242
Metropolitan West	Total Return Bond Fund Class I	10,714,750	9,059,808
Wells Fargo	Wells Fargo/Federated Total Return Bond	10,708,921	9,048,091
Wells Fargo	Wells Fargo/Dodge & Cox Intermediate Bond	10,715,033	9,050,784
Wells Fargo	Wells Fargo/Blackrock S&P Midcap	6,374,405	5,297,293
Wells Fargo	Wells Fargo/Blackrock S&P 500	9,777,135	8,089,644
Wells Fargo	Cash Equivalents	*	5,398,323
	Other funds representing less than 5%	<u>33,510,484</u>	<u>24,653,301</u>
	Total investment and net position	<u>\$ 92,526,143</u>	<u>\$ 79,648,486</u>

* Balance was not reportable as an investment in excess of 5% of plan net position.

Net pension liability/asset

The Authority's net pension liability/asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total net pension asset in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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12. Retirement Benefit Plan (continued)

Inflation	2.0%, compounded annually
Salary increases	4.0% per annum, compounded annually
Investment rate of return	5.5% per annum, compounded annually, net of pension plan investment expense and inflation

The mortality table was changed from the RP-2014 Generational Mortality Table for Males and Females, as applicable, with adjustments for mortality improvements based on Scale MP-2019 to the RP-2014 Generational Mortality table for Males and Females with Improvement Scale MP-2020. The discount rate decreased to 5.5% from 6%.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity - Small Cap	4.00%	6.00%
Domestic Equity - Large Cap	26.50%	5.10%
Domestic Equity - Mid Cap	7.00%	5.80%
International Equity	12.50%	5.05%
Fixed Income	47.00%	1.10%
Cash	3.00%	-0.30%

Discount rate

The discount rate used to measure total pension liability is 5.5%, compounded annually. The Authority's Board of Commissioners has approved the funding policy, as described in the contributions section above.

The Authority intends to make contributions under the funding plan, as required to keep the Plan solvent, and to meet the minimum funding requirements of the State of Tennessee. Having a formal funding policy and statutory contributions in the future supports the position that the Plan's fiduciary net position will remain positive in the future. Accordingly, the long-term rate of return on investment assets has been used as the discount rate for all future periods.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

12. Retirement Benefit Plan (continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2020	\$ 76,503,151	\$ 79,648,486	\$ (3,145,335)
Changes for the year:			
Service cost	654,045	-	654,045
Interest	4,590,189	-	4,590,189
Difference between expected and actual experience	(307,806)	-	(307,806)
Change in assumptions	2,223,479	-	2,223,479
Contributions - Employer	-	417,321	(417,321)
Net investment income	-	16,647,552	(16,647,552)
Benefits paid	(4,187,216)	(4,187,216)	-
Net changes	2,972,691	12,877,657	(9,904,966)
Balance as June 30, 2021	\$ 79,475,842	\$ 92,526,143	\$ (13,050,301)

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2019	\$ 77,044,997	\$ 75,766,095	\$ 1,278,902
Changes for the year:			
Service cost	823,410	-	823,410
Interest	4,622,700	-	4,622,700
Difference between expected and actual experience	(1,902,545)	-	(1,902,545)
Change in assumptions	(219,979)	-	(219,979)
Contributions - Employer	-	3,450,000	(3,450,000)
Net investment income	-	4,297,823	(4,297,823)
Benefits paid	(3,865,432)	(3,865,432)	-
Net changes	(541,846)	3,882,391	(4,424,237)
Balance as June 30, 2020	\$ 76,503,151	\$ 79,648,486	\$ (3,145,335)

Changes in assumption primarily relate to updated mortality table information and the decrease in discount rate.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Sensitivity of the net pension liability to changes in the discount rate

The following represents the net pension liability/(asset) calculated using the stated discount rate, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

12. Retirement Benefit Plan (continued)

	1% Decrease 4.50%	Current Rate 5.50%	1% Increase 6.50%
Net pension liability (asset)	\$ (4,207,748)	\$(13,050,301)	\$(20,520,436)

Pension plan fiduciary net position

For the years ending June 30, 2021 and 2020, the Authority recognized pension (recovery) expense of (\$1,386,751) and \$4,899,611, respectively. At June 30, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2021	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	-	9,240,511
Total	\$ -	\$ 9,240,511

	June 30, 2020	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses		\$ 951,272
Change of assumptions		109,989
Net difference between projected and actual earnings on investment	-	78,356
Total	\$ -	\$ 1,139,617

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2021, will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ (2,280,938)
2023	\$ (2,214,013)
2024	\$ (2,349,213)
2025	\$ (2,396,347)

13. Other Postemployment Benefits (OPEB)

General information about the OPEB plan

Plan description

On April 22, 2009, the Board of Commissioners approved MNAA Resolution 2009-07 establishing an investment trust for the purpose of funding OPEB as provided in Tennessee Code Annotated, Title 8, Chapter 50, Part 12. The Tennessee State Funding Board approved the formation of the trust on June 17, 2009. There is no obligation to fund the trust; however, management has a plan whereby cash contributions are intended to be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

The Plan is a single-employer plan administered by management of the Authority and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. At June 30, 2021, the Committee consists of 7 voting members, five of whom are active Authority senior management, and two of whom are active Authority employees and members of the Plan. Non-voting members of the Committee consist of an Advisor Member (retiree in the plan), and the Authority's paralegal and Director of Treasury.

The Authority voluntarily provides postemployment healthcare benefits to certain eligible employees who retire under either the Authority's PERS or the Metropolitan Government's PERS.

Benefits provided/Contributions

As part of the OPEB actuarial evaluation on July 1, 2013, which was effective for the Authority's 2014 fiscal year, certain changes to the OPEB Trust were considered, including the following: The Authority adopted an Employer Group Waiver Plan (EGWP) for post-65 retiree pharmacy benefits effective January 1, 2014. Additionally, the Authority adopted certain post-65 stop loss coverage.

Effective January 1, 2017, MNAA offered a Medicare Supplement Plan. Retirees and spouses (post 65) had the option to enroll in the Medicare Supplement Core or Core Plus plans through AmWINS Group Benefits if they desired to continue coverage through MNAA. If they desired not to enroll in MNAA supplemental plans, they have the option to enroll in the individual Market Medicare Plans.

MNAA makes a monthly contribution of \$250 for each participant (retiree and spouse) in a Health Reimbursement Account (HRA). These contributions are to be used toward the monthly premiums of those who have elected MNAA plans or an individual market plan.

The account reimburses the participant for their individual medical, dental, or vision premiums along with out-of-pocket health care expenses such as copays, deductibles, coinsurance, etc.

For retirees under 65, the Authority pays approximately 75% of the medical, dental, vision, and prescription coverage cost, with retirees paying the remaining 25%. The Authority also pays 100% of the premium cost of a \$14,000 life insurance policy on each retiree. In addition, the retirees have the option to pay 100% of the cost of supplemental life insurance coverage. Currently, 60 Pre-65 retirees and spouses/dependents are receiving OPEB benefits. The monthly contribution requirements for participants in the Authority's medical plan range from \$90.15 (single "Core Wellness" premium) to \$585.23 (family "Core Plus" non-well premium). The Authority decided it would not provide postemployment benefits to any new entrants on January 1, 2009. Therefore, any employee hired on or after this date is not eligible for any postemployment benefits through the Authority.

Under the Metropolitan Government's PERS, the Authority pays 75% of the cost of medical and dental coverage, while the retirees pay the remaining 25%. The Authority also pays 100% of the premium cost of a \$14,000 life insurance policy on each retiree. As of June 30, 2021 and 2020, there were 10 and 8 retirees,

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

13. Other Postemployment Benefits (OPEB) (continued)

respectively, receiving benefits under the PERS. During the years ended June 30, 2021 and 2020, payments of \$74,734 and \$93,648, respectively, were made to the Metropolitan Government for postemployment benefits under this PERS.

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Actives (with medical coverage)	99
Actives (without medical coverage)	1
Retirees (with medical coverage)	149
Covered spouses of retirees	94
Retirees (without medical coverage)	17
Deferred vested employees	84
	<u>444</u>

OPEB Net Position

The Authority does not issue separate financial statements for postemployment benefits. The OPEB's net position consists solely of the Plan's investments at fair value as there are no significant related liabilities or deferred inflows or outflows.

The investments of the Plan are governed by an investment policy approved by the Authority's Retirement Committee. The investment policy establishes the Plan's investment objectives, portfolio benchmarks, and asset allocation parameters. The investment policy also requires certain qualifications of investment managers, review of investment returns, and reporting requirements. Generally, the investment policy specifies a long-term investment horizon with investment returns to be achieved without undue investment risk. Changes to the investment policy can be made only by formal resolution of the Board of Commissioners. The investment policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefit Plans was updated and became effective August 2019.

The Plan's investment assets are held in trust by the Plan's trustee for the benefit of plan participants. Investments in equity and bond mutual funds are stated at fair value using quoted market prices in active markets (level 1). 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. The Plan's investment assets are held in trust by the Plan's trustee, Wells Fargo Bank N.A.

The Plan's investments which represented 5% or more of net position as of June 30, 2021 and 2020 are as follows:

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

13. Other Postemployment Benefits (OPEB) (continued)

<u>Description of Investment</u>	<u>2021</u>	<u>2020</u>
Wells Fargo Wells Fargo Core Bond	\$ 3,502,301	\$ 2,469,657
Metropolitan West Total Return Bond Fund Class I	3,500,673	2,468,866
Wells Fargo Wells Fargo/Federated Total Return Fund Class I	3,461,682	2,471,214
Wells Fargo Wells Fargo/Northern Mid Cap Index Fund	3,931,839	2,724,838
Wells Fargo Wells Fargo/Dodge & Cox Income Fund	3,500,425	2,469,555
Wells Fargo Wells Fargo/Vanguard 500 Index Fund	6,028,719	4,120,486
Wells Fargo Cash Equivalents	*	5,317,656
Other funds representing less than 5%	<u>20,373,778</u>	<u>12,582,806</u>
Total investment and net position	<u>\$ 44,299,417</u>	<u>\$ 34,625,078</u>

* Balance was not reportable as an investment in excess of 5% of plan net position.

Net OPEB liability/(asset)

The Authority's net OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

Actuarial valuations of an ongoing postemployment benefits plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive postemployment benefits (the plan as understood by the employer and retirees) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and retirees to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method	Entry age normal rate
Discount rate	6%
Expected long-term rate of return on plan assets	6%
Health care cost trend rate	6.25% graded down using the Getzen model
Dental and vision rate	5%
Retirement rates	Varying rates beginning with 5% at age 50 to 100% retirement at age 65

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

13. Other Postemployment Benefits (OPEB) (continued)

The mortality was changed from mortality table RP-2014 with improvement scale MP-2018 to mortality table RP-2014 mortality table adjusted to 2006 with generational mortality improvement projected under Projection Scale MP-2020. The Medical trend was changed from 7.25% graded to 6.5% over 3 years and following the Getzen model thereafter to 6.25% grading to 5.75% over 2 years and following the Getzen model thereafter.

Effective January 1, 2017 Medicare-eligible retirees, retiree spouses, and disabled participants will receive \$3,000 per year to purchase health coverage on an exchange.

Claims were adjusted for aging based on the Yamamoto aging table for non-Medicare participants, normalized at age 65.

The long-term expected rate of return on plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Small Cap	4.80%	6.00%
Domestic Equity - Large Cap	31.80%	5.10%
Domestic Equity - Mid Cap	8.40%	5.80%
International Equity	15.00%	5.05%
Fixed Income	37.00%	1.10%
Cash	3.00%	-0.30%

Due to the Plan's asset allocation, the long-term rate of return of 6.0% was selected. Plan assets, together with projected future contributions based on historic experience, are expected to cover benefits payments for the duration of the Plan.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

13. Other Postemployment Benefits (OPEB) (continued)

Changes in the net OPEB liability/(asset)

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2020	32,702,526	34,625,078	(1,922,552)
Change for the year:			
Service cost	729,685	-	729,685
Interest	1,522,814	-	1,522,814
Difference between expected and actual experience	(1,243,929)	-	(1,243,929)
Changes of assumptions	(2,867,444)	-	(2,867,444)
Net investment income	-	9,514,314	(9,514,314)
Contributions - Employer	-	3,202,541	(3,202,541)
Benefits paid	(2,975,921)	(2,975,921)	-
Administrative expenses	-	(66,595)	66,595
Net changes	(4,834,795)	9,674,339	(14,509,134)
Balance at June 30, 2021	<u>27,867,731</u>	<u>44,299,417</u>	<u>(16,431,686)</u>
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2019	33,641,899	28,854,095	4,787,804
Change for the year:			
Service cost	838,087	-	838,087
Interest	1,669,885	-	1,669,885
Difference between expected and actual experience	(2,752,567)	-	(2,752,567)
Changes of assumptions	387,506	-	387,506
Net investment income	-	1,380,131	(1,380,131)
Contributions - Employer	-	5,532,284	(5,532,284)
Benefits paid	(1,082,284)	(1,082,284)	-
Administrative expenses	-	(59,148)	59,148
Net changes	(939,373)	5,770,983	(6,710,356)
Balance at June 30, 2020	<u>32,702,526</u>	<u>34,625,078</u>	<u>(1,922,552)</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

13. Other Postemployment Benefits (OPEB) (continued)

The Authority made \$3,202,541 and \$5,532,284 in contributions to the OPEB trust during fiscal years 2021 and 2020, respectively. These contributions were considered in the June 30, 2021 and 2020 actuarial valuations, respectively.

Sensitivity of the net OPEB liability/(asset) to changes in the healthcare cost trend rate

The following represents the net OPEB liability/(asset) calculated using the stated health care cost trend assumption, as well as what the OPEB liability/(asset) would be if it were calculated using the healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

	5.25% Decreasing using the Getzen model	6.25% Decreasing using the Getzen model	7.25% Decreasing using the Getzen model
Net OPEB Liability (Asset)			
June 30, 2021	\$ (18,485,569)	\$ (16,431,686)	\$ (14,056,993)

Sensitivity of the net OPEB liability/(asset) to changes in the discount rate

The following represents the net OPEB liability/(asset) calculated using the stated discount rate, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
Net OPEB Liability (Asset)			
June 30, 2021	\$ (14,067,156)	\$ (16,431,686)	\$ (18,496,274)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the years ending June 30, 2021 and 2020, the Authority recognized OPEB expense of (\$5,461,303) and (\$1,383,900), respectively. At June 30, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience gains or losses	\$ -	\$ 1,539,487
Change of assumption	129,168	1,433,722
Net difference between projected and actual earnings on investments	-	6,608,034
Total	\$ 129,168	\$ 9,581,243

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Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

13. Other Postemployment Benefits (OPEB) (continued)

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience gains or losses	\$ -	\$ 2,739,692
Change of assumption	258,337	408,538
Net difference between projected and actual earnings on investments	-	716,893
Total	<u>\$ 258,337</u>	<u>\$ 3,865,123</u>

Year Ended June 30,	
2022	\$ (4,620,167)
2023	\$ (1,692,464)
2024	\$ (1,583,624)
2025	\$ (1,555,820)

14. Defined Contribution Plans

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered by a third party, Mission Square Retirement. The plan, available to all Authority employees, permits the deferral of a portion of salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the plan are held in custodial and annuity accounts for the exclusive benefit of plan participants, and accordingly, the related assets of the plan are not reflected on the Authority's statement of net position. Beginning January 1, 2001, the Authority's matching contributions have been made to a deferred compensation plan created in accordance with Internal Revenue Code Section 401 (a). Employer contributions vest after six months of employment. Any forfeitures are refunded to the Authority. Amounts contributed by the Authority to the deferred compensation plan were \$1,154,621 and \$1,149,290 in 2021 and 2020, respectively. Employees contributed through payroll deductions to the plan \$1,586,319 and \$1,560,790 in 2021 and 2020, respectively.

During May 2013, the Board of Commissioners approved an additional 401 (a) defined contribution retirement plan, which is administered by a third party, Mission Square Retirement. Under this additional plan, the Authority contributed 10% of an employee's base compensation on an annual basis. The new 401 (a) plan is available only to employees hired after June 27, 2003, who do not participate in the Authority's defined benefit pension plan described in Note 12. All contributions by the Authority are discretionary, and vest after three years of employment. Any forfeitures are refunded to the Authority. Amounts contributed by the Authority to the deferred retirement compensation plan are \$1,522,717 and \$1,455,009 in 2021 and 2020, respectively.

15. Land Leases and Land Options

The Authority leases or has entered options to lease, several tracts of land to developers. The leases expire in 2058. In accordance with the terms of the lease agreements, the Authority received advance rental payments totaling \$2,533,613. This amount is being amortized into income over the terms of the leases. The unamortized amount was \$1,282,922 and \$1,317,826 at June 30, 2021 and 2020, respectively, and is included in advanced billings and payments received in advance in the statements of net position. The buildings and any other improvements constructed on the land become the property of the Authority upon the expiration or termination of the leases.

