Agenda of the MNAA Management, Audit & Compliance Committee

Date/Time:	Wednesday, November 8, 2023, at 11:30 a.m.
Place:	Nashville International Airport – Tennessee Board Room
Management Committee Members**:**	Joycelyn Stevenson, Committee Chair Jimmy Granbery, Vice Chair Bill Freeman

I. CALL TO ORDER

II. APPROVAL OF MINUTES

October 11, 2023 Minutes of the MNAA Management, Audit & Compliance Committee Meeting

III. PUBLIC COMMENTS

No requests for public comment received to date. Deadline is November 6, 2023 at 9 p.m.

IV. CHAIR'S REPORT

V. EXECUTIVE SESSION

VI. REVIEW OF JULY – OCTOBER 2023 BOARD ACTIONS

1. CEO Employment Agreement (September)
2. CEO FY24 Performance Evaluation Key Performance Indicators (KPI's) (September)

VII. ITEMS FOR APPROVAL

None

VIII. INFORMATION ITEMS

1. FY23 Payment Card Industry (PCI) Audit Update
2. FY23 External Audit Update
3. 2023 Board Retreat Review

IX. ADJOURN

Minutes of the MNAA Management, Audit & Compliance Committee

BNA Nashville International Airport

Date: October 11, 2023	Location: Metropolitan Nashville Airport Authority Tennessee Boardroom
Time: 9:59 a.m.	
Committee Members Present:	Jimmy Granbery, Committee Chair; Jack Johnson, Bobby Joslin
Committee Members Absent:	Committee Vice Chair, Masami Tyson
Others Present:	Tony Giarratana
MNAA Staff Present:	Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman Marge Basrai, Rachel Moore

I. CALL TO ORDER

Chair Granbery called the meeting of the MNAA Management Committee to order at 9:47 a.m. pursuant to Public Notice dated September 8, 2023.

II. APPROVAL OF MINUTES

Chair Granbery asked for a motion to approve the minutes of the September 13, 2023 MNAA Management Committee. Commissioner Joslin made a motion and Commissioner Johnson seconded the motion. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Commissioner Johnson - Yes

Commissioner Joslin – Yes

The motion was passed with a vote of 3 to 0.

III. PUBLIC COMMENTS

Chair Granbery stated there were no public comment requests received.

IV. CHAIR'S REPORT

Chair Granbery thanked the MNAA Legal Team and George Cate, Partner, Bradley, for the presentation last week at the trial and wanted to commend them on their level of preparedness.

V. ITEMS FOR APPROVAL

None.

VI. INFORMATION ITEMS

1. FAA DBE/ACDBE Mini-Compliance Review

President Kreulen introduced Davita Taylor, VP, Procurement & Business Diversity to brief the Committee on the FAA DBE/ACDBE Mini-Compliance Review. Ms. Taylor reported the Airport Authority is charged with administering two of the Federal Economic Inclusion Programs – the Disadvantaged Business Enterprise Program (DBE) and the Airport Concessions Disadvantaged Business Enterprise Program (ACDBE). Specifically, the office of the Business Diversity Development is charged with executing the day-to-day operations and responsibilities for those programs, but execution is shared all across the Airport Authority. Every year FAA chooses a number of airports to conduct a mini-compliance review and in March 2023, MNAA was notified it would be conducted May 23 - 25, 2023. The areas FAA covered were specifically the ACDBE program plan; bid/RFQ/RFP and contract/subcontract language; monitoring of prompt payment; and Commercially Useful Function (CUF) reviews. MNAA received the final report on September 22, 2023. The report outlined areas that MNAA excelled in and areas for corrective action. The areas MNAA performed well in were monitoring of prompt payment, certification, outreach and general technical support of our clients. Ms. Taylor stated she is bringing forth today the Areas for Correction Action. Items due October 30, 2023 include: 1) Update and sign DBE Policy; and 2) Add Bidder's List to BDD website. Ms. Taylor stated it was not that the policy was out of date at the time, but the person who was designated as the Disadvantage Business Enterprise Liaison Officer (DBLO) just recently left MNAA and FAA wanted to make sure the name was updated, the CEO signed, and that became our updated DBE Policy. Ms. Taylor stated the FAA wants the Bidder's List to more publicly accessible. Chair Granbery asked what BDD stands for, to which Ms. Taylor responded Business Diversity Development.