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Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

16. Condensed Financial Information by Entity

	June 30, 2021			
	Airports		Blended Component Unit MNAA Properties Corporation ⁽¹⁾	Total
	Nashville International Airport	John C. Tune Airport		
Condensed statement of net position:				
Assets:				
Current assets	\$ 348,249,669	\$ 7,226,396	\$ 6,920,551	\$ 362,396,616
Restricted assets	494,001,381	-	-	494,001,381
Capital assets, net	1,363,716,286	51,116,671	6,219,928	1,421,052,885
Net pension asset	-	-	-	-
Other assets	30,727,487	-	-	30,727,487
Total assets	2,236,694,823	58,343,067	13,140,479	2,308,178,369
Deferred outflows of resources	2,647,364	-	-	2,647,364
Total assets and deferred outflows of resources	<u>\$2,239,342,187</u>	<u>\$ 58,343,067</u>	<u>\$ 13,140,479</u>	<u>\$2,310,825,733</u>
Liabilities:				
Current liabilities	\$ 57,139,754	\$ 2,012,707	\$ 294,640	\$ 59,447,101
Noncurrent liabilities	1,403,987,176	-	-	1,403,987,176
Total liabilities	1,461,126,930	2,012,707	294,640	1,463,434,277
Deferred inflows of resources	18,821,754	-	-	18,821,754
Net position:				
Net investment in capital assets	319,376,792	51,116,671	6,219,928	376,713,391
Restricted for:				
Capital projects	40,519,090	-	-	40,519,090
Debt service	225,692,970	-	-	225,692,970
Operations	38,171,707	-	-	38,171,707
Net pension asset	3,809,790	-	-	3,809,790
Net OPEB asset	6,979,611	-	-	6,979,611
Unrestricted net position	124,843,543	5,213,689	6,625,911	136,683,143
Total net position	759,393,503	56,330,360	12,845,839	828,569,702
Total liabilities, deferred inflows of resources, and net position	<u>\$2,239,342,187</u>	<u>\$ 58,343,067</u>	<u>\$ 13,140,479</u>	<u>\$2,310,825,733</u>
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	\$ 124,522,859	\$ 581,129	\$ 3,515,571	\$ 128,619,559
Operating expenses	121,956,601	4,172,932	1,789,226	127,918,759
Operating income (loss)	2,566,258	(3,591,803)	1,726,345	700,800
Nonoperating revenues (expenses)	11,560,496	3,795,204	7,582	15,363,282
Transfers	(500,186)	500,186	-	-
Capital contributions	22,944,845	8,411,593	-	31,356,438
Increase in net position	36,571,413	9,115,180	1,733,927	47,420,520
Net position, beginning of year	722,822,090	47,215,180	11,111,912	781,149,182
Net position, end of year	<u>\$ 759,393,503</u>	<u>\$ 56,330,360</u>	<u>\$ 12,845,839</u>	<u>\$ 828,569,702</u>
Condensed statement of cash flows:				
Cash flows from operating activities	\$ 43,096,546	\$ (758,451)	\$ 2,379,715	\$ 44,717,810
Cash flows from noncapital financing activities	31,954,472	918,841	-	32,873,313
Cash flows from capital and related financing activities	(276,086,124)	1,349,782	(356,960)	(275,093,302)
Cash flows from investing activities	487,194,258	3,636	8,991	487,206,885
Intercompany	(443,792)	492,423	(48,631)	-
Increase (decrease) in cash and cash equivalents	285,715,360	2,006,231	1,983,115	289,704,706
Cash and cash equivalents beginning of year	171,623,611	2,469,023	4,910,530	179,003,164
Cash and cash equivalent, end of year	<u>\$ 457,338,971</u>	<u>\$ 4,475,254</u>	<u>\$ 6,893,645</u>	<u>\$ 468,707,870</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2021 and 2020

16. Condensed Financial Information by Entity (continued)

June 30, 2020

	Airports		Blended Component Unit	Total
	Nashville International Airport	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	
Condensed statement of net position:				
Assets:				
Current assets	\$ 303,030,864	\$ 3,893,897	\$ 4,902,052	\$ 311,826,813
Restricted assets	735,306,414	-	-	735,306,414
Capital assets, net	1,174,158,748	43,965,207	6,583,699	1,224,707,654
Net pension asset	-	-	-	-
Other assets	6,437,079	-	-	6,437,079
Total assets	2,218,933,105	47,859,104	11,485,751	2,278,277,960
Deferred outflows of resources	3,132,043	-	-	3,132,043
Total assets and deferred outflows of resources	<u>\$2,222,065,148</u>	<u>\$ 47,859,104</u>	<u>\$ 11,485,751</u>	<u>\$2,281,410,003</u>
Liabilities:				
Current liabilities	\$ 86,156,816	\$ 643,924	\$ 373,839	\$ 87,174,579
Noncurrent liabilities	1,408,081,502	-	-	1,408,081,502
Total liabilities	1,494,238,318	643,924	373,839	1,495,256,081
Deferred inflows of resources	5,004,740	-	-	5,004,740
Net position:				
Net investment in capital assets	347,412,395	43,965,207	6,583,699	397,961,301
Restricted for:				
Capital projects	42,129,225	-	-	42,129,225
Debt service	224,975,853	-	-	224,975,853
Operations	35,774,791	-	-	35,774,791
Net pension asset	2,005,718	-	-	2,005,718
Net OPEB asset	-	-	-	-
Unrestricted net position	70,524,108	3,249,973	4,528,213	78,302,294
Total net position	722,822,090	47,215,180	11,111,912	781,149,182
Total liabilities, deferred inflows of resources, and net position	<u>\$2,222,065,148</u>	<u>\$ 47,859,104</u>	<u>\$ 11,485,751</u>	<u>\$2,281,410,003</u>
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	\$ 139,512,747	\$ 811,534	\$ 3,594,357	\$ 143,918,638
Operating expenses	138,621,274	5,681,115	1,901,827	146,204,216
Operating income (loss)	891,473	(4,869,581)	1,692,530	(2,285,578)
Nonoperating revenues (expenses)	31,974,495	3,840,015	45,390	35,859,900
Transfers	(3,785,225)	3,785,225	-	-
Capital contributions	20,754,550	532,649	-	21,287,199
Increase in net position	49,835,293	3,288,308	1,737,920	54,861,521
Net position, beginning of year	672,986,797	43,926,872	9,373,992	726,287,661
Net position, end of year	<u>\$ 722,822,090</u>	<u>\$ 47,215,180</u>	<u>\$ 11,111,912</u>	<u>\$ 781,149,182</u>
Condensed statement of cash flows:				
Cash flows from operating activities	\$ 41,878,529	\$ (2,854,350)	\$ 2,375,687	\$ 41,399,866
Cash flows from noncapital financing activities	7,353,883	-	-	7,353,883
Cash flows from capital and related financing activities	638,939,210	(517,013)	(825,257)	637,596,940
Cash flows from investing activities	(832,332,434)	35,238	55,544	(832,241,652)
Intercompany	(3,658,845)	3,797,339	(138,494)	-
Increase (decrease) in cash and cash equivalents	(147,819,657)	461,214	1,467,480	(145,890,963)
Cash and cash equivalents beginning of year	319,443,268	2,007,809	3,443,050	324,894,127
Cash and cash equivalent, end of year	<u>\$ 171,623,611</u>	<u>\$ 2,469,023</u>	<u>\$ 4,910,530</u>	<u>\$ 179,003,164</u>

17. Upcoming Reporting Changes

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Authority's financial statements for the year ending June 30, 2021 were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The provisions of this statement were originally effective for the Authority's financial statements for the year ending June 30, 2022 were extended to June 30, 2023 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2023.

**Metropolitan Nashville Airport Authority
Required Supplementary Information**

This section contains the following subsections:

Schedule of Changes in Net Pension Liability

Schedule of Pension Contributions

Schedule of Investment Returns for Pension

Schedule of Changes in Net OPEB Liability

Schedule of OPEB Contributions

Schedule of Investment Returns for OPEB

Metropolitan Nashville Airport Authority
Schedule of Changes in Net Pension Liability
Year Ended June 30 for Each of the Years Presented

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 654,045	\$ 823,410	\$ 685,843	\$ 667,297	\$ 741,608	\$ 679,217	\$ 645,437	\$ 845,864
Interest	4,590,189	4,622,700	4,604,838	4,218,823	4,482,097	4,342,076	3,987,395	3,521,317
Differences between expected and actual experience	(307,806)	(1,902,545)	2,027,120	745,177	(1,259,978)	537,929	677,000	356,625
Changes of assumptions	2,223,479	(219,979)	7,451,464	2,942,473	(616,820)	2,516,013	1,676,218	3,581,969
Benefit payments	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)	(2,589,887)	(2,552,544)	(2,479,800)
Net change in total pension liability	2,972,691	(541,846)	11,261,593	5,514,498	507,609	5,485,348	4,433,506	5,825,975
Total pension liability - beginning	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297	54,275,949	49,842,443	44,016,468
Total pension liability - ending (a)	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297	54,275,949	49,842,443
Plan fiduciary net position:								
Contributions - employer	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995	8,000,000	8,000,000
Net investment income	16,647,552	4,297,823	4,148,512	4,968,584	6,771,977	205,790	1,428,204	4,574,509
Benefit payments	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)	(2,589,887)	(2,552,544)	(2,479,800)
Net change in plan fiduciary net position	12,877,657	3,882,391	9,540,840	3,909,312	9,093,584	9,567,898	6,875,660	10,094,709
Plan fiduciary net position - beginning	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359	43,654,461	36,778,801	26,684,092
Plan fiduciary net position - ending (b)	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359	43,654,461	36,778,801
Authority's net pension liability (asset) - ending (a) - (b)	<u>\$ (13,050,301)</u>	<u>\$ (3,145,335)</u>	<u>\$ 1,278,902</u>	<u>\$ (441,851)</u>	<u>\$ (2,047,037)</u>	<u>\$ 6,538,938</u>	<u>\$ 10,621,488</u>	<u>\$ 13,063,642</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	116.4%	104.1%	98.3%	100.7%	103.4%	89.1%	80.4%	73.8%
Covered payroll	\$ 5,239,192	\$ 6,534,870	\$ 6,811,701	\$ 8,493,682	\$ 8,497,486	\$ 8,078,834	\$ 7,895,716	\$ 7,732,080
Net pension liability (asset) as a percentage of covered payroll	(249.09%)	(48.13%)	18.8%	(5.20%)	(24.09%)	80.9%	134.5%	169.0%

**Metropolitan Nashville Airport Authority
Schedule of Pension Contributions
Year Ended June 30 for Each of the Years Presented**

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 417,321	\$ 945,088	\$ 790,495	\$ 717,344	\$ 1,101,679	\$ 1,652,788	\$ 2,165,146	\$ 2,667,945
Contributions in relation to the actuarially determined contribution	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995	8,000,000	8,000,000
Contribution deficiency (excess)	\$ -	\$ (2,504,912)	\$ (8,109,505)	\$ (1,282,656)	\$ (4,059,226)	\$ (10,299,207)	\$ (5,834,854)	\$ (5,332,055)
Covered payroll	\$ 5,239,192	\$ 6,534,870	\$ 6,811,701	\$ 7,440,484	\$ 8,493,682	\$ 8,497,486	\$ 8,078,834	\$ 7,895,716
Contributions as a percentage covered payroll	8.0%	52.8%	130.7%	26.9%	60.8%	140.7%	99.0%	101.3%

Notes to Schedule of Changes in the Net Pension Liability (Asset) and Schedule of Pension Contributions

Actuarially determined contribution rates for each year presented in the Schedule of Pension Contributions are based on an actuarial valuation performed as of the first day of each year for which the contributions relate. Methods and assumptions used to determine the contribution rate for the June 30, 2021 actuarially determined contribution are below. For each year presented in the Schedule of Changes in Net Pension Liability (Asset), assumption changes relate to an annual update of the mortality table, as noted below:

Actuarial valuation method	Entry age normal
Asset valuation method	Fair market value for Statement No. 67 and Statement No. 68 Fair market value is based on quoted market prices
Amortization method	Level Dollar
Amortization period	For Statement No. 68 as of June 30, 2021 Investment gains or losses are amortized over 5 years. Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 1 year. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Inflation	2%, per annum, compounded annually
Salary increases	4%, per annum, compounded annually
Investment rate of return	5.5%, per annum, compounded annually
Discount rate	5.5%, per annum, compounded annually
Retirement age	Varying rates beginning with 5% at age 50 and 100% retirement at age 65. Normal retirement age of 55 with 10 years of service, but no later than 65, for public safety employees
Mortality	The 2021 actuarially determined contribution was based on the RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020. Assumption changes in the Schedule of Changes in Net Pension Liability (Asset) relate to a change in the mortality tables used for each year presented, as follows: June 30, 2021: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020 June 30, 2020: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2019 June 30, 2019: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2018 June 30, 2018: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2017 June 30, 2017: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2016 June 30, 2016: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2015 June 30, 2015: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2014 June 30, 2014: RP-2000 Combined Mortality Table (Generational)

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is

**Metropolitan Nashville Airport Authority
Schedule of Investment Returns for Pension
Year Ended June 30 for Each of the Years Presented**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	21.63%	6.05%	6.20%	8.40%	13.04%	0.76%	4.04%	17.24%

Metropolitan Nashville Airport Authority
Schedule of Changes in Net OPEB Liability
Year Ended June 30 for Each of the Years Presented

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 729,685	\$ 838,087	\$ 1,110,421	\$ 1,287,152	\$ 1,259,595
Interest	1,522,814	1,669,885	1,445,441	1,478,732	1,346,638
Differences between expected and actual experience	(1,243,929)	(2,752,567)	(2,713,939)	(2,340,217)	809,991
Changes of assumptions	(2,867,444)	387,506	(1,225,616)	-	1,205,435
Benefit payments	<u>(2,975,921)</u>	<u>(1,082,284)</u>	<u>(1,081,219)</u>	<u>(1,346,874)</u>	<u>(1,191,983)</u>
Net change in total OPEB liability	(4,834,795)	(939,373)	(2,464,912)	(921,207)	3,429,676
Total OPEB liability - beginning	<u>32,702,526</u>	<u>33,641,899</u>	<u>36,106,811</u>	<u>37,028,018</u>	<u>33,598,342</u>
Total OPEB liability - ending (a)	<u>27,867,731</u>	<u>32,702,526</u>	<u>33,641,899</u>	<u>36,106,811</u>	<u>37,028,018</u>
Plan fiduciary net position:					
Contributions - employer	3,202,541	5,532,284	3,081,219	10,195,977	\$ 7,983,073
Net investment income	9,514,314	1,380,131	1,595,233	1,204,489	1,016,930
Benefit payments	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Administrative expenses	<u>(66,595)</u>	<u>(59,148)</u>	<u>(52,660)</u>	<u>(31,165)</u>	<u>(18,854)</u>
Net change in plan fiduciary net position	9,674,339	5,770,983	3,542,573	10,022,427	7,789,166
Plan fiduciary net position - beginning	<u>34,625,078</u>	<u>28,854,095</u>	<u>25,311,522</u>	<u>15,289,095</u>	<u>7,499,929</u>
Plan fiduciary net position - ending (b)	<u>44,299,417</u>	<u>34,625,078</u>	<u>28,854,095</u>	<u>25,311,522</u>	<u>15,289,095</u>
Authority's net OPEB liability (asset) - ending (a) - (b)	<u>\$ (16,431,686)</u>	<u>\$ (1,922,552)</u>	<u>\$ 4,787,804</u>	<u>\$ 10,795,289</u>	<u>\$ 21,738,923</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	159.0%	105.9%	85.8%	70.1%	41.3%
Covered-employee payroll	\$ 7,881,945	\$ 10,303,336	\$ 9,777,169	\$ 11,523,443	\$ 16,792,985
Net OPEB liability (asset) as a percentage of covered-employee payroll	-208.5%	-18.7%	49.0%	93.7%	129.5%

Metropolitan Nashville Airport Authority
Schedule of OPEB Contributions
Year Ended June 30 for Each of the Years Presented

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 605,418	\$ 1,200,138	\$ 1,911,323	\$ 3,167,615	\$ -
Contributions in relation to the actuarially determined contribution	<u>3,202,542</u>	<u>5,532,284</u>	<u>3,081,219</u>	<u>10,195,977</u>	<u>7,983,073</u>
Contribution deficiency (excess)	<u>\$ (2,597,124)</u>	<u>\$ (4,332,146)</u>	<u>\$ (1,169,896)</u>	<u>\$ (7,028,362)</u>	<u>\$ (7,983,073)</u>
Covered-employee payroll	\$ 7,881,945	\$ 10,303,336	\$ 9,777,169	\$ 10,678,528	\$ 11,523,443
Contributions as a percentage covered-employee payroll	40.6%	53.7%	31.5%	95.5%	69.3%

**Metropolitan Nashville Airport Authority
Schedule of Investment Returns for OPEB
Year Ended June 30 for Each of the Years Presented**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	27.54%	4.79%	6.31%	7.53%	13.02%

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Other Information
Metropolitan Nashville Airport Authority

This section contains the following subsections:

Combining Schedule of Net Position Information by Entity

**Combining Schedule of Revenues, Expenses and Changes
in Net Position Information by Entity**

**Combining Schedule of Fiduciary Net Position Information
by Entity**

**Combining Schedule of Changes in Fiduciary Net Position
Information by Entity**

**Schedule of Airport Revenue Bonds, Principal, and Interest
Requirements by Fiscal Year**

Schedule of Changes in Long-term Debt by Individual Issue

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2021

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
ASSETS				
Current assets:				
Unrestricted assets:				
Cash and investments	\$ 335,602,743	\$ 4,475,254	\$ 6,893,644	\$ 346,971,641
Accounts receivable, net	9,984,906	48,947	55,979	10,089,832
Due from governmental agencies	170,732	2,702,422	-	2,873,154
Inventories	970,257	-	-	970,257
Due from (to) other funds	51,873	(227)	(51,646)	-
Prepaid expenses and other	1,469,158	-	22,574	1,491,732
Total current unrestricted assets	<u>348,249,669</u>	<u>7,226,396</u>	<u>6,920,551</u>	<u>362,396,616</u>
Restricted assets:				
Cash and investments	492,716,987	-	-	492,716,987
Accounts receivable	1,284,394	-	-	1,284,394
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated				
Land and nondepreciable assets	104,139,403	3,214,304	200,817	107,554,524
Construction in progress	299,882,970	1,196,268	-	301,079,238
Capital assets being depreciated				
Buildings and building improvements	679,702,052	24,831,970	13,764,078	718,298,100
Equipment	390,885,918	702,707	1,655,190	393,243,815
Infrastructure	573,730,105	44,840,605	-	618,570,710
Total capital assets	<u>2,048,340,448</u>	<u>74,785,854</u>	<u>15,620,085</u>	<u>2,138,746,387</u>
Less accumulated depreciation	<u>(684,624,162)</u>	<u>(23,669,183)</u>	<u>(9,400,157)</u>	<u>(717,693,502)</u>
Net capital assets	<u>1,363,716,286</u>	<u>51,116,671</u>	<u>6,219,928</u>	<u>1,421,052,885</u>
Other assets:				
Accounts receivable, net	1,110,000	-	-	1,110,000
Prepaid and deposits	135,500	-	-	135,500
Net OPEB asset	16,431,686	-	-	16,431,686
Net pension asset	13,050,301	-	-	13,050,301
Total noncurrent assets	<u>1,394,443,773</u>	<u>51,116,671</u>	<u>6,219,928</u>	<u>1,451,780,372</u>
Total assets	<u>\$ 2,236,694,823</u>	<u>\$ 58,343,067</u>	<u>\$ 13,140,479</u>	<u>\$ 2,308,178,369</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow s from OPEB	\$ 129,168	\$ -	\$ -	\$ 129,168
Deferred amount on refunding	2,518,196	-	-	2,518,196
Total deferred outflow s of resources	<u>\$ 2,647,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,647,364</u>

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2021

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
LIABILITIES				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable	\$ 47,101,366	\$ 1,890,743	\$ 87,738	\$ 49,079,847
Accrued payroll and related items	6,211,503	87,804	-	6,299,307
Advanced billings and payments received in advance	3,115,301	34,160	206,902	3,356,363
Current maturities of notes payable	660,032	-	-	660,032
Accrued interest payable	51,552	-	-	51,552
Total current liabilities	<u>57,139,754</u>	<u>2,012,707</u>	<u>294,640</u>	<u>59,447,101</u>
Noncurrent liabilities:				
Payable from restricted assets:				
Accrued interest payable	27,574,417	-	-	27,574,417
Current maturities of airport revenue bonds	28,871,706	-	-	28,871,706
Notes payable, less current maturities	24,053,793	-	-	24,053,793
Airport revenue bonds, less current maturities	1,323,487,260	-	-	1,323,487,260
Total noncurrent liabilities	<u>1,403,987,176</u>	<u>-</u>	<u>-</u>	<u>1,403,987,176</u>
Total liabilities	<u>\$ 1,461,126,930</u>	<u>\$ 2,012,707</u>	<u>\$ 294,640</u>	<u>\$ 1,463,434,277</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow s from pensions	\$ 9,240,511	\$ -	\$ -	\$ 9,240,511
Deferred inflow s from OPEB	9,581,243	-	-	9,581,243
Total deferred inflow s of resources	<u>\$ 18,821,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,821,754</u>
NET POSITION				
Net investment in capital assets	\$ 319,376,792	\$ 51,116,671	\$ 6,219,928	\$ 376,713,391
Restricted for:				
Capital projects	40,519,090	-	-	40,519,090
Debt service	225,692,970	-	-	225,692,970
Operations	38,171,707	-	-	38,171,707
Net pension asset	3,809,790	-	-	3,809,790
Net OPEB asset	6,979,611	-	-	6,979,611
Unrestricted net position	<u>124,843,543</u>	<u>5,213,689</u>	<u>6,625,911</u>	<u>136,683,143</u>
Total net position	<u>\$ 759,393,503</u>	<u>\$ 56,330,360</u>	<u>\$ 12,845,839</u>	<u>\$ 828,569,702</u>

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

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Metropolitan Nashville Airport Authority
Combining Schedule of Revenues, Expenses and Changes in Net Position Information by
Entity
For the Year Ended June 30, 2021

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNA Properties Corporation ⁽¹⁾	Total
Operating revenues:				
Signatory airline	\$ 47,495,370	\$ -	\$ -	\$ 47,495,370
Parking	27,116,496	-	-	27,116,496
Concession	27,024,842	-	-	27,024,842
Space rental	11,597,908	478,540	3,393,349	15,469,797
Other	11,288,243	102,589	122,222	11,513,054
Total operating revenue	<u>124,522,859</u>	<u>581,129</u>	<u>3,515,571</u>	<u>128,619,559</u>
Operating expenses:				
Salaries, wages and fringe benefits	24,641,942	491,546	-	25,133,488
Contractual services	33,750,533	819,696	441,634	35,011,863
Materials and supplies	3,603,870	46,749	23,800	3,674,419
Utilities	5,346,630	59,007	356,087	5,761,724
Insurance	1,871,849	21,351	20,099	1,913,299
Other	2,713,616	10,122	316,598	3,040,336
Depreciation	50,028,161	2,724,461	631,008	53,383,630
Total operating expenses	<u>121,956,601</u>	<u>4,172,932</u>	<u>1,789,226</u>	<u>127,918,759</u>
Operating income (loss)	<u>2,566,258</u>	<u>(3,591,803)</u>	<u>1,726,345</u>	<u>700,800</u>
Nonoperating revenues (expenses):				
Investment income	1,635,047	3,636	8,991	1,647,674
Passenger facility charges	20,253,069	-	-	20,253,069
Customer facility charges	8,365,388	-	-	8,365,388
Federal and state grants	31,397,571	83,999	-	31,481,570
Insurance reimbursement	1,391,382	3,707,569	-	5,098,951
Gain (loss) on disposal of assets	(2,160,638)	-	-	(2,160,638)
Interest expense	(49,321,323)	-	(1,409)	(49,322,732)
	<u>11,560,496</u>	<u>3,795,204</u>	<u>7,582</u>	<u>15,363,282</u>
Income before capital contributions and transfers	14,126,754	203,401	1,733,927	16,064,082
Transfers	(500,186)	500,186	-	-
Capital contributions	22,944,845	8,411,593	-	31,356,438
Increase in net position	36,571,413	9,115,180	1,733,927	47,420,520
Net position - beginning of year	<u>722,822,090</u>	<u>47,215,180</u>	<u>11,111,912</u>	<u>781,149,182</u>
Net position - end of year	<u>\$ 759,393,503</u>	<u>\$ 56,330,360</u>	<u>\$ 12,845,839</u>	<u>\$ 828,569,702</u>

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Metropolitan Nashville Airport Authority
Combining Schedule of Fiduciary Net Position Information by Entity
June 30, 2021

	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,926,963	\$ 3,634,718	\$ 5,561,681
Investments, at fair value:			
Pooled, common and collective funds	-	72,513,900	72,513,900
Mutual funds	42,372,454	16,377,525	58,749,979
	<u> </u>	<u> </u>	<u> </u>
Total assets	44,299,417	92,526,143	136,825,560
	<u> </u>	<u> </u>	<u> </u>
NET POSITION			
Restricted for:			
OPEB	44,299,417	-	44,299,417
Pension	-	92,526,143	92,526,143
	<u> </u>	<u> </u>	<u> </u>
Total net position	<u>\$ 44,299,417</u>	<u>\$ 92,526,143</u>	<u>\$ 136,825,560</u>

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Metropolitan Nashville Airport Authority
Combining Schedule of Changes Fiduciary Net Position Information by Entity
For the Year Ended June 30, 2021

	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Additions:			
Employer contributions	\$ 3,202,541	\$ 417,321	\$ 3,619,862
Investment income			
Net appreciation in fair value	9,514,314	16,616,960	26,131,274
Interest and dividends	-	195,581	195,581
Investment expenses	-	164,989	164,989
Investment income, net	<u>9,514,314</u>	<u>16,647,552</u>	<u>26,161,866</u>
Total additions	<u>12,716,855</u>	<u>17,064,873</u>	<u>29,781,728</u>
Deductions:			
Benefits paid to participants	2,975,921	4,187,216	7,163,137
Administrative expenses	66,595	-	66,595
Total deductions	<u>3,042,516</u>	<u>4,187,216</u>	<u>7,229,732</u>
Change in net position	<u>9,674,339</u>	<u>12,877,657</u>	<u>22,551,996</u>
Net position - beginning of year	<u>34,625,078</u>	<u>79,648,486</u>	<u>114,273,564</u>
Net position - end of year	<u>\$ 44,299,417</u>	<u>\$ 92,526,143</u>	<u>\$ 136,825,560</u>

**Metropolitan Nashville Airport Authority
Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year
June 30, 2021**

Year Ending June 30,	Series 2003B Revenue Bonds		CONRAC Series 2010 Revenue Bonds		CONRAC Refunding Revenue Bonds		Series 2015A Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	645,000	782,283	-	-	3,028,385	890,475	1910,000	4,151,950
2023	680,000	782,283	-	-	3,132,780	784,265	2,005,000	4,064,100
2024	720,000	688,290	-	-	3,240,775	674,395	2,085,000	3,982,300
2025	760,000	594,297	-	-	3,350,795	562,462	2,170,000	3,897,200
2026	805,000	594,297	-	-	3,468,000	443,220	2,255,000	3,808,700
2027	855,000	594,297	-	-	3,587,550	321,593	2,350,000	3,716,600
2028	905,000	594,297	-	-	3,711,220	195,773	2,440,000	3,620,800
2029	960,000	594,297	-	-	3,838,790	65,985	2,540,000	3,508,500
2030	1,015,000	594,297	-	-	-	-	2,665,000	3,378,375
2031	1,075,000	594,297	-	-	-	-	2,800,000	3,241,750
2032	1,140,000	594,297	-	-	-	-	2,940,000	3,098,250
2033	1,210,000	594,297	-	-	-	-	3,085,000	2,947,625
2034	1,280,000	297,148	-	-	-	-	3,240,000	2,789,500
2035	-	-	-	-	-	-	3,405,000	2,623,375
2036	-	-	-	-	-	-	3,575,000	2,448,875
2037	-	-	-	-	-	-	3,750,000	2,359,500
2038	-	-	-	-	-	-	3,940,000	2,359,500
2039	-	-	-	-	-	-	4,135,000	2,359,500
2040	-	-	-	-	-	-	4,345,000	2,359,500
2041	-	-	-	-	-	-	4,560,000	1,841,250
2042	-	-	-	-	-	-	4,790,000	1,323,000
2043	-	-	-	-	-	-	5,025,000	1,323,000
2044	-	-	-	-	-	-	5,280,000	1,323,000
2045	-	-	-	-	-	-	5,545,000	1,323,000
2046	-	-	-	-	-	-	5,820,000	661,500
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-
	\$ 12,050,000	\$ 7,898,677	\$ -	\$ -	\$ 27,358,295	\$ 3,938,168	\$ 86,655,000	\$ 68,510,650
Bond	-	-	-	-	-	-	11,063,017	-
Premium	\$ 12,050,000	\$ 7,898,677	\$ -	\$ -	\$ 27,358,295	\$ 3,938,168	\$ 97,718,017	\$ 68,510,650

**Metropolitan Nashville Airport Authority
Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year
For the Year Ended June 30, 2021**

Series 2015B Revenue Bonds		Subordinate Series 2019A Revenue Bonds		Subordinate Series 2019B Revenue Bonds		Total Debt Service		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2,280,000	4,889,219	-	12,221,750	-	32,132,500	7,863,385	55,068,177	62,931,562
2,395,000	4,772,344	-	12,221,750	-	32,132,500	8,212,780	54,757,242	62,970,022
2,515,000	4,649,591	-	12,221,750	-	32,132,500	8,560,775	54,348,826	62,909,601
2,640,000	4,520,719	2,965,000	12,221,750	7,920,000	32,132,500	19,805,795	53,928,928	73,734,723
2,775,000	4,399,219	3,120,000	12,073,500	8,315,000	31,736,500	20,738,000	53,055,436	73,793,436
2,885,000	4,271,593	3,270,000	11,917,500	8,735,000	31,320,750	21,682,550	52,142,333	73,824,883
3,030,000	4,123,719	3,430,000	11,754,000	9,170,000	30,884,000	22,686,220	51,172,589	73,858,809
3,180,000	3,968,469	3,600,000	11,582,500	9,625,000	30,425,500	23,743,790	50,145,251	73,889,041
3,340,000	3,805,469	3,790,000	11,402,500	10,110,000	29,944,250	20,920,000	49,124,891	70,044,891
3,505,000	3,634,344	3,970,000	11,213,000	10,610,000	29,438,750	21,960,000	48,122,141	70,082,141
3,680,000	3,454,719	4,175,000	11,014,500	11,145,000	28,908,250	23,080,000	47,070,016	70,150,016
3,865,000	3,266,094	4,380,000	10,805,750	11,700,000	28,351,000	24,240,000	45,964,766	70,204,766
4,060,000	3,067,969	5,000,000	10,586,750	13,240,000	27,766,000	26,820,000	44,507,367	71,327,367
4,260,000	2,859,969	5,245,000	10,336,750	13,905,000	27,104,000	26,815,000	42,924,094	69,739,094
4,475,000	2,641,594	5,640,000	10,074,500	14,920,000	26,408,750	28,610,000	41,573,719	70,183,719
4,255,000	2,529,719	5,920,000	9,792,500	15,655,000	25,662,750	29,580,000	40,344,469	69,924,469
4,470,000	2,529,719	6,210,000	9,496,500	16,445,000	24,880,000	31,065,000	39,265,719	70,330,719
4,695,000	2,529,719	6,530,000	9,186,000	17,260,000	24,057,750	32,620,000	38,132,969	70,752,969
4,930,000	2,529,719	6,855,000	8,859,500	18,130,000	23,194,750	34,260,000	36,943,469	71,203,469
5,175,000	1,941,593	7,195,000	8,516,750	19,040,000	22,288,250	35,970,000	34,587,843	70,557,843
5,435,000	1,353,468	7,555,000	8,157,000	19,990,000	21,336,250	37,770,000	32,169,718	69,939,718
5,705,000	1,353,468	7,935,000	7,779,250	20,985,000	20,336,750	39,650,000	30,792,468	70,442,468
5,990,000	925,220	8,330,000	7,382,500	22,030,000	19,287,500	41,630,000	28,918,220	70,548,220
6,290,000	496,970	8,750,000	6,966,000	23,130,000	18,186,000	43,715,000	26,971,970	70,686,970
6,535,000	248,485	12,940,000	6,560,550	33,340,000	17,095,100	58,635,000	24,565,635	83,200,635
-	-	13,535,000	5,964,150	34,900,000	15,528,900	48,435,000	21,493,050	69,928,050
-	-	14,165,000	5,340,550	36,540,000	13,889,750	50,705,000	19,230,300	69,935,300
-	-	14,810,000	4,688,050	38,260,000	12,173,800	53,070,000	16,861,850	69,931,850
-	-	15,500,000	4,006,000	40,045,000	10,377,500	55,545,000	14,383,500	69,928,500
-	-	16,225,000	3,276,200	41,940,000	8,488,400	58,165,000	11,764,600	69,929,600
-	-	16,990,000	2,512,450	43,915,000	6,510,100	60,905,000	9,022,550	69,927,550
-	-	17,785,000	1,712,850	45,995,000	4,439,100	63,780,000	6,151,950	69,931,950
-	-	18,620,000	875,950	48,155,000	2,270,300	66,775,000	3,146,250	69,921,250
<u>\$ 102,365,000</u>	<u>\$ 74,763,111</u>	<u>\$ 254,435,000</u>	<u>\$ 282,721,000</u>	<u>\$ 665,150,000</u>	<u>\$ 740,820,700</u>	<u>\$ 1,148,013,295</u>	<u>\$ 1,178,652,306</u>	<u>\$ 2,326,665,601</u>
<u>10,182,994</u>	<u>-</u>	<u>54,475,811</u>	<u>-</u>	<u>128,613,849</u>	<u>-</u>	<u>204,335,671</u>	<u>-</u>	<u>204,335,671</u>
<u>\$ 112,547,994</u>	<u>\$ 74,763,111</u>	<u>\$ 308,910,811</u>	<u>\$ 282,721,000</u>	<u>\$ 793,763,849</u>	<u>\$ 740,820,700</u>	<u>\$ 1,352,348,966</u>	<u>\$ 1,178,652,306</u>	<u>\$ 2,531,001,272</u>

Metropolitan Nashville Airport Authority
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2021
Nashville International Airport									
NOTES PAYABLE									
<u>Payable through General Fund</u>									
Energy Loan Phase II	\$ 2,777,500	1.85%	12/1/2012	11/30/2023	\$ 880,802	\$ -	\$ (358,057)	\$ -	\$ 522,745
Geothermal Loan	4,300,000	2.78%	7/1/2015	6/30/2031	3,469,861	-	(287,102)	-	3,182,759
Total Notes Payable through General Fund					\$ 4,350,663	\$ -	\$ (645,159)	\$ -	\$ 3,705,504
BONDS PAYABLE									
<u>Payable through General Fund</u>									
General Airport Revenue Bond, Series 2003B	\$ 19,585,000	5.49 to 5.94%	11/1/2003	7/1/2033	\$ 13,235,000	\$ -	\$ (1,185,000)	\$ -	\$ 12,050,000
General Airport Revenue Bond, Series 2015A	91,855,000	4.0 to 5.0%	12/1/2015	7/1/2045	88,475,000	-	(1,820,000)	-	86,655,000
General Airport Revenue Bond, Series 2015B	108,145,000	4.0 to 5.0%	12/1/2015	7/1/2045	104,535,000	-	(2,170,000)	-	102,365,000
Subordinate, General Airport Revenue Bond, Series 2019A	254,435,000	4.0 to 5.0%	12/17/2019	7/1/2054	254,435,000	-	-	-	254,435,000
Subordinate, General Airport Revenue Bond, Series 2019B	665,150,000	4.0 to 5.0%	12/17/2019	7/1/2054	665,150,000	-	-	-	665,150,000
Total Bonds Payable through General Fund					\$ 1,125,830,000	\$ -	\$ (5,175,000)	\$ -	\$ 1,120,655,000
<u>Payable through Customer Facility Charges</u>									
CONRAC, Series 2010	66,300,000	4.816 to 5.787%	2/1/2010	7/1/2020	\$ 3,000,000	\$ -	\$ (3,000,000)	\$ -	\$ -
CONRAC, Series 2018	27,358,295	3.40%	5/1/2018	7/1/2028	27,358,295	-	-	-	27,358,295
Total Bonds Payable through Customer Facility Charges					\$ 30,358,295	\$ -	\$ (3,000,000)	\$ -	\$ 27,358,295

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time (schedules on pages 108, 111, and 112)

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant revenue sources (schedules on pages 109, 110, 114, and 115)

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and its ability to issue additional debt in the future (schedules on pages 111 and 113)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place (schedules on pages 116, 117, and 118)

Operating Information

These schedules contain service data to help the reader understand how the information in the Authority's financial report relates to the services it provides and the activities it performs (schedule on page 117)

**Metropolitan Nashville Airport Authority
Statistical Information**

**Metropolitan Nashville Airport Authority Change in Net Position
As of June 30 for Each of the Years Presented**

	2021	2020	2019	2018	(as restated) 2017	(as restated) 2016	2015	(as restated) 2014	(as restated) 2013	2012
Operating Revenues:										
Signatory Airline	\$ 47,495,370	\$ 46,012,326	\$ 55,264,548	\$ 48,091,521	\$ 30,671,634	\$ 30,561,053	\$ 39,414,175	\$ 37,026,998	\$ 29,373,222	\$ 16,132,099
Parking	27,116,496	41,735,515	53,153,828	50,369,200	43,977,208	41,889,907	38,725,346	36,258,325	34,020,205	32,467,762
Concession	27,024,842	31,730,323	37,203,600	33,498,728	29,338,439	25,453,862	22,873,310	21,520,372	19,490,760	18,220,104
Space Rental	15,469,797	14,918,277	16,885,811	16,648,433	15,121,337	12,324,959	11,989,094	11,045,009	10,308,115	9,545,208
Other	11,513,054	9,522,197	7,524,807	5,871,735	8,987,603	5,959,737	5,993,198	6,278,417	6,599,423	6,748,967
Total Operating Revenues	128,619,559	143,918,638	170,032,594	154,479,617	128,096,221	116,189,518	118,995,123	112,129,121	99,791,725	83,114,140
Operating Expenses:										
Salaries and wages	25,133,488	36,981,912	38,469,934	32,879,302	33,862,254	34,666,038	32,019,144	30,602,436	32,118,328	30,744,071
Contractual Services	35,011,863	42,218,732	41,434,039	36,801,980	28,610,678	26,270,995	25,962,137	27,886,714	24,783,144	24,214,616
Materials and Supplies	3,674,419	4,544,743	4,046,799	3,840,490	3,509,520	3,374,113	3,987,451	4,132,884	3,436,780	3,156,304
Utilities	5,761,724	5,977,699	6,140,029	5,639,206	5,971,391	5,944,858	6,255,942	5,887,708	5,970,579	6,115,153
Insurance	1,913,299	1,442,491	1,336,036	-	-	-	-	-	-	-
Other	3,040,336	5,270,166	8,287,094	6,101,266	5,610,734	5,677,177	5,451,870	4,645,047	3,786,262	3,147,215
Total Operating Expenses	74,535,129	96,435,743	99,713,931	85,262,244	77,564,577	75,933,181	73,676,544	73,154,789	70,095,093	67,377,359
Provision for Depreciation	53,383,630	49,768,473	44,497,442	39,914,221	38,979,958	37,223,834	36,534,617	35,773,468	35,648,323	33,000,622
Nonoperating Revenues:										
Investment income	1,647,674	23,723,090	7,703,826	2,149,362	730,198	333,542	359,790	328,349	426,259	305,715
Passenger facility charges	20,253,069	26,384,555	31,416,941	28,300,013	25,982,494	23,735,979	15,703,411	13,502,385	13,262,426	12,522,227
Customer facility charges	8,365,388	11,827,674	15,094,273	14,290,386	13,561,430	12,956,481	11,692,265	10,825,490	10,307,062	10,090,579
Other nonoperating revenues	36,580,521	12,032,061	-	130,025	86,599	614,433	396,880	313,559	553,407	21,911
Total Nonoperating Revenues	66,846,652	73,967,380	54,215,040	44,869,786	40,360,721	37,640,435	28,152,346	24,969,783	24,549,154	22,940,432
Nonoperating Expenses:										
Debt-related expenses	49,322,732	37,994,910	13,267,265	10,262,472	10,299,910	8,874,244	7,610,829	9,000,146	10,231,288	10,281,744
Other nonoperating expenses	2,160,638	112,570	16,170,808	548,726	(461,510)	1,234,522	302,080	-	-	-
Total Nonoperating Expenses	51,483,370	38,107,480	29,438,073	10,811,198	9,838,400	10,108,766	7,912,909	9,000,146	10,231,288	10,281,744
Capital Contributions	31,356,438	21,287,199	18,178,942	15,010,688	14,552,791	28,763,278	28,056,580	12,739,063	6,023,925	6,807,058
Increase in Net Position	47,420,520	54,861,521	68,777,130	78,372,428	56,626,798	59,327,450	57,079,979	31,909,564	14,390,100	2,201,905
Total Net Position - End of Year	\$ 828,569,702	\$ 781,149,182	\$ 726,287,661	\$ 657,510,531	\$ 579,138,103	\$ 522,511,305	\$ 463,183,855	\$ 406,103,876	\$ 374,194,312	\$ 386,387,255

* Fiscal 2013 ending net position was restated in fiscal 2015 for the effects of the retrospective application of GASB Statement No. 68.

**Fiscal 2016 ending net position was restated in fiscal 2018 for the effects of the retrospective application of GASB Statement No. 75.