Ms. Taylor reported that on November 3, 2023 MNAA will update and sign ACDBE Policy Statement and on November 17, 2023 submit DBE goal methodology for FY23-FY25. By December 15, 2023, BDD will 1) develop/update procedures for reviewing prime and subcontracts and prime and sub-concessionaire agreements; 2) ensure required clauses are in all prime contract and subcontractor agreements and prime and sub-concessionaire agreements; and 3) update procedures for CUF/onsite monitoring and documentation for ACDBE/DBE projects. FAA found that MNAA's contracts did not always have the most current clauses and recommended a checklist to help MNAA stay up to date on those Federal clauses. Regarding CUF/on-site monitoring and documentation for ACDBE/DBE projects, MNAA has free flowing interview forms, but FAA wants it to be very specific so they do not have to hunt for the information. Ms. Taylor stated that BDD will revise that form to make it more specific versus free flowing.

Chair Granbery stated it appears that we work so hard and asked if FAA is very picky. Commissioner Joslin stated the FAA is picky and Ms. Taylor has won several awards and is the best in her business. President Kreulen responded that the BDD team does a good job but FAA wants a checklist for MNAA to prove to them that we looked at your regulations and acted accordingly. BDD has the same challenges that MNAA's Operations team has with the Part 139. It is very bureaucratic and requires attention to detail. Just recently MNAA was reviewed on the ADA side, because someone complained to the FAA regarding access for loading and unloading. We are out of tolerance on the slope and those are things we have to catch and have internal processes to keep checking ourselves. Chair Granbery said he is confident Ms. Taylor will get ahead of this.

2. Executive Session

Chair Granbery asked for a motion to suspend the public portion of this meeting to enter into executive session to discuss Authority litigation. He stated that following the executive session the public portion of the meeting would resume. Commissioner Johnson made a motion to enter executive session and Commissioner Joslin seconded the motion. The Committee entered into Executive Session at 10:08 a.m. and the Executive Session concluded at 10:39 a.m.

At the end of the Executive Session, Chair Granbery asked for a motion to exit the executive session and return to the public portion of the meeting. Commissioner Joslin made a motion to exit the executive session and return to the public portion of the meeting and Commissioner Giarratana seconded the motion.

VII. <u>ADJOURN</u>

There being no further business brought before the Management Committee, Chair Granbery adjourned the meeting at 10:39 a.m.

Andrew W. Byrd, Board Secretary

STAFF ANALYSIS

Management, Audit & Compliance Committee
(Information Only)

Date: November 8, 2023

Facility: Nashville International Airport

Subject: Payment Card Industry (PCI) Compliance Assessment

I. Reports

Attached is the PCI DSS Attestation of Compliance for Onsite Assessments – Merchants. The PCI DSS Attestation of Compliance for Onsite Assessments – Merchants covered the period from November 1, 2022 through October 30, 2023.

II. Analysis

A. Summary

Plante & Moran, PLLC (Plante Moran) was selected through competitive solicitation in March 2022, to perform an assessment of the Metropolitan Nashville Airport Authority's (MNAA) compliance with Payment Card Industry Data Security Standards (PCI DSS). PCI DSS are industry standards that provide security controls to help mitigate credit card fraud. All entities involved in credit card processing must comply with PCI DSS requirements.

MNAA's last PCI DSS compliance assessment was completed in October 2022. During that assessment, Plante Moran determined that MNAA was compliant with PCI DSS and issued the report on compliance to MNAA in October 2022.

B. Impact/Findings

No action is required by the Management, Audit & Compliance Committee as this staff analysis is presented for informational purposes.

Plante Moran officially began the current PCI DSS compliance assessment in June 2023. Plante Moran determined that MNAA was compliant with PCI DSS and issued the report on compliance in October 2023. A copy of the report will be provided in the committee packet.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected

Attachments: PCI DSS Attestation of Compliance for Onsite Assessments - Merchants

Payment Card Industry (PCI)

Data Security Standard

Attestation of Compliance for Onsite Assessments – Merchants

Version 3.2.1

Revision 2

September 2022

Document Changes

Date	Version	Description
September 2022	3.2.1 Revision 2	Updated to reflect the inclusion of UnionPay as a Participating Payment Brand.