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

**Metropolitan Nashville Airport Authority
Statistical Information**

Nashville International Airport Cost per Enplaned Passenger (CPEP)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Signatory Airlines:										
Space and Ramp Fees	\$ 25,162	\$ 25,268	\$ 34,170	\$ 28,288	\$ 12,245	\$ 11,399	\$ 28,886	\$ 27,027	\$ 21,552	\$ 13,565
Landing Fees	22,333	20,744	21,094	19,804	18,427	19,162	10,528	10,000	7,821	2,567
Total Signatory Revenue	47,495	46,012	55,264	48,092	30,672	30,561	39,414	37,027	29,373	16,132
Signatory Enplaned (000s)	5,119	6,703	8,306	7,349	6,571	6,021	4,926	4,791	4,425	4,331
Cost per Signatory Enplaned	\$ 9.28	\$ 6.86	\$ 6.65	\$ 6.54	\$ 4.67	\$ 5.08	\$ 8.00	\$ 7.73	\$ 6.64	\$ 3.72
Non-signatory Airlines:										
Space and Ramp Fees	\$ 606	\$ 866	\$ 1,674	\$ 1,108	\$ 1,747	\$ 502	\$ 986	\$ 1,156	\$ 1,313	\$ 746
Landing Fees	\$ 351	1,450	2,399	1,203	979	657	1,452	1,380	1,943	1,771
Total Non-signatory Revenue	957	2,316	4,073	2,311	2,726	1,159	2,438	2,536	3,256	2,517
Non-signatory Enplaned (000s)	33	156	290	117	219	120	678	521	613	552
Cost per Non-signatory Enplaned	\$ 29.41	\$ 14.89	\$ 14.03	\$ 19.75	\$ 12.45	\$ 9.66	\$ 3.60	\$ 4.87	\$ 5.31	\$ 4.56
Summary Analysis:										
Total Signatory & Non-signatory Revenue	\$ 48,452	\$ 48,328	\$ 59,337	\$ 50,403	\$ 33,398	\$ 31,720	\$ 41,852	\$ 39,563	\$ 32,629	\$ 18,649
Blended Cost per Enplaned	\$ 9.41	\$ 7.05	\$ 6.90	\$ 6.75	\$ 4.92	\$ 5.17	\$ 7.47	\$ 7.45	\$ 6.48	\$ 3.82
Operating Revenues (BNA Only)	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093	\$ 112,946	\$ 115,755	\$ 108,918	\$ 96,693	\$ 80,192
Total Enplaned (includes charters)	5,152	6,858	8,596	7,466	6,790	6,141	5,604	5,312	5,038	4,883
Operating Revenues per Enplaned	\$ 24.17	\$ 20.34	\$ 19.30	\$ 20.16	\$ 18.28	\$ 18.39	\$ 20.66	\$ 20.50	\$ 19.19	\$ 16.42

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Metropolitan Nashville Airport Authority Operating Revenues Analysis - Activity Detail (000s)

Signatory & Non-signatory rate history effective July 1 of each fiscal year (unless noted below).

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Signatory Rates:										
Landing fee	\$ 2.95	\$ 2.52	\$ 3.09	\$ 3.21	\$ 2.99	\$ 3.25	\$ 1.65	\$ 1.69	\$ 1.52	\$ 0.32
Ramp fees (See note below)	1.82	2.07	2.23	2.34	1.71	1.71	266.99	223.05	133.09	84.78
Main terminal	108.29	105.65	103.07	100.55	90.00	90.00	180.58	164.54	130.84	78.84
North concourse	108.29	105.65	103.07	100.55	90.00	90.00	112.07	79.11	62.55	36.13
South concourse	108.29	105.65	103.07	100.55	90.00	90.00	104.35	113.96	57.62	37.51

Per the airline agreement effective July 1, 2015 there is a flat fee for all terminal area rent per square foot. The methodology for ramp fees was previously charged per linear foot and under the agreement has been changed to per square foot. This resulted in the rate looking substantially smaller; the actual billed amount is not materially different.

Non-signatory Rates:

Landing fee	3.69	3.84	4.29	4.23	3.74	4.07	4.23	4.10	3.17	3.92
Per use fee (see note below)	5.44	3.38	4.30	3.55	3.51	3.66	N/A	N/A	N/A	N/A
Ramp (see note above)	2.28	2.59	2.79	2.93	2.14	2.14	397.15	349.31	327.15	309.47
Main terminal	135.36	132.06	128.84	125.69	112.50	112.50	312.16	294.36	271.07	245.48
North concourse	135.36	132.06	128.84	125.69	112.50	112.50	113.74	111.78	107.23	98.44
South concourse	135.36	132.06	128.84	125.69	112.50	112.50	121.36	121.11	114.82	104.64

Per the airline agreement effective July 1, 2015, the non-signatory airlines may be charged on a per use fee per departing seat. The per use fee covers the use of the ticket counter, baggage make up, baggage claim and gate usage.

Public Parking Analysis

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Parking lot revenue (000)	\$ 27,116	\$ 41,736	\$ 53,154	\$ 50,369	\$ 43,977	\$ 41,890	\$ 38,725	\$ 36,258	\$ 34,020	\$ 32,468
Spaces available (actual)	14,337	13,377	11,169	11,172	12,203	14,041	12,811	12,811	12,811	12,811
Revenue per space	\$ 1,891	\$ 3,120	\$ 4,759	\$ 4,509	\$ 3,604	\$ 2,983	\$ 3,023	\$ 2,830	\$ 2,656	\$ 2,534
Garages	4,814	4,192	2,201	2,318	2,369	2,369	2,369	2,369	2,369	2,369
Terminal Lot A	1,125	1,125	1,034	830	1,810	2,060	2,060	2,060	2,060	2,060
Economy Lot B	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124
Economy Lot C	3,625	3,625	3,499	3,625	3,625	3,690	3,690	3,690	3,690	3,690
BNA Express	1,230	1,230	1,230	1,230	1,230	1,230	-	-	-	-
Valet	1,419	1,081	1,081	1,045	1,045	1,152	1,152	1,152	1,152	1,152
Overflow	-	-	-	-	-	1,416	1,416	1,416	1,416	1,416
Public parking spaces	14,337	13,377	11,169	11,172	12,203	14,041	12,811	12,811	12,811	12,811

Economy Lot B and BNA Express were closed for the entirety of fiscal year 2021. Economy Lot C was closed for a portion of fiscal year 2021.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Schedule of Capital Assets At June 30 for Each Year Presented

	2021	%	2020	2019	2018	2017	2016	2015	2014	2013	2012
Land and nondepreciable assets	\$ 107,554,524	26.3%	\$ 105,115,818	\$ 97,169,587	\$ 97,169,587	\$ 96,968,771	\$ 96,968,770	\$ 96,968,770	\$ 96,992,465	\$ 96,992,465	\$ 96,992,465
Construction in progress	301,079,238	73.7%	139,067,964	233,273,255	153,579,003	72,814,778	42,890,290	62,125,107	36,845,372	20,469,818	14,275,669
Total capital assets not being depreciated	408,633,762	100.0%	244,183,782	330,442,842	250,748,590	169,783,549	139,859,060	159,093,877	133,837,837	117,462,283	111,268,134
Infrastructure	618,570,710	35.8%	613,663,559	588,779,486	576,918,742	561,704,513	541,464,084	487,401,089	476,885,301	474,449,844	473,328,967
Buildings and building improvements	718,298,100	41.5%	841,349,251	422,874,974	315,970,461	298,911,276	264,629,088	258,305,083	255,460,891	254,508,281	253,445,668
Equipment, furniture and fixtures	393,243,815	22.7%	194,396,606	183,211,887	182,051,284	165,348,939	129,795,510	114,296,965	108,530,594	103,981,903	95,181,689
Total capital assets being depreciated	1,730,112,625	100.0%	1,649,409,416	1,194,866,347	1,074,940,487	1,025,964,728	935,888,682	860,003,137	840,876,786	832,940,028	821,956,324
Less accumulated depreciation	(717,693,502)	41.5%	(668,885,544)	(627,078,709)	(615,032,739)	(578,686,474)	(539,922,435)	(503,403,886)	(466,909,686)	(431,262,318)	(395,789,389)
Net capital assets	\$ 1,421,052,885	N/A	\$ 1,224,707,654	\$ 898,230,480	\$ 710,656,338	\$ 617,061,803	\$ 535,825,307	\$ 515,693,128	\$ 507,804,937	\$ 519,139,993	\$ 537,435,069

Ratios of Outstanding Revenue Bond Debt as a Percentage of Total Revenue Bond Debt At June 30 for Each Year Presented

	2021	%	2020	2019	2018	2017	2016	2015	2014	2013	2012
Series 2003 PFC Revenue Bonds	-	N/A	-	-	-	-	-	-	-	-	3,925,000
Series 2003B Revenue Bonds	12,050,000	1.0%	13,235,000	13,235,000	14,785,000	14,785,000	14,785,000	15,250,000	15,695,000	16,115,000	17,260,000
Series 2008A Revenue Bonds	-	N/A	-	3,800,000	7,400,000	10,800,000	12,000,000	12,200,000	12,400,000	12,500,000	12,600,000
Series 2009A Revenue Bonds	-	N/A	-	7,970,000	12,160,000	16,180,000	20,040,000	23,755,000	27,310,000	30,765,000	34,085,000
Series 2010A Revenue Bonds	-	N/A	-	-	-	3,835,000	7,525,000	11,085,000	14,520,000	17,855,000	21,220,000
Series 2010 CONRAC Revenue Bonds	-	N/A	3,000,000	5,840,000	8,535,000	56,695,000	58,980,000	61,070,000	62,975,000	64,720,000	66,300,000
Series 2018 CONRAC Revenue Bonds	27,358,295	2.4%	27,358,295	27,358,295	27,358,295	-	-	-	-	-	-
Series 2010B Revenue Bonds	-	N/A	-	-	-	-	-	16,475,000	31,965,000	46,545,000	60,410,000
Series 2010C Revenue Bonds	-	N/A	-	-	-	-	1,740,000	4,340,000	7,145,000	10,155,000	13,365,000
Series 2015A Revenue Bonds	86,655,000	7.5%	88,475,000	90,205,000	91,855,000	91,855,000	91,855,000	-	-	-	-
Series 2015B Revenue Bonds	102,365,000	8.9%	104,535,000	106,615,000	108,145,000	108,145,000	108,145,000	-	-	-	-
Series 2019A Revenue Bonds	254,435,000	22.2%	254,435,000	-	-	-	-	-	-	-	-
Series 2019B Revenue Bonds	665,150,000	58.0%	665,150,000	-	-	-	-	-	-	-	-
Total Revenue Bonds	1,148,013,295	100.0%	1,156,188,295	255,023,295	270,238,295	302,295,000	315,070,000	144,175,000	172,010,000	198,655,000	229,165,000
Plus unamortized premium	204,345,671	N/A	210,686,583	23,016,511	24,158,916	25,296,995	26,648,869	787,902	2,207,486	3,627,071	5,046,652
Net Outstanding Debt	\$ 1,352,358,966	N/A	\$ 1,366,874,878	\$ 278,039,806	\$ 294,397,211	\$ 327,591,995	\$ 341,718,869	\$ 144,962,902	\$ 174,217,486	\$ 202,282,071	\$ 234,211,652
Enplanements	5,151,658	N/A	6,858,395	8,596,307	7,466,332	6,790,099	6,141,092	5,604,148	5,312,021	5,037,975	4,883,374
Net Outstanding Debt per Enplanement	\$ 262.51	N/A	\$ 199.30	\$ 32.34	\$ 39.43	\$ 48.25	\$ 55.65	\$ 25.87	\$ 32.80	\$ 40.16	\$ 47.97

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

**Metropolitan Nashville Airport Authority
Statistical Information**

**Metropolitan Nashville Airport Authority Net Position Analysis (000s)
At June 30 for Each Year Presented**

	2021	2020	2019	2018	(as restated) 2017	(as restated) 2016	2015	(as restated) 2014	(as restated) 2013	2012
Net Position:										
Net investment in capital assets	\$ 376,713	\$ 397,961	\$ 507,479	\$ 502,945	\$ 441,690	\$ 419,177	\$ 387,595	\$ 342,148	\$ 329,877	\$ 321,079
Restricted	315,174	304,886	154,036	80,172	80,759	70,955	56,559	65,801	60,319	63,987
Unrestricted net position (deficit)	136,683	78,302	64,772	74,394	56,689	32,379	19,030	(1,845)	10,581	1,321
Total	\$ 828,570	\$ 781,149	\$ 726,287	\$ 657,511	\$ 579,138	\$ 522,511	\$ 463,184	\$ 406,104	\$ 400,777	\$ 386,387

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville International Airport (Senior Debt) Revenue Coverage (000s)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenue	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093	\$ 112,946	\$ 115,755	\$ 108,918	\$ 96,693	\$ 80,192
Less Operating Expenses (excludes depreciation)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)	(70,914)	(71,472)	(67,936)	(65,238)
Add Investment Income	1,635	23,640	7,677	2,148	728	331	357	326	309	301
COVERAGE CASH FLOW	\$ 58,148	\$ 74,350	\$ 75,860	\$ 69,558	\$ 49,822	\$ 39,070	\$ 45,198	\$ 37,772	\$ 29,066	\$ 15,255
INTEREST	3,859	8,830	11,920	6,787	3,420	6,672	2,246	3,527	4,033	4,485
PRINCIPAL	1,900	3,513	6,072	7,325	3,915	3,430	19,740	18,940	18,110	18,320
TOTAL NET DEBT SERVICE	5,759	12,343	17,992	14,112	7,335	10,102	21,986	22,467	22,143	22,805
DEBT SERVICE COVERAGE	1009.7%	602.4%	421.6%	492.9%	679.2%	386.8%	205.6%	168.1%	131.3%	66.9%

Nashville International Airport (Senior Subordinate Debt) Revenue Coverage (000s)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenue	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093	\$ 112,946	\$ 115,755	\$ 108,918	\$ 96,693	\$ 80,192
Less Operating Expenses (excludes depreciation)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)	(70,914)	(71,472)	(67,936)	(65,238)
Add Investment Income	1,635	23,640	7,677	2,148	728	331	357	326	309	301
COVERAGE CASH FLOW	\$ 58,148	\$ 74,350	\$ 75,860	\$ 69,558	\$ 49,822	\$ 39,070	\$ 45,198	\$ 37,772	\$ 29,066	\$ 15,255
INTEREST	30,973	31,325	11,920	6,787	3,420	6,672	2,246	3,527	4,033	4,485
PRINCIPAL	1,900	4,026	6,072	7,325	3,915	3,430	19,740	18,940	18,110	18,320
TOTAL NET DEBT SERVICE	32,873	35,351	17,992	14,112	7,335	10,102	21,986	22,467	22,143	22,805
DEBT SERVICE COVERAGE	176.9%	210.3%	421.6%	492.9%	679.2%	386.8%	205.6%	168.1%	131.3%	66.9%

CFC - 2010 & 2018 CONRAC Revenue Coverage (000s)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Customer Facility Charges	\$ 8,365	\$ 11,828	\$ 15,094	\$ 14,290	\$ 13,561	\$ 12,956	\$ 11,692	\$ 10,825	\$ 10,307	\$ 10,091
Less Operating Expenses (excludes depreciation)	(1,715)	(1,607)	(1,681)	(1,537)	(1,585)	(1,500)	(1,475)	(138)	(692)	(396)
Add Investment Income	152	289	261	45	34	21	12	8	15	15
COVERAGE CASH FLOW	\$ 6,802	\$ 10,510	\$ 13,674	\$ 12,798	\$ 12,010	\$ 11,477	\$ 10,229	\$ 10,695	\$ 9,630	\$ 9,710
INTEREST	1,029	1,186	944	3,282	3,571	3,673	3,759	3,830	3,903	3,903
PRINCIPAL	3,000	2,840	2,695	20,802	2,480	2,285	2,090	1,905	1,745	1,580
TOTAL NET DEBT SERVICE	4,029	4,026	3,639	24,084	6,051	5,958	5,849	5,735	5,648	5,483
DEBT SERVICE COVERAGE	168.8%	261.1%	375.8%	53.1%	198.5%	192.6%	174.9%	186.5%	170.5%	177.1%

Net debt service is total debt service less PFC- and CARES-funded debt service, and Capitalized Interest.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville International Airport Passenger Enplanements Market Share

as of July 1, 2015 the Authority entered into a new agreement.

	% of Total	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
SIGNATORY AIRLINES:											
Alaska Airlines	1.3%	64,928	87,807	115,960	87,309	58,533	41,233	-	-	-	-
Allegiant Air	2.7%	136,565	115,305	-	-	-	-	-	-	-	-
American Airlines (A)	13.7%	705,549	1,070,173	1,348,801	1,235,501	1,176,043	1,156,141	454,897	460,153	430,900	381,231
American Eagle (A)	0.4%	19,932	-	-	-	-	-	218,520	280,860	282,113	279,504
Continental Express d/b/a ExpressJet (B)	0.0%	-	-	-	-	-	-	223,995	324,175	285,903	173,929
Delta Air Lines Inc. (B)	9.8%	503,867	971,443	1,278,183	1,138,922	988,137	926,454	623,480	552,169	444,584	412,008
Frontier Airlines	1.4%	73,885	126,000	177,341	146,184	9,979	-	81,596	94,385	89,549	125,423
JetBlue Airways	0.9%	44,914	99,316	138,189	130,541	138,985	22,570	-	-	-	-
Southwest Airlines	60.0%	3,091,692	3,571,632	4,517,284	4,009,180	3,655,441	3,426,391	3,114,815	2,879,200	2,723,295	2,643,725
Spirit Airlines	3.3%	171,669	122,176	-	-	-	-	-	-	-	-
United Airlines/Comair (C)	5.9%	306,115	539,013	730,243	600,988	543,704	448,396	6,400	115	2,994	31,750
US Airways (A)	0.0%	-	-	-	-	-	-	202,656	200,169	165,577	191,640
Subtotal	99.4%	5,119,116	6,702,865	8,306,001	7,348,625	6,570,822	6,021,185	4,926,359	4,791,226	4,424,915	4,239,210
MNA entered into a new agreement with the airlines beginning July 1, 2015. Only major carriers are Signatory and subsidiary carrier activity will be consolidated under the Signatory carrier beginning FY 2016. Some previously Non-Signatory carriers now fly consolidated under multiple Signatory carriers. American Affiliates (A); Delta Affiliates (B), United Affiliates (C).											
NON-SIGNATORY AIRLINES:											
Air Canada d/b/a Jazz Air	0.0%	-	24,745	292	174	1,034	371	229	18,558	19,234	18,053
Air Georgian dba Air Canada	0.0%	-	8,549	45,204	44,229	42,739	29,589	26,056	4,542	-	-
Air Wisconsin (A)	0.0%	-	-	-	-	-	-	75,888	49,802	64,339	36,560
Allegiant Air	0.0%	-	-	80,170	6,136	-	-	-	-	-	-
American Connection/Chautauqua	0.0%	-	-	-	-	-	-	-	-	-	-
Astral Aviation d/b/a Skyway	0.0%	-	-	-	-	-	-	-	-	-	-
British Airways	0.0%	-	32,684	43,289	8,671	-	-	-	-	-	-
Continental Airlines	0.0%	-	-	-	-	-	-	-	-	-	880
Contour Airlines	0.2%	9,741	12,303	14,290	10,432	8,038	-	-	-	-	-
Delta/Chautauqua	0.0%	-	-	-	-	-	-	-	546	168	3,396
JetBlue Airways	0.0%	-	-	-	-	-	-	-	-	-	-
Frontier Airlines	0.0%	-	-	-	-	130,449	71,840	-	-	-	-
Mesa Airlines (A)	0.0%	-	-	-	-	-	-	43,348	47,608	70,822	48,693
Republic	0.0%	-	-	-	-	-	-	77,117	69,823	41,761	65,239
Sun Country	0.3%	16,868	-	-	-	-	-	-	-	-	-
Various/Trans State Airlines (A)	0.0%	-	-	-	-	-	-	26,324	-	25,962	27,849
United/Skywest (C)	0.0%	-	-	-	-	-	-	37,261	-	433	6,861
Westjet Airlines	0.0%	-	8,848	23,559	11,591	2,252	-	-	-	-	-
Westjet /Encore	0.0%	-	19,673	22,339	22,210	20,479	1,115	-	-	-	-
All Others (includes Charters)	0.1%	5,933	48,728	61,163	14,264	14,286	16,992	391,566	329,916	390,341	436,633
Subtotal	0.6%	32,542	155,530	290,306	117,707	219,277	119,907	677,789	520,795	613,060	644,164
TOTAL	100.0%	5,151,658	6,858,395	8,596,307	7,466,332	6,790,099	6,141,092	5,604,148	5,312,021	5,037,975	4,883,374

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Nashville International Airport Passenger Airline Landed Weights (000's)

	% of Total	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
SIGNATORY AIRLINES:											
Alaska Airlines	1.2%	93,408	104,358	129,001	99,354	55,390	43,248	-	-	-	-
Allegiant Air	3.3%	248,448	145,579	-	-	-	-	-	-	-	-
American Airlines (A)	12.3%	922,455	1,356,238	1,549,447	1,415,662	1,352,169	1,332,377	523,970	518,096	516,356	426,041
American Eagle (A)	0.3%	22,583	-	-	-	-	-	261,251	334,087	359,788	361,390
Continental Express d/b/a ExpressJet (B)	0.0%	-	-	-	-	-	-	219,248	325,905	295,511	175,644
Delta Air Lines Inc. (B)	11.6%	871,462	1,147,250	1,427,507	1,287,034	1,148,263	1,051,357	693,222	650,841	538,467	487,302
Frontier Airlines	1.1%	82,863	130,207	166,271	140,496	8,784	-	85,862	98,132	96,648	140,569
JetBlue	1.0%	71,669	126,152	156,958	147,967	152,321	23,986	-	-	-	-
Southwest Airlines	59.4%	4,463,892	4,564,368	4,947,577	4,391,669	4,065,313	3,807,965	3,600,935	3,468,480	3,343,472	3,274,838
Spirit Airlines	2.7%	201,041	167,604	-	-	-	-	-	-	-	-
United Airlines/Comair (C)	5.9%	442,277	707,738	859,945	683,646	614,443	485,586	15,306	1,887	4,976	38,451
US Airways (A)	0.0%	-	-	-	-	-	-	230,945	251,464	202,766	229,524
Subtotal	98.8%	7,420,098	8,449,494	9,236,706	8,165,828	7,396,683	6,744,519	5,630,739	5,648,892	5,357,984	5,133,759

MNAA entered into a new agreement with the airlines beginning July 1, 2015. Only major carriers are Signatory and subsidiary carrier activity will be consolidated under the Signatory carrier beginning FY 2016. Some previously Non-Signatory carriers now fly consolidated under multiple Signatory carriers. American Affiliates (A); Delta Affiliates (B), United Affiliates (C).

NON-SIGNATORY AIRLINES:

Air Canada d/b/a Jazz Air	0.0%	-	32,799	1,840	2,752	2,987	2,583	2,111	25,304	33,760	28,618
Air Georgian dba Air Canada	0.0%	-	8,997	48,594	47,422	47,610	33,506	30,759	4,740	-	-
Air Wisconsin (A)	0.0%	-	-	-	-	-	-	85,865	55,225	72,662	42,582
Express Jet/Delta (B)	0.0%	-	-	-	-	-	-	57,364	83,788	88,227	111,302
British Airways	0.0%	-	85,225	101,865	15,960	-	-	-	-	-	-
Continental Airlines	0.0%	-	-	-	-	-	-	-	-	-	3,568
Compass Airlines (B)	0.0%	-	-	-	-	-	-	2,296	24,437	47,283	25,445
Contour Airlines	0.4%	31,201	-	-	-	-	-	-	-	-	-
Delta, Midwest Connect	0.0%	-	-	-	-	-	-	85	4,617	3,077	3,574
Express Jet/United Express (C)	0.0%	-	-	-	-	-	-	-	-	-	90,106
Frontier Airlines	0.0%	-	-	-	-	126,550	70,424	-	-	-	-
Mesa Airlines	0.0%	-	-	-	-	-	-	45,879	48,918	75,699	51,517
Pinnacle/Endeavor Airlines	0.0%	-	-	-	-	-	-	107,398	117,366	116,432	75,435
Republic	0.0%	-	-	-	-	-	-	183,157	92,102	55,122	78,253
Trans States Airlines	0.0%	-	-	-	-	-	-	25,662	84	25,572	27,520
Sun Country	0.5%	34,377	-	-	-	-	-	-	-	-	-
SkyWest	0.0%	-	-	-	-	-	-	157,259	129,226	149,781	129,188
Westjet/Encore		405	-	-	-	-	-	-	-	-	-
All Others (includes charters)	0.3%	29,048	142,317	262,979	102,944	94,068	46,700	124,323	82,701	114,095	101,752
Subtotal	1.2%	95,031	269,338	415,278	169,078	271,215	153,213	822,158	668,508	781,710	768,860

TOTAL PASSENGER

CARRIER WEIGHT (000s)	100.0%	7,515,129	8,718,832	9,651,984	8,334,906	7,667,898	6,897,732	6,452,897	6,317,400	6,139,694	5,902,619
CARGO & MISC CARRIER WEIGHT (000s)		354,109	276,583	300,413	305,994	285,758	305,642	304,279	300,986	261,389	244,138
TOTAL WEIGHT ALL AIRCRAFT (000s)		7,869,238	8,995,415	9,952,397	8,640,900	7,953,656	7,203,374	6,757,176	6,618,386	6,401,083	6,146,757
% PASSENGER CARRIER WEIGHT		96%	97%	97%	96%	96%	96%	95%	95%	96%	96%

Differences between total gross landed weight summarized here and carrier-specific activity are attributable to adjustments made during the year. There continues to be charter activity at BNA. However, much of the supporting services are reported by airlines with their scheduled operating activity.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Major Tenants at Nashville International Airport and John C. Tune Airport

Signatory Carriers:

Alaska Airlines
Allegiant Air
American Airlines (A)
Delta Air Lines (B)
Frontier Airlines
JetBlue
Southwest Airlines
Spirit Airlines (Signatory effective 10/2019)
United Airlines (C)

Signatory Affiliate Carriers:*

Air Wisconsin (A & C)
CommutAir
Endeavor Air (B)
Envoy (A)
ExpressJet (Multiple)
GoJet Airlines (Multiple)
Mesa Airlines (A)
Republic Airways (Multiple)
SkyWest Airlines (Multiple)

Non-signatory Carriers:

AeroMexico
Air Canada
Air Georgian
Boutique Air
British Airways
Cape Air
Contour Airlines
Sun Country
Sunwing
Swift Air
VivaAerobus
WestJet
WestJet Encore
Xtra Airways

Signatory Cargo Carriers:

Federal Express

Non-signatory Cargo Carriers:

21 Air
Air Transport Int'l.
Airborne Express (ABX)
Atlas Air
CSA
Kalitta Air
Kalitta Charters II
Mountain Air Cargo
National Airlines
Polar Air Cargo
Silway West Airlines
USA Jet

Fixed-base Operators:

Atlantic Aviation
Signature Flight Support

Other Airport Tenants:

121 @ BNA
Above and Beyond
Aeronautical Radio / Rockwell Collins
Air General, Inc
Aircraft Services International (ASIG)
Airline Maint. Svcs (AMS)
Alclear dba CLEAR
C&N Deliveries
dnata
EJO Ventures
Embraer Aircraft Maintenance
Federal Aviation Administration
Genesco, Inc
Metro Air Services
Metro Government
Miller Transfer
Monell's at the Manor
Simino Electric
State of Tennessee
Swissport
US Customs Border Patrol
US DEA
US Govt Weather Service
Wilson Tire & Auto
TSA/DEA

Other Terminal Tenants

Concourse Communications, Boingo
Fraport USA, Inc.
In-Ter-Space, Clear Channel Airports
Ready Credit
Smarte Carte
United Service Organization (USO)
Van Vending

Vehicle Parking:

ABM Parking
Nissan North America

Private Hangar Rentals:

Nashville Hangar
Nashville Hangars LLC
Owl Hill Holdings
SATA, Inc.
Skywest
The Martin Companies

Rental Car:

Avis
Advantage Car Rental
Budget
Dollar
Enterprise
Hertz
Thrifty
Payless
Vanguard (Alamo/National)
ZipCar
EZ Rent A Car

Ground Transportation:

Hotel Shuttles
Taxicab Companies
Limousine Companies
TNC's (Uber, Lyft)

Ground Handlers:

Airport Terminal Services (ATS)
Delta Global Services (DGS)
dnata
Swissport
Menzies Aviation
PrimeFlight Aviation
Trego Dugan
United Ground Express (GSE)

Tenants at John C. Tune Airport:

Contour Flight Support dba/Corporate
Flight Management
Helistar
Mid America Jet
Plane Hangar
RJ Young
State of Tennessee

* MNA entered into a new agreement with the airlines beginning July 1, 2015. Only major carriers are Signatory and subsidiary carrier activity will be consolidated under the Signatory carrier beginning FY 2016. Some previously Non-Signatory carriers now fly consolidated under multiple Signatory carriers. American Affiliates (A); Delta Affiliates (B), United Affiliates (C).

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Staffing - Full-time Equivalents

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration	91.0	109.0	100.0	89.5	87.5	89.5	89.5	96.5	90.5	91.5
Engineering & Maintenance	107.0	113.0	98.5	72.0	75.0	72.0	72.0	76	72.5	74.5
Operations, Safety, Security	108.0	110.0	112.5	134	126.5	125.5	127.0	129	117.5	120.5
Total Authority Full-time Equivalents	306.0	332.0	311.0	295.5	289.0	287.0	288.5	301.5	280.5	286.5

Note: Staffing levels represent fulltime equivalents as of the last pay cycle of each fiscal year. MPC has no employees.

Nashville - Davidson - Murfreesboro Metropolitan Statistical Area Population

<u>Year</u>	<u>Nashville MSA*</u>	<u>Tennessee</u>	<u>United States</u>
1970	699,144	3,923,687	203,211,926
1980	850,505	4,591,120	226,545,805
1990	985,026	4,877,185	248,709,873
2000	1,231,311	5,689,283	281,421,906
2010	1,589,934	6,346,105	308,745,538
2020	2,118,233	6,910,840	331,449,281

Nashville Metropolitan Statistical Area* Average Unemployment Rate

<u>Year</u>	<u>Nashville MSA</u>	<u>Tennessee</u>	<u>United States</u>
2021	4.60%	4.90%	5.90%
2020	10.20%	9.60%	11.10%
2019	2.60%	3.40%	3.70%
2018	2.71%	3.45%	3.93%
2017	3.30%	4.20%	4.52%
2016	3.94%	5.07%	4.90%
2015	4.96%	6.17%	5.30%
2014	5.51%	6.97%	7.50%
2013	6.35%	7.85%	7.80%
2012	6.98%	8.23%	8.20%

* The Nashville MSA consists of Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties.

Source: U.S Bureau of Labor Statistics (<http://data.bls.gov>)

Metropolitan Nashville Airport Authority Statistical Information

Nashville Area Top 25 Employers* (Ranked by Number of Local Employees)

2021	Staff	Employer	Headquarters	2020	Staff
1	28,300	Vanderbilt University Medical Center and Monroe Carroll Jr.	Nashville	2	24,039
2	26,733	State of Tennessee	Nashville	1	26,733
3	13,707	U.S. Government	Washington, DC	3	13,707
4	10,600	HCA Healthcare, Inc.	Nashville	5	10,600
5	10,500	Nissan North America, Inc.	Franklin	4	11,000
6	10,281	Metropolitan Nashville-Davidson County Public Schools	Nashville	6	10,452
7	8,822	Vanderbilt University	Nashville	7	9,107
8	8,700	Metropolitan Government of Nashville and Davidson County	Nashville	8	8,700
9	8,335	Ascension Saint Thomas	Nashville	9	8,335
10	7,813	The Kroger Co.	Cincinnati, OH	11	6,751
11	7,299	Williamson County Public Schools and County Government	Franklin	10	7,157
12	5,500	Rutherford County Government	Murfreesboro	12	5,500
13	5,000	Clarksville - Montgomery County School System	Clarksville	16	4,000
13	5,000	Amazon.com	Seattle, WA	16	4,000
15	4,675	Sumner County Government and Public Schools	Gallatin	14	4,675
16	4,537	Community Health Systems, Inc.	Franklin	13	4,816
17	4,260	Asurion	Nashville	15	4,400
18	4,110	Bridgestone Americas Inc.	Nashville	18	3,430
19	3,400	Electrolux Home Products of North America	Charlotte, NC	19	3,400
20	3,389	Cracker Barrel Old Country Store, Inc.	Lebanon	20	3,389
21	3,028	National HealthCare Corporation	Murfreesboro	21	3,028
22	3,000	Shoney's, Inc.	Nashville	22	3,000
23	2,671	Dollar General Corp.	Goodlettsville	23	2,671
24	2,500	Gaylord Opryland Resort and Convention Center	Bethesda, MD	24	2,500
25	2,464	A.O. Smith Corp	Milwaukee, WI	N/A	N/A

*Ranked by number of Middle Tennessee employees as of June 4, 2021 publication.

Source: Nashville Business Journal's [Book of Lists 2020-21](http://nashville.bizjournals.com) (nashville.bizjournals.com)

Middle Tennessee Top 25 Public Companies**

2020	2019	Employer	Headquarters
1	1	HCA Holdings, Inc.	Nashville
2	2	Dollar General Corporation	Goodlettsville
3	3	Community Health Systems, Inc.	Franklin
4	4	Tractor Supply Co.	Brentwood
5	5	Delek US Holdings, Inc.	Brentwood
6	6	Brookdale Senior Living Co.	Brentwood
7	7	Acadia Healthcare Co, Inc.	Franklin
8	8	Change Healthcare Inc.	Nashville
9	9	Louisiana-Pacific Corporation	Nashville
10	10	Cracker Barrel Old Country Store, Inc.	Lebanon
11	11	CoreCivic Inc.	Brentwood
12	12	Surgery Partners Inc.	Brentwood
13	13	Genesco, Inc.	Nashville
14	14	Pinnacle Financial Partners, Inc	Nashville
15	15	Tivity Health Inc.	Franklin
16	16	National HealthCare Corporation	Murfreesboro
17	17	Clover Health Investments Corp.	Franklin
18	18	SmileDirect Club	Nashville
19	19	FB Financial Corp.	Nashville
20	20	Delek Logistics Partners	Brentwood
21	21	Kirkland's, Inc.	Brentwood
22	22	Ryman Hospitality Properties	Nashville
23	23	Healthcare Realty Trust, Inc.	Nashville
24	24	National Health Investors Inc.	Murfreesboro
25	25	HealthStream Inc.	Nashville

**Ranked by 20 Revenue (Published July , 2021)

Source: Nashville Business Journal's [Book of Lists 2020-21](http://nashville.bizjournals.com) (nashville.bizjournals.com)

INTRODUCTION

This Continuing Disclosure Section (this "Report") has been prepared, and is being filed, by the Metropolitan Nashville Airport Authority (the "Authority") in connection with its annual continuing disclosure obligations for the Fiscal Year ended June 30, 2021, as an "obligated person" (as defined in Rule 15c2-12 of the Securities Exchange Commission (the "Rule") promulgated under the Securities and Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings relating to: (a) the Outstanding Senior Bonds (as defined herein) and (b) the Outstanding Subordinate Bonds (as defined herein). This Report reflects certain annual financial information and operating data of the Authority reported as of June 30, 2021, except where expressly indicated otherwise. Unless otherwise defined herein, capitalized terms used in this Report shall have the meanings set forth in: (a) Resolution No. 91-09 adopted by the Board of Commissioners of the Authority (the "Board") on August 15, 1991, as amended and supplemented from time to time (the "Senior Bond Resolution") (b) Resolution No. 2019-15 adopted by the Board on October 16, 2019 as amended and supplemented from time to time (the "Subordinate Bond Resolution") and (c) the Official Statement, dated December 5, 2019 (the "2019 Official Statement") relating to the Authority's \$254,435,000 in aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT) and \$665,150,000 in aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2019B (AMT) (collectively, the "Series 2019 Subordinate Bonds"), which is available on the Electronic Municipal Market Access ("EMMA[®]") website operated by the Municipal Securities Rulemaking Board, at <https://emma.msrb.org/ES1331139-ES1038445-ES1441477.pdf>, as applicable. The Authority will file its Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2021 and 2020 (the "2021 ACFR," which includes this Report) as the "2021 Annual Filing" on EMMA[®], which can be accessed at <http://emma.msrb.org>.

COVID-19 Pandemic

For certain information regarding the impact of the COVID-19 pandemic on the Nashville International Airport (the "Airport" and the financial results of the Authority during the fiscal year ended June 30, 2021 and 2020 ("Fiscal Years 2021 and 2020"), see "INTRODUCTORY SECTION – Letter of Transmittal – Authority Operations and Services – The Airline Industry" and "- Airport Activity" and "FINANCIAL SECTION – Management's Discussion and Analysis (Unaudited) – Airport Activity Highlights," "- Statement of Net Position," "- Operating Revenues," and "- Operating Expenses" in the 2021 ACFR.

Information regarding the COVID-19 pandemic and its effects evolves on a daily basis, rendering predictions difficult to make with and reasonable degree of certainty. Due to the evolving nature of the COVID-19 pandemic and the responses of governments, businesses and individuals to the COVID-19 pandemic, the Authority cannot predict, among other things: (a) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on : (i) the existing restrictions and warnings or any additional

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restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the relaxation or release of such restrictions and (ii) and additional restrictions and warnings imposed by local, state or federal governments may have on the operations of the Airport and the revenues and expenditures of the Authority; (b) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on the local, the state, national or global economy or the impact of such disruption on the operations of the Airport and the revenues and expenditures of the Authority; or (c) whether any of the foregoing may have a material adverse effect on the operations of the Airport and the revenues and expenditures of the Authority (collectively, the “Risk Factors”).

The information provided by the Authority in the 2021 ACFR includes historical information regarding the operations of the Airport and the financial results of the Authority, which occurred before the COVID-19 pandemic, the full impact of the COVID-19 pandemic on the Airport and the Authority cannot be fully quantified at this time. Accordingly, the information in the 2021 ACFR may not be indicative of future results or performance due to the Risk Factors and other factors.

Miscellaneous; Forward-Looking Statements

The 2021 ACFR is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of the Authority’s debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy of the Authority’s debt in any jurisdiction. The matters discussed in the 2021 Annual Filing and all other documents issued by the Authority are for informational purposes only, and holders of the Authority’s debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to the Authority’s debt or in making an investment decision with respect to the Authority’s existing debt or securities or any other debt or securities which may be offered by the Authority. Neither the 2021 ACFR nor anything in it shall form the basis of any contract or commitment. By the filing of the 2021 ACFR, the Authority makes no recommendations and is not giving any investment advice as to any of the Authority’s debt or securities. In no event shall the Authority be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained herein and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of the Authority’s debt or securities. The information contained in the 2021 ACFR, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained herein holders and potential investors should consider the appropriateness of the information having regard to these matters, any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice.

Certain of the information in the 2021 ACFR has been compiled from sources believed to be reliable, certain of which has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness,

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accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed herein.

The 2021 ACFR may contain “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward looking statements. Accordingly, the Authority cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of the Authority’s expected operational or financial performance. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and are subject to change without notice.

The information in the 2021 ACFR is current as of the dates set forth herein, as applicable, and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented herein and in the 2021 ACFR. The Authority has not undertaken any obligation to update any information in the 2021 Annual Filing. Any financial data and other information provided in the 2021 ACFR are not warranted as to completeness or accuracy and are subject to change without notice.

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SENIOR BONDS

Outstanding Senior Bonds

The following is the annual financial information and operating data required under the Authority’s continuing disclosure undertakings with respect to the following Senior Bonds outstanding under the Senior Bond Resolution as of the date of this Report (the “Outstanding Senior Bonds”):

- (a) \$19,585,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2003B (Taxable) (the “Series 2003B Bonds”);
- (b) \$91,855,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2015A (Non-AMT) (the “Series 2015A Bonds”);
and
- (c) \$108,145,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2015B (AMT) (the “Series 2015B Bonds,” and together with the Series 2015A Bonds, the “Series 2015 Bonds”).