Section 1: Assessment Information

Instructions for Submission

This Attestation of Compliance must be completed as a declaration of the results of the merchant's assessment with the *Payment Card Industry Data Security Standard Requirements and Security Assessment Procedures (PCI DSS).* Complete all sections: The merchant is responsible for ensuring that each section is completed by the relevant parties, as applicable. Contact your acquirer (merchant bank) or the payment brands for reporting and submission procedures.

Part 1. Merchant and Qualified Security Assessor Information						
Part 1a. Merchant Organization Information						
Company Name:	Metropolitan Nashville Airport Authority		DBA (doing business as):	MNAA		
Contact Name:	Robert Ramsey		Title:	Executive Vice President, Chief Operating Officer		
Telephone:	615-275-1825		E-mail:	Robert.Ramsey@flynashville.com		
Business Address:	140 BNA Park Drive, Suite 520		City:	Nashville		
State/Province:	TN	Country:	USA		Zip:	37214
URL:	flynashville.com					
Part 1b. Qualified Security Assessor Company Information (if applicable)						
Company Name:	Plante Moran					
Lead QSA Contact Name:	Kyle Miller		Title:	Principal		
Telephone:	303.846.3518		E-mail:	kyle.miller@plantemoran.com		
Business Address:	8181 Tufts Ave, Ste 600		City:	Denver		
State/Province:	CO	Country:	USA		Zip:	80237
URL:	plantemoran.com					

Part 2. Executive Summary		
Part 2a. Type of Merchant Business (check all that apply)		
☒ Retailer	☐ Telecommunication	☐ Grocery and Supermarkets
☐ Petroleum	☒ E-Commerce	☒ Mail order/telephone order (MOTO)
☐ Others (please specify):		

What types of payment channels does your business serve?	Which payment channels are covered by this assessment?
☒ Mail order/telephone order (MOTO) ☒ E-Commerce ☒ Card-present (face-to-face)	☒ Mail order/telephone order (MOTO) ☒ E-Commerce ☒ Card-present (face-to-face)

Note: *If your organization has a payment channel or process that is not covered by this assessment, consult your acquirer or payment brand about validation for the other channels.*

Part 2b. Description of Payment Card Business	
How and in what capacity does your business store, process and/or transmit cardholder data?	MNAA accepts both card-present and card-not-present transactions for the following services: Parking, Transportation services (Taxis, Shuttles, Buses) to and from the airport, General Aviation Services (Fuel and services), Rent, and Badging Fees for issuance, lost or stolen badges Card-present transactions are processed using self-service Kiosks, POS/POI devices at the cashier's stations, and pay on foot stations. Card-not-present transactions via e-commerce facilitated by a PCI Compliant service provider or through cellular telephones. MNAA also provides airlines access to shared kiosks for payment processing. The technology is owned by MNAA with licensing / support provided by Amadeus. Airlines are responsible for the people and process for any transactions initiated. MNAA does not store cardholder data.

Part 2c. Locations

List types of facilities (for example, retail outlets, corporate offices, data centers, call centers, etc.) and a summary of locations included in the PCI DSS review.

Type of facility	Number of facilities of this type	Location(s) of facility (city, country)
Example: Retail outlets	*3*	*Boston, MA, USA*
Parking Facilities	4	Nashville, TN, USA
Administrative Office	1	Nashville, TN, USA
Badging Office	1	Nashville, TN, USA
Data Center	1	Nashville, TN, USA

Part 2d. Payment Application

Does the organization use one or more Payment Applications? ☒ Yes ☐ No

Provide the following information regarding the Payment Applications your organization uses:

Payment Application Name	Version Number	Application Vendor	Is application PA-DSS Listed?	PA-DSS Listing Expiry date (if applicable)

Entervo Bankcard Payment Application	4.0.x	Scheidt & Bachman	☒ Yes ☐ No	NA
Monetra	8.7.1	NetPark	☒ Yes ☐ No	NA
			☐ Yes ☐ No	
			☐ Yes ☐ No	
			☐ Yes ☐ No	