Enplaned Passenger Traffic

Annual Enplanement Activity. In connection with the Authority’s continuing disclosure undertaking relating to the Series 2015 Bonds (the “2015 Bonds Undertaking”), the following table presents the annual enplanements at the Airport by Signatory Airlines, Non-Signatory Airlines, and all Airlines for the past ten Fiscal Years.

**Nashville International Airport
Annual Enplanement Activity
Fiscal Years 2012 – 2021**

Fiscal Year	Signatory Airlines	Non-Signatory Airlines	Total
2012	4,239,210	644,164	4,883,374
2013	4,424,915	613,060	5,037,975
2014	4,791,226	520,795	5,312,021
2015	4,926,359	677,789	5,604,148
2016	6,021,185	119,907	6,141,092
2017	6,570,822	219,277	6,790,099
2018	7,348,625	117,707	7,466,332
2019	8,321,691	274,616	8,596,307
2020 ⁽¹⁾	6,702,865	155,530	6,858,395
2021 ⁽¹⁾	5,119,116	32,542	5,151,658

(1) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on annual enplanement activity at the Airport on Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority (2021 ACFR).

Note: In the table entitled “Annual Enplanement Activity,” the categorical descriptions of “Signatory Airlines” and “Non-Signatory Airlines” were entitled “Signatory Carriers” and “Non-Signatory Carriers,” respectively, in the final official statements relating to the Series 2015 Bond

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Monthly Enplanement Activity. In connection with the 2015 Bonds Undertaking, the following table presents the monthly enplanement activity at the Airport for the past six Fiscal Years.

**Nashville International Airport
Monthly Enplanement Activity
Fiscal Years 2016 – 2021**

	2016	2017	2018	2019	2020⁽¹⁾	2021⁽¹⁾
July	543,685	586,474	646,817	718,555	828,530	309,036
August	504,576	556,225	612,464	700,457	790,318	304,939
September	494,402	563,977	571,939	676,187	762,322	330,652
October	557,367	608,322	654,334	771,444	875,797	390,250
November	482,788	561,613	618,454	702,094	751,439	356,369
December	478,943	534,097	592,972	668,960	765,328	372,093
January	411,430	468,454	505,103	585,863	657,466	292,625
February	419,612	455,030	508,395	584,876	668,237	272,301
March	520,969	586,932	653,938	755,200	383,512	492,249
April	525,080	573,720	647,145	747,058	31,510	549,615
May	597,730	637,295	723,266	844,443	102,325	705,456
June	604,510	657,960	731,505	841,170	241,611	776,073
Fiscal Year Totals	<u>6,141,092</u>	<u>6,790,099</u>	<u>7,466,332</u>	<u>8,596,307</u>	<u>6,858,395</u>	<u>5,151,658</u>

(1) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on monthly enplanement activity at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority.

Enplaned Passenger Market Share

In connection with the Authority’s continuing disclosure undertaking relating to the Series 2003B Bonds (the “2003B Bonds Undertaking”), the 2015 Bonds Undertaking, and the 2019 Subordinate Bonds Undertaking (as defined herein), the following table presents enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines, and total enplaned passengers for the past five Fiscal Years with the associated market share for each Fiscal Year.

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**Nashville International Airport
Enplaned Passenger Market Share⁽¹⁾
Fiscal Years 2017 – 2021**

	2017	% of Total	2018	% of Total	2019	% of Total	2020 ⁽⁴⁾	% of Total	2021 ⁽⁴⁾	% of Total
Signatory Airlines:										
Alaska Airlines	58,533	0.9%	87,309	1.2%	115,960	1.3%	87,807	1.3%	64,928	1.3%
Allegiant Air	-	0.0	-	0.0	-	0.0	115,305	1.7	136,565	2.7
American Airlines	1,176,043	17.4	1,235,501	16.5	1,348,801	15.7	1,070,173	15.6	705,549	13.7
American Eagle ⁽²⁾	-	0.0	-	0.0	-	0.0	-	0.0	19,932	0.4
Delta Air Lines Inc.	988,137	14.6	1,138,922	15.3	1,278,183	14.9	971,443	14.2	503,867	9.8
Frontier Airlines	9,979	0.1	146,184	2.0	177,341	2.1	126,000	1.8	73,885	1.4
JetBlue	138,985	2.0	130,541	1.7	138,189	1.6	99,316	1.4	44,914	0.9
Southwest Airlines	3,655,441	53.8	4,009,180	53.7	4,517,284	52.5	3,571,632	52.1	3,091,692	60.0
Spirit Airlines	-	0.0	-	0.0	-	0.0	122,176	1.8	171,669	3.3
United Airlines/Comair ⁽³⁾	543,704	8.0	600,988	8.0	730,243	8.5	539,013	7.9	306,115	5.9
Sub Total	6,570,822	96.8%	7,348,625	98.4%	8,306,001	96.6%	6,702,865	97.7%	5,119,116	99.4%
Non-Signatory Airlines:										
Air Canada d/b/a Jazz Air	1,034	0.0%	174	0.0%	292	0.0%	24,745	0.4%	-	0.0%
Air Georgian dba Air Canada	42,739	0.6	44,229	0.6	45,204	0.5	8,549	0.1	-	0.0
Allegiant Air	-	0.0	6,136	0.1	80,170	0.9	-	0.0	-	0.0
British Airways	-	0.0	8,671	0.1	43,289	0.5	32,684	0.5	-	0.0
Contour Airlines	8,038	0.1	10,432	0.1	14,290	0.2	12,303	0.2	9,741	0.2
Frontier Airlines	130,449	1.9	-	0.0	-	0.0	-	0.0	-	0.0
Sun Country	-	0.0	-	0.0	-	0.0	-	0.0	16,868	0.3
Westjet Airlines	2,252	0.1	11,591	0.2	23,559	0.3	8,848	0.1	-	0.0
Westjet/Encore	20,479	0.3	22,210	0.3	22,339	0.3	19,673	0.3	-	0.0
All Others (includes Charters)	14,286	0.2	14,264	0.2	61,163	0.7	48,728	0.7	5,933	0.1
Sub Total	219,277	3.2%	117,707	1.6%	290,306	3.4%	155,530	2.3%	32,542	0.6%
Total	6,790,099	100.0%	7,466,332	100.0%	8,596,307	100.0%	6,858,395	100.0%	5,151,658	100.0%

(1) Numbers may not add up due to rounding.

(2) American Affiliates.

(3) United Affiliates.

(4) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on enplaned passenger market share at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority (2021 ACFR; Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2020 and 2019 (the "2020 ACFR"); 2019 Official Statement citing the Annual Comprehensive Financial Report (the Fiscal Years Ended June 30, 2019 and 2018 (the "2019 ACFR"); Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2018 and 2017 (the "2018 ACFR") and Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2017 and 2016 (the "2017 ACFR")).

Note: In the table entitled "Enplaned Passenger Market Share," the categorical descriptions of: (a) "Signatory Airlines," "Non-Signatory Airlines," and "All Others (including Charters)" were entitled "Major Airlines," "Regional Airlines," and "Charters," respectively, in the final official statement relating to the Series 2003B Bonds; and (b) "Signatory Airlines" and "Non-Signatory Airlines" were entitled "Signatory Carriers" and "Non-Signatory Carriers," respectively, in the final official statement relating to the Series 2015 Bonds.

Landed Weight

In connection with the 2003B Bonds Undertaking and the 2019 Subordinate Bonds Undertaking, the following table presents landed weight at the Airport by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight, and the percentage of passenger landed weight for the past five Fiscal Years with the associated market share for each Fiscal Year.

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**Nashville International Airport
Passenger, Cargo, and Miscellaneous Landed Weight (in 000s)⁽¹⁾
Fiscal Years 2017 - 2021**

	2017	% of Total	2018	% of Total	2019	% of Total	2020	% of Total	2021	% of Total
Signatory Airlines:										
Alaska Airlines	55,390	0.7%	99,354	1.2%	129,001	1.3%	104,358	1.2%	93,408	1.2%
Allegiant Airlines	-	0.0	-	0.0	-	0.0	145,579	1.7	248,448	3.3
American Airlines	1,352,169	17.6	1,415,662	17.0	1,549,447	16.1	1,356,088	15.5	922,455	12.3
American Eagle ⁽²⁾	-	0.0	-	0.0	-	0.0	-	0.0	22,583	0.3
Delta Air Lines Inc.	1,148,263	15.0	1,287,034	15.4	1,427,507	14.8	1,147,249	13.1	871,462	11.6
Frontier Airlines	8,784	0.1	140,496	1.7	166,271	1.7	130,207	1.5	82,863	1.1
JetBlue	152,321	2.0	147,967	1.8	156,958	1.6	126,152	1.4	71,669	1.0
Southwest Airlines	4,065,313	53.1	4,391,669	52.7	4,947,577	51.3	4,564,368	52.3	4,463,890	59.3
Spirit Airlines	-	0.0	-	0.0	-	0.0	167,604	1.9	201,041	2.7
United Airlines/Comair ⁽³⁾	614,443	8.0	683,646	8.2	859,945	8.9	707,739	8.1	442,277	5.9
Sub Total	7,396,683	96.5%	8,165,828	98.0%	9,236,706	95.7%	8,449,344	96.8%	7,420,096	98.7%
Non-Signatory Airlines:										
Air Canada d/b/a Jazz Air	2,987	0.0%	2,752	0.0%	1,840	0.0%	32,455	0.4%	-	0.0%
Air Georgian dba Air Canada	47,610	0.6	47,422	0.6	48,594	0.5	8,997	0.1	-	0.0
British Airways	-	0.0	15,960	0.2	101,865	1.1	85,225	1.0	-	0.0
Contour Airlines	-	0.0	-	0.0	-	0.0	38,140	0.4	31,201	0.4
Frontier Airlines	126,550	1.7	-	0.0	-	0.0	-	0.0	-	0.0
Sun Country	-	0.0	-	0.0	-	0.0	-	0.0	34,377	0.5
WestJet/Encore	-	0.0	-	0.0	-	0.0	-	0.0	405	0.0
All Others (includes Charters)	94,068	1.2	102,944	1.2	262,979	2.7	118,427	1.4	29,048	0.4
Sub Total	271,215	3.5%	169,078	2.0%	415,278	4.3%	336,812	3.2%	95,031	1.3%
Total Passenger Carrier Weight (000s)	7,667,898	100.0%	8,334,906	100.0%	9,651,984	100.0%	8,732,589	100.0%	7,515,127	100.0%
Cargo & Misc. Carrier Weight (000s)	285,758		305,994		300,413		276,583		354,109	
Total Weight All Aircrafts (000s)	7,953,656		8,640,900		9,952,397		8,995,415		7,869,236	
% Passenger Carrier Weight	96%		96%		97%		97%		96%	

⁽¹⁾ Numbers may not add up due to rounding.

⁽²⁾ American Affiliates.

⁽³⁾ United Affiliates.

⁽⁴⁾ As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on passenger, cargo and miscellaneous landed weights at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority (2021 ACFR, 2020 ACFR, 2019 Official Statement citing the 2019 ACFR, 2018 ACFR, and 2017 ACFR).

Note: The table entitled "Passenger, Cargo, and Miscellaneous Landed Weight" was entitled "Landed Weights" in the final official statement relating to the Series 2003B Bonds. In addition, the categorical descriptions of "Signatory Airlines," "Non-Signatory Airlines," and "All Others (including Charters)" were entitled "Major Airlines," "Regional Airlines," and "Charters," respectively, in the final official statement relating to the Series 2003B Bonds.

Aircraft Activity

Average Daily Scheduled Arrivals and Departures. In connection with the 2003B Bonds Undertaking, the following table presents average daily scheduled arrivals and departures at the Airport by Signatory Airlines and Non-Signatory Airlines based on a typical business day during June of each of the past five Fiscal Years with the associated market share for each Fiscal Year.

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Nashville International Airport Average Daily Scheduled Arrivals and Departures⁽¹⁾⁽²⁾ Fiscal Years 2017 to 2021 (June data)

Signatory Airlines	2017 Average Flights ⁽²⁾	% of Total ⁽²⁾	2018 Average Flights ⁽²⁾	% of Total ⁽²⁾	2019 Average Flights ⁽²⁾	% of Total ⁽²⁾	2020 Average Flights ⁽²⁾⁽⁹⁾	% of Total ⁽²⁾	2021 Average Flights ⁽²⁾⁽⁹⁾	% of Total ⁽²⁾
Alaska Airlines	2	0.5%	4	0.8%	6	1.1%	2	0.8%	4	0.8%
American Airlines ⁽³⁾	94	21.5	94	19.5	95	17.8	32	13.3	82	16.9
Allegiant	-	0.0	-	0.0	-	0.0	18	7.5	16	3.3
Delta Airlines Inc.	66	15.1	85	17.7	82	15.4	12	5.0	60	12.4
Frontier Airlines	4	0.9	6	1.2	8	1.5	3	1.3	4	0.8
JetBlue Airways	6	1.4	6	1.2	10	1.9	2	0.8	8	1.7
Southwest Airlines	200	45.5	202	42.3	238	44.6	140	58.3	242	49.9
Spirit Airlines	-	0.0	-	0.0	-	0.0	2	0.8	10	2.1
United Airlines ⁽⁴⁾	42	9.6	50	10.4	54	10.1	14	5.8	40	8.3
Sub Total	414	94.5%	447	93.1%	493	92.4%	225	93.8%	466	96.2%

Non-Signatory Airlines	2017 Average Flights ⁽²⁾	% of Total ⁽²⁾	2018 Average Flights ⁽²⁾	% of Total ⁽²⁾	2019 Average Flights ⁽²⁾	% of Total ⁽²⁾	2020 Average Flights ⁽²⁾	% of Total ⁽²⁾	2021 Average Flights ⁽²⁾	% of Total ⁽²⁾
Air Canada ⁽⁵⁾	6	1.40%	6	1.20%	6	1.10%	-	0.0%	-	0.0%
Allegiant Air	-	0.0	6	1.2	14	2.6	-	0.0	-	0.0
British Airways	-	0.0	2	0.4	2	0.4	-	0.0	-	0.0
Cape Air	-	0.0	-	0.0	-	0.0	-	0.0	8	1.7
Contour Airlines	10	2.2	10	2.1	6	1.1	6	2.5	-	0.0
Westjet Airlines ⁽⁶⁾	2	0.5	4	0.8	6	1.1	-	0.0	-	0.0
All Others ⁽⁷⁾	6	1.4	6	1.2	7	1.3	9	3.7	10	2.1
Sub Total	24	5.5	34	6.9	41	7.6	15	6.2	18	3.8%
TOTAL	438	100.0%	481	100.0%	534	100.0%	240	100.0%	484	100.0%

⁽¹⁾ Certain airlines, including Air Wisconsin, Mesa Airlines, Republic and Various/Trans State Airlines are affiliates of various airlines and their flights are included with the flights for the main carrier.

⁽²⁾ Numbers may not add up due to rounding.

⁽³⁾ Includes flights for American Airlines affiliates, including American Eagle.

⁽⁴⁾ Includes flights for United Airlines, including Continental Express (doing business as ExpressJet and United/Skywest).

⁽⁵⁾ Includes flights for Air Canada affiliates, including Air Georgian (doing business as Air Canada) and Air Canada (doing business as Jazz Air).

⁽⁶⁾ Includes flights for Westjet affiliates, including Westjet/Encore.

⁽⁷⁾ Includes charters.

⁽⁸⁾ As a result of the COVID-19 pandemic, international travel was not permitted for parts of Fiscal Years 2020 and 2021

⁽⁹⁾ As a result of the COVID-19 pandemic, the disruption in aviation and passenger traffic had a significant effect on average daily scheduled arrivals and departures at the Airport in Fiscal Years 2020 and 2021. However, the impact of COVID-19 was not realized until the last four months of Fiscal year 2020 and the Fiscal Year 2021, so the average daily scheduled arrivals and departures at the Airport by Signatory and Non-Signatory Airlines based on a typical business day during June 2020 and 2021 does not accurately reflect the average daily scheduled arrivals and departures for Fiscal Years 2020 and 2021 as a whole.

Source: The Metropolitan Nashville Airport Authority.

Note: In the table entitled "Average Daily Scheduled Arrivals and Departures," the categorical descriptions of "Signatory Airlines" and "Non-Signatory Airlines" were entitled "Major Airlines" and "Regional Airlines," respectively, in the final official statement relating to the Series 2003B Bonds.

Daily Departures. In connection with the 2015 Bonds Undertaking, the following table presents daily departures at the Airport based on a typical business day during June of each Fiscal Year and the number of departures scheduled for that particular day for the past six Fiscal Years.

Nashville International Airport
Daily Departures⁽¹⁾
Fiscal Years 2016 - 2021

<u>Year</u>	<u>Daily Departures</u>
2016	220
2017	220
2018	220
2019	267
2020	120
2021	242

Source: The Metropolitan Nashville Airport Authority.

(1) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on daily departures at the Airport in Fiscal Years 2020. In Fiscal Year 2021, the Airport has started to see a recovery in the number of daily departures.

Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2003B Bonds Undertaking, the 2015 Bonds Undertaking, and the 2019 Subordinate Bonds Undertaking, the following table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2017 through 2021 and reflects financial information for the Airport, the John C. Tune Airport (the "Reliever Airport")¹, and the MNAA Properties Corporation ("MPC"). MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues. As such, the following table should be read together with the Authority's financial statements, which presents the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC. See the 2021 Audited Financial Statements.

¹ On March 3, 2020, a tornado touched down in the Nashville area and continued its path across Middle Tennessee. The Reliever Airport incurred significant damage from the storm, including infrastructure damage to the terminal and other buildings (hangars), airfield, pavement, navigational aids, signage, lighting, fencing, utilities and more. The Reliever Airport reopened on March 20, 2020. Fortunately, JWN was still able to complete construction on a new aircraft hangar with an attached office and shop space and related aircraft asphalt taxilane, asphalt apron, and vehicle parking, during Fiscal Year 2020. In July 2021, JWN kicked off a redevelopment plan which will both add new aviation facilities and replace buildings destroyed in the tornado. The plan includes expanding ramp areas, adding a new airport access point, constructing 12 T-hangar buildings with 78 hangar bays, four box hangar buildings with 12 hangar bays and two shade port buildings with 10 bays.

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**Schedule of Revenues, Expenses and Change in Net Position⁽¹⁾⁽²⁾
Fiscal Years 2017 - 2021
(Unaudited)**

	(As Restated) ⁽³⁾ 2017	2018	2019 ⁽⁵⁾	2020 ⁽⁴⁾	2021 ⁽⁴⁾
Operating Revenues:					
Signatory Airline	\$ 30,671,634	\$ 48,091,521	\$ 55,264,548	\$46,012,326	\$47,495,370
Parking	43,977,208	50,369,200	53,153,828	41,735,515	27,116,496
Concession	29,338,439	33,498,728	37,203,600	31,730,323	27,024,842
Space Rental	15,121,337	16,648,433	16,885,811	14,918,277	15,469,797
Other	8,987,603	5,871,735	7,524,807	9,522,197	11,513,054
Total Operating Revenues	\$128,096,221	\$154,479,617	\$170,032,594	\$143,918,638	\$128,619,559
Operating Expenses:					
Salaries and wages	\$ 33,862,254	\$ 32,879,302	\$ 38,469,934	\$36,981,912	\$25,133,488
Contractual Services	28,610,678	36,801,980	41,434,039	42,218,732	35,011,863
Materials and Supplies	3,509,520	3,840,490	4,046,799	4,544,743	3,674,419
Utilities	5,971,391	5,639,206	6,140,029	5,977,699	5,761,724
Insurance	-	-	1,336,036	1,442,491	1,913,299
Other	5,610,734	6,101,266	8,287,094	5,270,166	3,040,336
Total Operating Expenses	\$ 77,564,577	\$ 85,262,244	\$ 99,713,931	\$96,435,743	\$74,535,129
Provision for Depreciation	38,979,958	39,914,221	44,497,442	49,768,473	53,383,630
Nonoperating Revenues:					
Investment income	\$ 730,198	\$ 2,149,363	\$ 7,703,826	\$23,723,090	\$1,647,674
Passenger facility charges	25,982,494	28,300,013	31,416,941	26,384,555	20,253,069
Customer facility charges	13,561,430	14,290,386	15,094,273	11,827,674	8,365,388
Other nonoperating revenues	629,368	495,797	-	12,032,061	36,580,521
Total Nonoperating Revenues	\$ 40,903,990	\$ 45,235,559	\$ 54,215,040	\$73,967,380	\$66,846,652
Nonoperating Expenses:					
Debt-related expenses	\$ 10,299,910	\$ 10,262,472	\$ 13,267,265	\$37,994,910	\$49,322,732
Other nonoperating expenses	81,759	914,499	16,170,808	112,570	2,160,638
Total Nonoperating Expenses	\$10,381,669	\$ 11,176,971	\$ 29,438,073	\$38,107,480	\$51,483,370
Capital Contributions	14,552,791	15,010,688	18,178,942	21,287,199	31,356,438
Increase in Net Position	56,626,798	78,372,428	68,777,130	54,861,521	47,420,520
Total Net Position – End of Year	\$579,138,103	\$657,510,531	\$726,287,661	\$781,149,182	\$828,569,702

(1) This table presents the Authority's revenues, expenses and change in net position in accordance with the presentation in the 2021 ACFR. Expenses and Change in Net Position presented in the Statistical Information sections (unaudited) of the Authority's Annual Comprehensive Financial Reports (the "Statistical Information Sections"). Specifically, certain other operating expenses, other nonoperating revenues, other nonoperating expenses, and capital contributions are presented differently, but there is no difference between the total net position in each Fiscal Year presented in this table and the Statistical Information Sections.

(2) This table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2017 through 2021 and reflects financial information for the Airport, the Reliever Airport, and the MPC. **MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues.** As such, the following table should be read together with the Authority's financial statements, which present the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC.

(3) Fiscal Years 2017 ending net position was restated in Fiscal Year 2018 for the effects of the retrospective application of GASB Statement No. 75. See the 2018 Audited Financial Statements.

(4) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on operating revenues and operating expenses at the Airport in Fiscal Years 2020 and 2021. For additional information see "Introduction – COVID-19 Pandemic", herein.

(5) The Authority has made certain reclassifications to the 2019 Financial Statements to conform with the presentation of the 2020 Financial Statements.

Source: The Metropolitan Nashville Airport Authority (2021 ACFR, 2020 ACFR, 2019 Official Statement citing the Management's Discussion and Analysis (Unaudited) in the 2019 ACFR, the 2018 ACFR, and the 2017 ACFR).

Note: The presentation of the table entitled "Schedule of Revenues, Expenses and Change in Net Position" has changed from time to time to reflect the implementation of certain accounting and financial reporting standards.

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Historical Debt Service Coverage

In connection with the 2003B Bonds Undertaking and the 2015 Bonds Undertaking, the following table presents the historical debt service coverage on the Senior Bonds for past five Fiscal Years.

Historical Debt Service Coverage (Senior Debt)⁽¹⁾					
Fiscal Years 2016 - 2021					
(Unaudited)					
Description	2017	2018	2019	2020	2021
Airport Revenues (Operating Revenues)⁽²⁾	124,939,159	151,362,491	166,845,829	140,324,281	125,103,988
Add: Investment Income⁽²⁾	728,337	2,148,385	7,691,491	23,671,953	1,638,683
Revenues Available for Debt Service	125,667,496	153,510,876	174,537,320	163,996,234	126,742,671
Less: Operating Expenses⁽³⁾	(75,725,590)	(83,769,031)	(98,347,533)	(95,177,939)	(83,844,828)
Less: CARES Money Applied to Operating Expenses	-	-	-	2,925,517	3,988,211
Net Revenues	49,941,906	69,741,845	76,189,787	71,743,812	46,886,054
Debt Service⁽⁴⁾⁽⁷⁾:					
Interest	4,668,561	7,715,268	10,563,490	10,155,649	9,859,235
Principal	11,770,000	11,515,000	16,155,000	4,565,000	4,835,000
Less: PFC Revenues applied to Debt Service⁽⁵⁾	(6,307,038)	(4,227,479)	(6,560,025)	(573,900)	
Less: DSRF Release⁽⁶⁾	-	-	(3,723,692)	-	
Less: CARES money	-	-	-	(2,384,981)	(8,934,541)
Total Debt Service	10,131,523	15,002,789	16,434,773	11,761,768	5,759,694
Debt Service Coverage	4.93	4.65	4.64	6.10	8.14

- (1) This table presents the debt service coverage for the Authority's outstanding Senior Bonds in accordance with the Senior Bond Resolution and differs from the debt service coverage presented in the Statistical Information Sections. Specifically, the debt service coverage calculations in the Statistical Information Sections include different sources of available revenues, expenses and associated debt service. Refer to the below footnotes and the sources of information referenced therein for an explanation of the debt service coverage calculation presented in this table.
- (2) Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport. Source: 2021 ACFR, 2020 ACFR, 2019 ACFR, 2018 ACFR, and 2017 CAFR.
- (3) Includes annual operating expenses related to the Airport and the Reliever Airport. Source: 2021 ACFR, 2020 ACFR, 2019 ACFR, 2018 ACFR, and 2017 CAFR. The 2021 operating expense includes an addback of \$10,467,917 credit in benefit expense due to the accounting entry to true-up Pension/OPEB assets.
- (4) The Authority has internally set aside the \$575,000 July 1, 2019 mandatory redemption payment for the Series 2003B Senior Bonds. As such, the debt service excludes such mandatory redemption payment for the Series 2003B Senior Bonds. Source: Metropolitan Nashville Airport Authority.
- (5) Includes amounts transferred from PFC Revenues to pay debt service on the Authority's Airport Improvement Revenue Bonds, Series 2009A (the "Series 2009A Senior Bonds") (which are no longer Outstanding), the Authority's Airport Improvement Revenue Bonds, Refunding Series (which are no longer Outstanding), and the Series 2015A Senior Bonds. Source: Metropolitan Nashville Airport Authority.
- (6) Includes release of funds relating to the Series 2009A Senior Bonds from the Debt Service Reserve Fund. Source: Metropolitan Nashville Airport Authority.
- (7) Debt service funds are net of capitalized interest.

Source: The Metropolitan Nashville Airport Authority (PFM Financial Advisors LLC (calculation only)).

Note: The presentation of the table entitled "Historical Debt Service Coverage" has changed from time to time to reflect the implementation of certain accounting and financial reporting standards and the current method of calculating historical debt service coverage in accordance with the Senior Bond Resolution.

Information Concerning the Airlines and Airline Industry

Information concerning the airlines and the airline industry was included in the 2019 Official Statement. However, as a result of the COVID-19 pandemic, the information concerning the airlines and the airline industry in the 2019 Official Statement does not present accurate information concerning the airlines and airline industry. Since the outlook on passenger activity and the corresponding impact on the financial performance of the Airport is difficult to predict, the Authority is unable to provide any updated information of the type included in the 2019 Official Statement. The Authority has not undertaken any obligation to update any of the foregoing information.

Subordinate Bonds

The following is the annual financial information and operation data required under the Authority's continuing disclosure undertakings with respect to the Series 2019 Subordinate Bond (the "2019 Subordinate Bonds Undertaking"), which are the only series of Subordinate Bonds outstanding under the Subordinate Bond Resolution as of the date of this report (the "Outstanding Subordinate Bonds").

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**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

Airlines Serving the Airport

In connection with the 2019 Subordinate Bonds Undertaking, the following table presents the Airlines serving the Airport as of June 30, 2021.

**Airlines Serving the Airport
(as of June 30, 2021)**

Signatory	Passenger Airlines		Cargo Carriers	
	Regional Affiliates ⁽¹⁾	Non-Signatory ⁽⁷⁾	Signatory	Non-Signatory
Alaska Airlines	Air Wisconsin ⁽³⁾	Boutique Air	Federal Express	Air Transport International
Allegiant Air	Commutair ⁽³⁾	Cape Air		Airborne Express
American Airlines	Endeavor Air ⁽²⁾	Contour Airlines		Kalitta Air
Delta Air Lines	Envoy Air ⁽⁴⁾	Kalitta Air		
Frontier Airlines	Go Jet ⁽³⁾	Sun Country		
JetBlue	Mesa Airlines ⁽³⁾	Swift Air		
Southwest Airlines	Republic Airways ⁽⁵⁾	VivaAerobus ⁽⁶⁾		
Spirit Airlines	SkyWest Airlines ⁽⁵⁾			
United Airlines				

⁽¹⁾ Subject to the provisions of the Signatory Airline Agreements, certain Signatory Airlines have designated one or more regional airlines as an Affiliate (as defined in the Signatory Airline Agreements). As such, the Landing Fees, Terminal Rents (both as defined in the Signatory Airline Agreements) and other charges due on account of each Affiliate's use of Airport facilities or services are calculated as if the Affiliate were a Signatory Airline. See "APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS" attached to the 2019 Official Statement.

⁽²⁾ Doing business as Delta Air Lines.

⁽³⁾ Doing business as United Airlines.

⁽⁴⁾ Doing business as American Airlines.

⁽⁵⁾ Doing business as American Airlines, Delta Air Lines and United Airlines.

⁽⁶⁾ Foreign flag carrier.

⁽⁷⁾ As a result of the COVID-19 pandemic, international travel was not permitted for parts of Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority.

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Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2019 Subordinate Bonds Undertaking, the following table presents enplaned passengers, O&D enplaned passengers, year-over-year growth of enplaned passengers and O&D enplaned passengers, and percent of O&D enplaned passengers for the past ten Fiscal Years.

Enplaned Passengers and O&D Enplaned Passengers Fiscal Years 2012 – 2021⁽²⁾

Fiscal Year	Enplaned Passengers	Year-Over-Year Growth	O&D Enplaned Passengers ⁽¹⁾	Year-Over-Year Growth	Percent of O&D Enplaned Passengers
2012	4,883,374	3.4	3,927,943	4.4	80.4
2013	5,037,975	3.2	4,039,314	2.8	80.2
2014	5,312,021	5.4	4,302,260	6.5	81.0
2015	5,604,148	5.5	4,562,238	6.0	81.4
2016	6,141,092	9.6	5,044,163	10.6	82.1
2017	6,790,099	10.6	5,617,042	11.4	82.7
2018	7,466,332	10.0	6,154,523	9.6	82.5
2019	8,596,307	15.1	6,953,983	13.0	80.9
2020	6,858,395	-20.2	5,914,305	-15.0	86.2
2021	5,151,658	-24.9	4,086,178	-30.9	79.3

⁽¹⁾ The Authority also receives O&D passenger data directly from the airlines that operate at the Airport, and that data may differ from the U.S. DOT data presented in this table.

⁽²⁾ As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on enplaned passengers and O&D enplaned passengers at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority.

Enplaned Passenger Market Share

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Enplaned Passenger Market Share" herein for the table presenting enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines, and total enplaned passengers for the past five Fiscal Years with the associated market share for each Fiscal Year.

Landed Weight

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Landed Weight" herein for the table presenting the landed weight at the Airport by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight for the past five Fiscal Years with the associated market share for each fiscal year.

Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Schedule of Revenues, Expenses and Changes in Net Position" herein for the table presenting the Authority's schedule of revenues, expenses and change in net position for Fiscal years 2017 through 2021.

Historical Debt Service Coverage

In connection with the 2019 Undertaking, see "SENIOR BONDS – Historical Debt Service Coverage" herein.

Historical Debt Service Coverage

In connection with the 2019 Subordinate Bonds Undertaking, the following tables presents the historical debt service coverage on the Senior Bonds and the Subordinate Bonds for the past five Fiscal Years.

Historical Debt Service Coverage (Senior & Subordinate Debt)⁽¹⁾
Fiscal Years 2016 - 2020

Description	2017	2018	2019	2020	2021
Airport Revenues (Operating Revenues)⁽²⁾	\$124,939,159	\$151,362,491	\$166,845,829	\$140,324,281	\$125,103,988
Add: Investment Income⁽²⁾	728,337	2,148,385	7,691,491	23,671,953	1,638,683
Revenues Available for Debt Service	\$125,667,496	\$153,510,876	\$174,537,320	\$163,996,234	\$126,742,671
Less: Operating Expenses⁽³⁾	(75,725,590)	(83,769,031)	(98,347,533)	(95,177,939)	(83,844,828)
Less: CARES money applied to Operating Expenses	-	-	-	2,925,517	3,988,211
Net Revenues	\$49,941,906	\$69,741,845	\$76,189,787	\$71,743,812	\$46,886,054
Debt Service⁽⁴⁾⁽⁷⁾:					
Interest	\$4,668,561	\$7,715,268	\$10,563,490	\$13,152,462	\$32,689,285
Principal	11,770,000	11,515,000	16,155,000	4,565,000	4,835,000
Less: PFC Revenues applied to Debt Service⁽⁵⁾	(6,307,038)	(4,227,479)	(6,560,025)	(573,900)	-
Less: DSRF Release	-	-	(3,723,692)	-	-
Less: CARES money	-	-	-	(3,383,901)	(26,175,119)
Total Debt Service	\$10,131,523	\$15,002,789	\$16,434,773	\$13,759,661	\$11,349,166
Debt Service Coverage	4.93	4.65	4.64	5.21	4.13

(1) This table presents the debt service coverage for the Authority's outstanding Senior Bonds in accordance with the Senior Bond Resolution and differs from the debt service coverage presented in the Statistical Information Sections. Specifically, the debt service coverage calculations in the Statistical Information Sections include different sources of available revenues, expenses and associated debt service. Refer to the below footnotes and the sources of information referenced therein for an explanation of the debt service coverage calculation presented in this table.

(2) Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport. Source: 2021 ACFR, 2020 ACFR, 2019 ACFR, 2018 ACFR and 2017 ACFR.

(3) Includes annual operating expenses related to the Airport and the Reliever Airport. Source: 2020 CAFR, 2019 CAFR, 2018 CAFR, 2017 CAFR, and 2016 CAFR.

(4) The Authority has internally set aside the \$575,000 July 1, 2019 mandatory redemption payment for the Series 2003B Senior Bonds. As such, the debt service excludes such mandatory redemption payment for the Series 2003B Senior Bonds. Source: Metropolitan Nashville Airport Authority.

(5) Includes amounts transferred from PFC Revenues to pay debt service on the Authority's Airport Improvement Revenue Bonds, Series 2009A (the "Series 2009A Senior Bonds") (which are no longer Outstanding), the Authority's Airport Improvement Revenue Bonds, Refunding Series (which are no longer Outstanding), and the Series 2015A Senior Bonds. Source: Metropolitan Nashville Airport Authority.

(6) Includes release of funds relating to the Series 2009A Senior Bonds from the Debt Service Reserve Fund. Source: Metropolitan Nashville Airport Authority.

(7) Debt service funds are net of capitalized interest.

Source: The Metropolitan Nashville Airport Authority (PFM Financial Advisors LLC (calculation only)).

Note: The presentation of the table entitled "Historical Debt Service Coverage" has changed from time to time to reflect the implementation of certain accounting and financial reporting standards and the current method of calculating historical debt service coverage in accordance with the Senior Bond Resolution.

**Metropolitan Nashville Airport Authority
Compliance Section**

This section contains the following subsections:

Single Audit Under Uniform Guidance

Passenger Facility Charges

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*

Independent Auditor's Report

To Management and the Board of Commissioners
Metropolitan Nashville Airport Authority

We have audited, 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, the financial statements of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority (the "Authority") as of and for the year ended June 30, 2021 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 26, 2021.

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 opinions 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 Authority'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 may exist that have not been identified.

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*.

To Management and the Board of Commissioners
Metropolitan Nashville Airport Authority

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.

Plante & Moran, PLLC

October 26, 2021

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the *Passenger Facility Charge Audit Guide for Public Agencies*

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on Compliance for Each Major Federal Program and for the Passenger Facility Charge Program

We have audited the Metropolitan Nashville Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The Authority's passenger facility charge program is identified in the schedule of passenger facility charges.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program and the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program and the passenger facility charge program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide"). Those standards, the Uniform Guidance, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Major Federal Program and Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program and the passenger facility charge program for the year ended June 30, 2021.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies* and is described in the accompanying schedule of findings and questioned costs as Finding 2021-001. Our opinion on the passenger facility charge program is not modified with respect to this matter.

The Authority's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and the passenger facility charge program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance with the passenger facility charge program, described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a material weakness.

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.



October 26, 2021

**Metropolitan Nashville Airport Authority
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021**

<u>Airport</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Grantor Agency</u>	<u>Expenditures</u>
Federal Assistance:				
U.S. Department of Transportation:				
Direct Awards:				
Nashville International	Airport Improvement Program	20.106	Federal Aviation Administration	
	Master Plan Update			\$ 103,079
	Taxiway Lima Rehabilitation			(7,560)
	Reconstruct Taxiway Alpha/Kilo Intersection			9,968
	Reconstruct Runway 2R/20L			22,839,360
	COVID-19 - Coronavirus Aid, Relief, & Economic Security Act (CARES)			30,094,249
Pass-Through Awards:				
John C. Tune	Airport Improvement Program			
	COVID 19 - CARES Act Part 4 - Operational Expenses	20.106	Tennessee Department of Transportation	69,000
	Subtotal Airport Improvement Program			53,108,096
U.S. Department of Justice:				
	Asset Forfeiture Equitable Sharing Program	16.922	Department of Justice	252,841
			Total federal assistance	\$ 53,360,937
State Assistance:				
John C. Tune	Airport Improvements		Tennessee Department of Transportation	
	Air Traffic Control Tower & Access Road			7,852,675
	JWN Hangar Redevelopment			558,918
	Airport Maintenance			15,000
	Total Airport Improvements			8,426,593
Nashville International	Asset Forfeiture Equitable Sharing Program		State of Tennessee	488,283
			Total state assistance	\$ 8,914,876
			Grand total	\$ 62,275,813

See notes to schedule of expenditures of federal and state awards.

Metropolitan Nashville Airport Authority
Notes to Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Metropolitan Nashville Airport Authority. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Comptroller of the Treasury of the State of Tennessee.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Authority. In the opinion of management, all grant expenditures comply with the terms of the grant agreements and applicable federal and state laws and regulations.

**Metropolitan Nashville Airport Authority
Schedule of Findings and Questioned Costs**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$1,600,828

Auditee qualified as low-risk auditee? Yes No

Passenger Facility Charge Program

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with AU-C 935? Yes No

**Metropolitan Nashville Airport Authority
Schedule of Findings and Questioned Costs**

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding
Current Year	None

Section IV – Passenger Facility Charge Program Audit Findings

Reference Number	Finding
2021-001	<p>CFDA Number, Federal Agency, Program Name – CFDA Number and Federal Agency is N/A, Passenger Facility Charge (PFC) Program</p> <p>Federal Award Identification Number and Year – N/A</p> <p>Pass-through Entity – N/A</p> <p>Finding Type – Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding – No</p> <p>Criteria – According to 14 CFR Section 158.43(a), following approval of an application to impose a PFC, the public agency shall notify the air carriers and foreign air carriers required to collect PFC's at its airport of the Federal Aviation Authority (FAA) Administrator's approval. Additionally, according to 14 CFR Section 158.43(b)(3), the charge effective date will always be the first day of the month; however, it must be at least 30 days after the date the public agency notified the air carriers of the FAA's approval to impose the PFC.</p> <p>Condition – The Authority did not notify the air carriers upon partial approval of their new application to impose a PFC as required by 14 CFR Section 158.43.</p> <p>Questioned Costs – None</p> <p>Identification of How Questioned Costs Were Computed – N/A</p> <p>Context – The Authority received partial approval from the FAA on application number 19-23-C-00-BNA (Application 23) for the right to impose a PFC at the Nashville International Airport (BNA). Since partial approval of Application 23, the Authority has not notified the air carriers of this approval to impose a PFC. The impacted air carriers have imposed a PFC under a previously approved application, whose charge expiration date was no later than January 31, 2020.</p>

Metropolitan Nashville Airport Authority Schedule of Findings and Questioned Costs

Cause and Effect – Application 23 allows the Authority to impose a \$4.50 PFC and collect total net PFC revenue of \$531,055,812 for use on one project at BNA. According to the FAA’s Final Agency Decision (FAD), the earliest charge effective date is January 1, 2020. The Authority previously had authorization to impose a PFC through January 2020 from application number 16-22-C-02-BNA (Application 22). As a result of the Authority’s lack of air carrier notification, the Authority did not make the required notification in order to continue to impose a \$4.50 PFC under Application 23. The Authority has not expended any of the revenue collected under Application 23, creating no questioned costs.