Part 2e. Description of Environment	
Provide a ***high-level*** description of the environment covered by this assessment. *For example:* • *Connections into and out of the cardholder data environment (CDE).* • *Critical system components within the CDE, such as POS devices, databases, web servers, etc., and any other necessary payment components, as applicable.*	The CDE is segmented from the general airport network using VLANs with access control lists. The only systems with access to the CDE ("category 2 systems") have access via only approved ports and services. User access to the CDE outside of point-of-sale related devices is restricted using a jumpbox with multi-factor authentication. Card present technologies in use include independent card readers, PARCS, and NetPark. Cellular handheld point-of-interaction devices are used in the event of network outage. Card-not present transactions are accepted via a payment page that is hosted by a PCI compliant service provider. Customers may also call the Finance Department via a cellular telephone for payment processing through handheld POIs. In addition, MNAA personnel have access to process chargebacks using a pin-pad enabled POS device.
Does your business use network segmentation to affect the scope of your PCI DSS environment? *(Refer to "Network Segmentation" section of PCI DSS for guidance on network segmentation)*	☒ Yes ☐ No

Part 2f. Third-Party Service Providers		
Does your company use a Qualified Integrator & Reseller (QIR)?		☐ Yes ☒ No
If Yes:		
Name of QIR Company:	Not applicable	
QIR Individual Name:	Not applicable	
Description of services provided by QIR:	Not applicable	
Does your company share cardholder data with any third-party service providers (for example, Qualified Integrator & Resellers (QIR), gateways, payment processors, payment service providers (PSP), web-hosting companies, airline booking agents, loyalty program agents, etc.)?		☒ Yes ☐ No
If Yes:		
Name of service provider:	**Description of services provided:**	
Scheidt & Bachmann NetPark First Data (TSYS)	Payment Transmission	
LAZ	Parking personnel staff augmentation	
Shopify 3C Six Payments Fith Third Bank Windcave	Payment Processing	
Note: *Requirement 12.8 applies to all entities in this list.*		

Section 2: Report on Compliance

This Attestation of Compliance reflects the results of an onsite assessment, which is documented in an accompanying Report on Compliance (ROC).

The assessment documented in this attestation and in the ROC was completed on:	*10/31/2023*	
Have compensating controls been used to meet any requirement in the ROC?	☐ Yes	☒ No
Were any requirements in the ROC identified as being not applicable (N/A)?	☒ Yes	☐ No
Were any requirements not tested?	☐ Yes	☒ No
Were any requirements in the ROC unable to be met due to a legal constraint?	☐ Yes	☒ No

Section 3: Validation and Attestation Details

Part 3. PCI DSS Validation

This AOC is based on results noted in the ROC dated *10/31/2023.*

Based on the results documented in the ROC noted above, the signatories identified in Parts 3b-3d, as applicable, assert(s) the following compliance status for the entity identified in Part 2 of this document (***check one):***

☒	**Compliant:** All sections of the PCI DSS ROC are complete, all questions answered affirmatively, resulting in an overall **COMPLIANT** rating; thereby *MNAA* has demonstrated full compliance with the PCI DSS.
☐	**Non-Compliant:** Not all sections of the PCI DSS ROC are complete, or not all questions are answered affirmatively, resulting in an overall **NON-COMPLIANT** rating, thereby *MNAA* has not demonstrated full compliance with the PCI DSS. **Target Date** for Compliance: An entity submitting this form with a status of Non-Compliant may be required to complete the Action Plan in Part 4 of this document. *Check with your acquirer or the payment brand(s) before completing Part 4.*
☐	**Compliant but with Legal exception:** One or more requirements are marked “Not in Place” due to a legal restriction that prevents the requirement from being met. This option requires additional review from acquirer or payment brand. *If checked, complete the following:*

Affected Requirement	Details of how legal constraint prevents requirement being met

Part 3a. Acknowledgement of Status

Signatory(s) confirms:

(Check all that apply)

☒	The ROC was completed according to the *PCI DSS Requirements and Security Assessment Procedures*, Version *3.2.1*, and was completed according to the instructions therein.
☒	All information within the above-referenced ROC and in this attestation fairly represents the results of my assessment in all material respects.
☒	I have confirmed with my payment application vendor that my payment system does not store sensitive authentication data after authorization.
☒	I have read the PCI DSS and I recognize that I must maintain PCI DSS compliance, as applicable to my environment, at all times.
☒	If my environment changes, I recognize I must reassess my environment and implement any additional PCI DSS requirements that apply.