Recommendation – We recommend the Authority implement a process to ensure timely air carrier notification of PFC application approval.

Views of Responsible Officials – Metropolitan Nashville Airport Authority (MNA) management concurs with the recommendation to develop a process to ensure timely air carrier notification of PFC application approval. Management has developed a detailed process which will be followed diligently. The process includes a checklist with step-by-step instructions for the following:

- Advance coordination for the PFC Application
- Written notice of and consultation meeting with carriers
- Public notice
- Drafting an application and PFC Application requirements
- MNA collection requirements
- Expiration of Authority to collect PFCs
- MNA reporting requirements
- Project completion and PFC decision closeout

In addition, MNA has sent written notification to all air carriers regarding PFC Application 23’s approval.

Metropolitan Nashville Airport Authority
Schedule of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2021

	Amended Amount Approved	Cumulative Total June 30, 2020	Quarter Ended				Total FY 2021	Life-to-date Cumulative
			September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021		
COLLECTIONS:								
PFC Revenue Received	\$ 946,938,055	\$ 408,215,841	\$ 2,483,084	\$ 3,238,819	\$ 3,877,772	\$ 7,548,402	\$ 17,148,077	\$ 425,363,918
Interest Earned/Fees Incurred	N/A	27,518,068	226,890	185,111	153,048	123,782	688,830	28,206,898
Total Collections	\$ 946,938,055	\$ 435,733,909	\$ 2,709,974	\$ 3,423,929	\$ 4,030,820	\$ 7,672,184	\$ 17,836,907	\$ 453,570,816
EXPENDITURES (REFUNDS):								
APPLICATION 1:								
Taxiway C Extension	\$ 6,118,900	\$ 6,118,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,118,900
Land Acquisition for ASR (P, F, I - 2003 PFC)	6,806,412	6,806,412	-	-	-	-	-	6,806,412
Land Acquisition (P, F, I - 2003 PFC)	13,986,000	13,986,000	-	-	-	-	-	13,986,000
Runway 2C/20C Relocation	41,343,955	41,343,955	-	-	-	-	-	41,343,955
Runway 13/31 Extension	7,541,800	7,541,800	-	-	-	-	-	7,541,800
Runway 2C/20C Extension	8,840,000	8,840,000	-	-	-	-	-	8,840,000
Total	84,637,067	84,637,067	-	-	-	-	-	84,637,067
APPLICATION 2:								
Concourse Connector (P, F, I - 2003 PFC)	4,814,500	4,814,500	-	-	-	-	-	4,814,500
International Arrivals Building (P, F, I - 2003 PFC)	6,898,801	6,898,801	-	-	-	-	-	6,898,801
Total	11,713,301	11,713,301	-	-	-	-	-	11,713,301
APPLICATION 3 - MUFIDS								
Total	1,439,174	1,439,174	-	-	-	-	-	1,439,174
APPLICATION 4 - Curbside Expansion								
Total	17,641,859	17,641,859	-	-	-	-	-	17,641,859
APPLICATION 5:								
ARFF Facility Expansion	55,000	55,000	-	-	-	-	-	55,000
Moving Sidewalk, Concourse A	1,101,204	1,101,204	-	-	-	-	-	1,101,204
Outbound Baggage Conveyor System	1,495,482	1,495,482	-	-	-	-	-	1,495,482
Total	2,651,686	2,651,686	-	-	-	-	-	2,651,686
APPLICATION 6:								
Airfield Lighting Control Panel	443,438	443,438	-	-	-	-	-	443,438
Airport Operations Center Relocation	2,158,667	2,158,667	-	-	-	-	-	2,158,667
Runway Deicer Truck	228,300	228,300	-	-	-	-	-	228,300
SMGCS (2)	1,329,594	1,329,594	-	-	-	-	-	1,329,594
Total	4,159,999	4,159,999	-	-	-	-	-	4,159,999

Metropolitan Nashville Airport Authority
Schedule of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2021

APPLICATION 7 - Air Cargo Ramp	2,094,000	2,094,000	-	-	-	-	-	2,094,000.00
Total	2,094,000	2,094,000	-	-	-	-	-	2,094,000
APPLICATION 8:								
Air Cargo Ramp Expansion	846,000	846,000	-	-	-	-	-	846,000
Airfield Pavement Rehabilitation	1,249,012	1,249,012	-	-	-	-	-	1,249,012
Airport Master Plan	169,635	169,635	-	-	-	-	-	169,635
BIDS (3)	353,758	353,758	-	-	-	-	-	353,758
Terminal Access Roadway - Design	451,037	451,037	-	-	-	-	-	451,037
Radio Communication System	980,951	980,951	-	-	-	-	-	980,951
Terminal Apron Reconstruction	172,223	172,223	-	-	-	-	-	172,223
Update Noise Exposure Maps	106,272	106,272	-	-	-	-	-	106,272
Total	4,328,888	4,328,888	-	-	-	-	-	4,328,888
APPLICATION 9:								
ARFF Vehicle	493,143	493,143	-	-	-	-	-	493,143
Airfield Hold Bar Modifications	420,391	420,391	-	-	-	-	-	420,391
Airfield Pavement Rehabilitation	1,763,421	1,763,421	-	-	-	-	-	1,763,421
Westside Infrastructure and Utility Development	677,004	677,004	-	-	-	-	-	677,004
Elevator on A Concourse	207,040	207,040	-	-	-	-	-	207,040
Live Scan Fingerprint Equipment	49,374	49,374	-	-	-	-	-	49,374
Total	3,610,373	3,610,373	-	-	-	-	-	3,610,373
APPLICATION 10:								
1500 Gallon ARFF Vehicle	72,486	72,486	-	-	-	-	-	72,486
Airfield Pavement Rehabilitation - East	535,748	535,748	-	-	-	-	-	535,748
Airport Vehicle Driving Simulator	73,571	73,571	-	-	-	-	-	73,571
Land Acquisition RW Ext. Approach	468,000	468,000	-	-	-	-	-	468,000
Public Address System	789,116	789,116	-	-	-	-	-	789,116
Security Enhancements	378,750	378,750	-	-	-	-	-	378,750
Widen Three Taxiway Fillets	274,012	274,012	-	-	-	-	-	274,012
Total	2,591,683	2,591,683	-	-	-	-	-	2,591,683
APPLICATION 11:								
Aircraft Rescue and Firefighting Equipment	345,529	345,529	-	-	-	-	-	345,529
Pavement Sweeper	99,643	99,643	-	-	-	-	-	99,643
Snow Removal Equipment	418,887	418,887	-	-	-	-	-	418,887
Runway 13/31 W of 2L/20R	220,765	220,765	-	-	-	-	-	220,765
Airfield Construction	18,935	18,935	-	-	-	-	-	18,935
Txy KiloW and Lima Rehab	352,061	352,061	-	-	-	-	-	352,061
Txy Lima between T4 & T6	230,400	230,400	-	-	-	-	-	230,400
Reconstruction Txy Tango 6 at Terminal Ramp	188,894	188,894	-	-	-	-	-	188,894
Reconstruction Txy Tango 6 at Juliet	428,576	428,576	-	-	-	-	-	428,576

Metropolitan Nashville Airport Authority
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Reconstruction Txy Tango 6 at Terminal Ramp	844,829	844,829	-	-	-	-	-	844,829
Reconstruction Txy Tango 2	164,855	164,855	-	-	-	-	-	164,855
Rehabilitate Taxiway Alpha North	217,278	217,278	-	-	-	-	-	217,278
Shoulder Replacement Rwy 2L-20R	593,673	593,673	-	-	-	-	-	593,673
Upgrade Trench Drain at De-Icing Area	14,673	14,673	-	-	-	-	-	14,673
Rwy 2R20L & Txy H Add'l Work	798,122	798,122	-	-	-	-	-	798,122
Airfield Pavement Rehab (Ph. 1-5), Rwy 2R/20LJ & C Repair	2,160,724	2,160,724	-	-	-	-	-	2,160,724
Airfield Resigning	515,467	515,467	-	-	-	-	-	515,467
Engineering Study to Develop Land North of 13/31	36,000	36,000	-	-	-	-	-	36,000
Noise Mitigation (Principal)	24,065,949	24,065,949	-	-	-	-	-	24,065,949
Noise Mitigation (F&I)	30,381,472	22,435,287	-	-	-	-	-	22,435,287
Relocate Electrical Vault on Westside	501,004	501,004	-	-	-	-	-	501,004
Runway 2C/20C Extension Part B	4,646,757	4,646,757	-	-	-	-	-	4,646,757
Runway 2C/20C Extension Part B (F&I)	6,694,961	6,694,960	-	-	-	-	-	6,694,960
Storm Water Treatment Facility Engineering Study/Upgrade	100,055	100,055	-	-	-	-	-	100,055
Two Elevators in Terminal Building	691,166	691,166	-	-	-	-	-	691,166
Widen Taxiway Fillets at Taxiways L2, K2, T3, LIMA KILO	356,096	356,096	-	-	-	-	-	356,096
Total	75,086,771	67,140,585	-	-	-	-	-	67,140,585

APPLICATION 12:

Runway 13-31 Reconstruction	5,355,535	5,355,535	-	-	-	-	-	5,355,535
MUFIDS	2,672,278	2,672,278	-	-	-	-	-	2,672,278
Design of 2L-20R and 2R-20L Runway Safety Areas	146,767	146,767	-	-	-	-	-	146,767
ARFF Building Expansion	186,384	186,384	-	-	-	-	-	186,384
Ticketing Level Canopy Extension	501,250	501,250	-	-	-	-	-	501,250
Retaining Wall on Taxiways Juliet and Lima	65,421	65,421	-	-	-	-	-	65,421
Hangar Lane Access Improvements	151,583	151,583	-	-	-	-	-	151,583
General Aviation Master Plan	27,058	27,058	-	-	-	-	-	27,058
Loading Bridges (4)	309,527	309,527	-	-	-	-	-	309,527
Replace Oshkosh Snow Broom	40,620	40,620	-	-	-	-	-	40,620
Master Drainage Plan/Deicing Runoff Plan	277,567	277,567	-	-	-	-	-	277,567
Lighting Upgrade on Airfield 2L & 13/31	122,635	122,635	-	-	-	-	-	122,635
Surface Sweeper	154,844	154,844	-	-	-	-	-	154,844
Exhibit A Property Map	20,011	20,011	-	-	-	-	-	20,011
Airport Rotating Beacon	8,892	8,892	-	-	-	-	-	8,892
Lightning Protection for Apron Lights	5,158	5,158	-	-	-	-	-	5,158
Total	10,045,530	10,045,530	-	-	-	-	-	10,045,530

APPLICATION 13:

Security Checkpoint - Design & Construction	3,300,000	3,300,000	-	-	-	-	-	3,300,000
Terminal Renovation - Not to Exceed Eligible Portion of Phase I	10,000,000	10,000,000	-	-	-	-	-	10,000,000
Reconstruct Taxiway Bravo South Design	22,853	22,853	-	-	-	-	-	22,853
Reconstruct Taxiway Alpha South Design	76,000	76,000	-	-	-	-	-	76,000
Outbound Baggage Conveyor System Design & Construction	417,838	417,838	-	-	-	-	-	417,838

Metropolitan Nashville Airport Authority
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Access Control System Replacement	729,755	729,755	-	-	-	-	-	729,755
Construct 2L-20R Runway Safety Area	407,240	407,240	-	-	-	-	-	407,240
Pavement Mgmt. and Modifi. of Standards Identification Study	51,390	51,390	-	-	-	-	-	51,390
Runway Weather Information System (RWIS)	6,915	6,915	-	-	-	-	-	6,915
Construct 2R-20L Runway Safety Area	472,899	472,899	-	-	-	-	-	472,899
Aircraft Flight Track Monitoring System	120,376	120,376	-	-	-	-	-	120,376
Total	15,605,266	15,605,266	-	-	-	-	-	15,605,266
APPLICATION 14:								
In-Line EDS	6,340,079	6,340,079	-	-	-	-	-	6,340,079
In-Line EDS Financing	174,919	174,919	-	-	-	-	-	174,919
Reconstruct Taxiway Bravo South Construction	244,994	244,994	-	-	-	-	-	244,994
Rehabilitate FIS Facility	476,141	476,141	-	-	-	-	-	476,141
Reconstruct Taxiway Alpha South Construction	223,718	223,718	-	-	-	-	-	223,718
Term Reno Phase II 2009A Bond	32,320,700	31,483,696	-	-	-	-	-	31,483,696
Term Reno Phase II 2009A Bond Financing	11,032,543	10,640,404	-	-	-	-	-	10,640,404
Westside Spill Gates	15,931	15,931	-	-	-	-	-	15,931
TARI Phase I - Road & Bridge Work	11,815,394	11,815,394	-	-	-	-	-	11,815,394
Total	62,644,419	61,415,276	-	-	-	-	-	61,415,276
APPLICATION 15:								
Reconstruct Rwy 2L-20R	4,010,198	4,010,198	-	-	-	-	-	4,010,198
Reconstruct Rwy 2L-20R Financing	2,752	2,752	-	-	-	-	-	2,752
Sprinkler System in Utility Tunnels	106,299	106,299	-	-	-	-	-	106,299
Terminal Roof Replacement	173,447	173,447	-	-	-	-	-	173,447
Total	4,292,696	4,292,696	-	-	-	-	-	4,292,696
APPLICATION 16:								
Upgrade Security Camera System	187,500	187,500	-	-	-	-	-	187,500
Airport Master Plan Update	1,472,042	1,472,042	-	-	-	-	-	1,472,042
Upgrade Stormwater Treatment Plant	120,000	120,000	-	-	-	-	-	120,000
Reconstruct Taxiways T4 & Sierra	3,226,155	3,226,155	-	-	-	-	-	3,226,155
Total	5,005,697	5,005,697	-	-	-	-	-	5,005,697
APPLICATION 17:								
Reconstruct Taxiway Kilo	2,569,517	2,569,517	-	-	-	-	-	2,569,517
LED Taxiway Lighting Upgrade 2L	-	-	-	-	-	-	-	-
PCI Airfield Inspection	48,483	48,483	-	-	-	-	-	48,483
Total	2,618,000	2,618,000	-	-	-	-	-	2,618,000
APPLICATION 18:								
Outbound Baggage and Check-in Counter Replacement	346,626	346,626	-	-	-	-	-	346,626
Reconstruct Taxiways B & T3	1,175,207	1,175,207	-	-	-	-	-	1,175,207
Total	1,521,833	1,521,833	-	-	-	-	-	1,521,833

Metropolitan Nashville Airport Authority
Schedule of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2021

APPLICATION 19:									
Improve Stormwater Collection & Treatment System	945,500	945,499	-	-	-	-	-	-	945,499
Reconstruct Runway 13-31 West	3,875,000	3,479,416	-	-	-	-	-	-	3,479,416
Total	4,820,500	4,424,915	-	-	-	-	-	-	4,424,915
APPLICATION 20:									
Reconstruct Taxiway Lima and Juliet East	2,700,000	1,882,125	-	-	-	-	-	-	1,882,125
Reconstruct Taxiway T3	2,200,000	1,407,796	-	-	-	-	-	-	1,407,796
Total	4,900,000	3,289,921	-	-	-	-	-	-	3,289,921
APPLICATION 21:									
Reconstruct Taxiway Sierra-PayGo	2,225,000	2,225,000	-	-	-	-	-	-	2,225,000
Reconstruct Taxiway Sierra-Bond	4,375,000	-	-	-	-	-	-	-	-
Reconstruct Taxiway Sierra-Financing	3,500,000	945,036	-	-	-	-	-	-	945,036
AOA Fence Line Perimeter Road	1,270,000	826,861	-	-	-	-	-	-	826,861
Terminal Generator Replacement	925,000	831,835	-	-	-	-	-	-	831,835
Switchgear Replacement, Ph IV	2,835,000	1,297,785	-	-	-	-	-	-	1,297,785
Terminal Remote Group Check-in	500,000	10,680	-	-	-	-	-	-	10,680
AHU & IAB HVAC Replacement	737,000	691,224	-	-	-	-	-	-	691,224
Concourse Curtain Wall Replacement	900,000	44,837	-	-	-	-	-	-	44,837
Total	17,267,000	6,873,258	-	-	-	-	-	-	6,873,258
APPLICATION 22:									
Reconstruct Taxiway Bravo/Taxiway Lima Intersection-Pay Go	4,900,000	3,763,074	-	-	-	-	-	-	3,763,074
Rehabilitate Taxiway Lima inc. Lima/Alpha Intersection-Pay Go	6,850,000	5,324,205	7,558	-	-	-	7,558	-	5,331,763
Replace Stormwater Pipe-Pay Go	1,000,000	1,000,000	-	-	-	-	-	-	1,000,000
Rehabilitate Taxiway Lima (T-4 to 2L)-Pay Go	5,730,663	1,162,154	(2,520)	-	-	-	(2,520)	-	1,159,634
Reconstruct Taxiway Alpha South-Pay Go	13,100,000	10,956,673	7,392	297	-	-	7,689	-	10,964,362
Passenger Terminal Improvements, Ph. 2-Jet Bridges-Pay Go	23,980,000	23,825,389	-	-	-	-	-	-	23,825,389
Passenger Terminal Improvements, Ph. 2-Jet Bridges-Bond	8,420,000	-	-	-	-	-	-	-	-
Passenger Terminal Improvements, Ph. 2-Jet Bridges-Financing	7,465,838	2,319,648	-	-	-	-	-	-	2,319,648
Passenger Terminal Improvements, Ph. 2-Terminal Elevators-Pay Go	1,000,000	865,044	-	-	-	-	-	-	865,044
Passenger Terminal Improvements, Ph.2-Concourse FIDS/PA-Pay Go	4,760,000	3,742,347	225,014	7,154	2,578	64	234,810	-	3,977,157
Total	77,206,501	52,958,534	237,444	7,451	2,578	64	247,537	-	53,206,071
APPLICATION 23:									
Terminal Expansion and Rehabilitation Bond Capital	216,526,934	-	-	-	-	-	-	-	-
Terminal Expansion and Rehabilitation Financing and Interest	314,528,878	-	-	-	-	-	-	-	-
Total	531,055,812	-	-	-	-	-	-	-	-
Total Expenditures, net	946,938,055	370,059,541	237,444	7,451	2,578	64	247,537	-	370,307,078

Metropolitan Nashville Airport Authority
Notes to the Schedule of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2021

1. General

The Schedules of Collections and Expenditures of Passenger Facility Charges presents the activity of the Passenger Facility Charge (PFC) program of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee. The information in the schedules is presented under the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration ("FAA").

PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the FAA.

2. Basis of Accounting

The accompanying Schedules of Collections and Expenditures of Passenger Facility Charges are presented using the cash basis of accounting.

3. Contingency

The Authority's PFC program is subject to review by the FAA. If any expenditures are disallowed as a result of such review, the Authority would be required to reimburse the PFC program. In the opinion of management, all PFC expenditures have been made in compliance with the rules and regulations of the PFC program.