Part 3a. Acknowledgement of Status (continued)	
☒	No evidence of full track data[1], CAV2, CVC2, CVN2, CVV2, or CID data[2], or PIN data[3] storage after transaction authorization was found on ANY system reviewed during this assessment.
☒	ASV scans are being completed by the PCI SSC Approved Scanning Vendor *Sysnet Global Solutions*

Part 3b. Merchant Attestation	
DocuSigned by: [signature] 4AE74A68A707428...	
Signature of Merchant Executive Officer ↑	*Date:* 10/31/2023
Merchant Executive Officer Name: Robert Ramsey	*Title:* Executive Vice President, Chief Operating Officer

Part 3c. Qualified Security Assessor (QSA) Acknowledgement (if applicable)	
If a QSA was involved or assisted with this assessment, describe the role performed:	The QSA performed scope validation and requirements
DocuSigned by: Kyle Miller CDC81A61F683488...	
Signature of Duly Authorized Officer of QSA Company ↑	*Date:* 10/31/2023
Duly Authorized Officer Name: Kyle Miller	*QSA Company:* Plante Moran

Part 3d. Internal Security Assessor (ISA) Involvement (if applicable)	
If an ISA(s) was involved or assisted with this assessment, identify the ISA personnel and describe the role performed:	Not applicable

[1] Data encoded in the magnetic stripe or equivalent data on a chip used for authorization during a card-present transaction. Entities may not retain full track data after transaction authorization. The only elements of track data that may be retained are primary account number (PAN), expiration date, and cardholder name.

[2] The three- or four-digit value printed by the signature panel or on the face of a payment card used to verify card-not-present transactions.

[3] Personal identification number entered by cardholder during a card-present transaction, and/or encrypted PIN block present within the transaction message.

Part 4. Action Plan for Non-Compliant Requirements

Select the appropriate response for “Compliant to PCI DSS Requirements” for each requirement. If you answer “No” to any of the requirements, you may be required to provide the date your Company expects to be compliant with the requirement and a brief description of the actions being taken to meet the requirement.

Check with your acquirer or the payment brand(s) before completing Part 4.

PCI DSS Requirement	Description of Requirement	Compliant to PCI DSS Requirements *(Select One)*		Remediation Date and Actions (If “NO” selected for any Requirement)
		YES	NO	
1	Install and maintain a firewall configuration to protect cardholder data	☒	☐	
2	Do not use vendor-supplied defaults for system passwords and other security parameters	☒	☐	
3	Protect stored cardholder data	☒	☐	
4	Encrypt transmission of cardholder data across open, public networks	☒	☐	
5	Protect all systems against malware and regularly update anti-virus software or programs	☒	☐	
6	Develop and maintain secure systems and applications	☒	☐	
7	Restrict access to cardholder data by business need to know	☒	☐	
8	Identify and authenticate access to system components	☒	☐	
9	Restrict physical access to cardholder data	☒	☐	
10	Track and monitor all access to network resources and cardholder data	☒	☐	
11	Regularly test security systems and processes	☒	☐	
12	Maintain a policy that addresses information security for all personnel	☒	☐	
Appendix A2	Additional PCI DSS Requirements for Entities using SSL/early TLS for Card-Present POS POI Terminal Connections	☒	☐	

STAFF ANALYSIS

Management, Audit & Compliance Committee
(Information Only)

Date: November 8, 2023

Facility: Nashville International Airport

Subject: FY2023 External Audit Report

I. Reports

Attached is the Annual Comprehensive Financial Report Fiscal Year 2023. The Annual Comprehensive Financial Report Fiscal Year 2023 covers the period from July 1, 2022 through June 30, 2023. The Pre-Audit Letter dated August 11, 2023, and the End of Audit Letter dated October 11, 2023 are also attached.

II. Analysis

A. Summary

In accordance with Section 3.1 of the Third Amended and Restated Bylaws (Bylaws) of the Board of Commissioners of the Metropolitan Nashville Airport Authority (MNAA), Plante & Moran, PLLC (Plante Moran) was appointed Auditor/Independent CPA in June 2020 and there was an updated letter provided October 2022. In accordance with Section 3.3.3 of the Bylaws, Plante Moran is a certified public accounting firm licensed to practice in Tennessee.

Plante Moran has completed their independent annual audit of the financial affairs of the Authority for FY2023. Plante Moran's audit of the financial statements was conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Additionally, Plante Moran performed an audit of MNAA's compliance with the requirements of the Uniform Grant Guidance (Single Audit) and with the requirements of the Passenger Facility Charge (PFC) Program. The audit was conducted based on the compliance requirements described in the U.S. Office of Management and Budget's (OMB) Compliance Supplement that could have a direct and material effect on MNAA's major federal program for the year ended June 30, 2023, and applicable requirements in the PFC Audit Guide for Public Agencies, issued by the Federal Aviation Administration.

Final documentation includes an audit opinion of the fairness of the basic financial statements, a report on internal controls over financial reporting, a report on compliance with the Uniform Grant Guidance and with the requirements of the PFC Program, a schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations Part 200, and any other reports and schedules deemed necessary.

B. Impact/Findings

No action is required by the Management Committee as this staff analysis is presented for informational purposes.

Plante Moran has issued an unmodified opinion on MNAA's FY2023 financial statements. An unmodified opinion is the best opinion that an organization can receive on its financial statements.

Additionally, Plante Moran determined that MNAA complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the major federal program and the PFC program for the Year Ended June 30, 2023.

Plante Moran did not identify any significant deficiencies or findings, during the audit. A copy of the report will be provided in the committee packet.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected

Attachments: Plante Moran Pre-Audit Letter dated August 11, 2023

Plante Moran End of Audit Letter dated October 11, 2023

Annual Comprehensive Financial Report Fiscal Year 2023

plante moran

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August 11, 2023

Board of Commissioners
Metropolitan Nashville Airport Authority
140 BNA Park Drive, Suite 520
Nashville, TN 37214

Dear Board of Commissioners:

We are in the process of planning for the audit of the financial statements of the Metropolitan Nashville Airport Authority ("the Authority") for the year ended June 30, 2023. An important aspect of planning for the audit is communication with those who have responsibility for overseeing the strategic direction of the the Authority and obligations related to the accountability of the the Authority. At the Authority, these responsibilities and obligations are held by the Board of Commissioners, collectively and individually; therefore, it is important for us to communicate with each of you in your role as a member of the Board of Commissioners.

As part of this communication process, we have spoken at length with James Granbery, Chair of the Board of Commissioners, regarding our responsibilities under generally accepted auditing standards and the planned scope and timing of our audit. The purpose of this letter is to provide each of you with a summary of those discussions and to provide you with the opportunity to communicate with us on matters that may impact our audit.

Our Responsibility Under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards

As stated in our engagement letter addressed to Mr. Douglas E. Kreulen, and dated March 24, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In accordance with Generally Accepted Government Auditing Standards (GAO Standards), we are required to communicate all noncompliance with provisions of laws, regulations, contracts, or grants that have a material effect on the financial statements that comes to our attention. GAO Standards also require that we report any instances of abuse identified during that audit that could be quantitatively or qualitatively material to the financial statements.

Depending on the impact to the Authority's financial statements, we may include an emphasis-of matter paragraph in the auditor's report informing the users of the financial statements about the implementation of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The proposed wording of the emphasis-of-matter paragraph follows:

> *As explained in Note X to the financial statements, the Authority implemented the provisions of GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, as of and for the year-ended June 30, 2023. This statement establishes accounting and financial reporting requirements for Public-Private and Public-Public Partnerships, including those that meet the definition of a Service Concession Arrangement, and Availability Payment Arrangement for governments. Our opinion is not modified with respect to this matter.*

Overview of the Planned Scope and Timing of the Audit

Ali H. Hijazi is the engagement partner responsible for supervising our services performed as part of this engagement. Our audit fieldwork will include three phases. The planning and preliminary information-gathering phase occurs in June and July; the risk assessment phase in July, and the rest of our audit procedures will be performed during August and September.

To plan an effective audit, we must identify significant risks of misstatement in the financial statements, including those related to changes in the financial reporting framework or changes in the Authority's environment, financial condition, or activities, and design procedures to address those risks.

Because management is in a unique position to perpetrate fraud due to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, generally accepted auditing standards require that we always consider this to be a significant risk. In addition, we identified the following significant risk of misstatement:

- Proper measurement and recognition of revenue for amounts received under new grants such as the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA"), American Rescue Plan Act ("ARPA"), and Bipartisan Infrastructure Law ("BIL")

In response to these identified significant risks, we will perform the following:

- Testing of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- Review submitted reimbursement requests for CRRSA, ARPA, and BIL funding and reconcile to cash received, accounts receivable recorded, and revenue recognized to ensure conformity to generally accepted accounting principle.

We will gain an understanding of accounting processes and key internal controls through a review of the accounting procedures questionnaires and control procedures questionnaires prepared by management. We will confirm through observation and inspection procedures that accounting procedures and controls included in the questionnaires have been implemented.

We will not express an opinion on the effectiveness of internal control over financial reporting; however, we will communicate to you significant deficiencies and material weaknesses identified in connection with our audit.

The concept of materiality is inherent in our work. We place greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

Information from You Relevant to Our Audit

An important aspect of this communication process is the opportunity for us to obtain from you information that is relevant to our audit. Your views about any of the following are relevant to our audit:

- The Authority's objectives and strategies and the related business risks that may result in material misstatements
- Matters that you consider warrant particular attention during the audit and any areas where you want to request additional procedures be undertaken.
- Significant communications with regulators
- Understanding of the Authority's relationships and transactions with related parties that are significant to the Authority and any concerns regarding those relationships or transactions

- The attitudes, awareness, and actions concerning:
  - The Authority's internal control and its importance to the Authority, including how the Board of Commissioners oversees the effectiveness of internal control and the detection or possibility of fraud
  - The detection or possibility of fraud, including whether the Board of Commissioners has knowledge of any actual, suspected, or alleged fraud affecting the Authority
  - Any significant unusual transactions the Authority has entered into
- The actions of the Board of Commissioners in response to developments in accounting standards, regulations, laws, previous communications from us, and other related matters and the effect of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
  - The relevance, reliability, comparability, and understandability of the information presented in the financial statements
  - Whether all required information has been included in the financial statements and whether such information has been appropriately classified, aggregated or disaggregated, and presented
- Other information included in the annual comprehensive financial report comprises the introductory section, statistical section and continuing disclosures. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Management expects that final versions of other information will be provided to us prior to the date of the auditor's report.

If you have any information to communicate to us regarding the above or any other matters you believe are relevant to the audit, or if you would like to discuss the audit in more detail, please call us at (586) 416-4975 (Ali) or (810) 766-6022 (Pam) as soon as possible.

Thank you for your time and consideration in this important aspect of the audit process. You can expect to hear from us again after the completion of our audit when we will report to you the significant findings from the audit.

Very truly yours,

Plante & Moran, PLLC

Ali Hijazi

Ali H. Hijazi, CPA
Partner

Pamela L. Hill

Pamela L. Hill, CPA
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October 11, 2023

To the Board of Commissioners
Metropolitan Nashville Airport Authority

We have audited the financial statements of the Metropolitan Nashville Airport Authority (the "Authority") as of and for the year ended June 30, 2023 and have issued our report thereon dated October 11, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 24, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the Authority's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the Authority, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 11, 2023 regarding our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated August 11, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2023, with the exception of the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The implementation of GASB 94 did not have a material impact on the financial statements.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

- Pension liabilities - Including the actuarial methods and assumptions, such as future rate of return on investments, employee eligibility rates, life expectancies, and projected salary increases, which are based on plan provisions and payroll data

- OPEB (other postemployment benefit) liabilities - Including the actuarial methods and assumptions, such as future rate of return on investments, employee eligibility rates, life expectancies, and projected health care cost trends, which are based on health care-related trends

- Depreciation expense - Including the estimate of utilization of capital assets, which is based on the estimated useful lives of the underlying assets

- Avigation easements - Including the estimate of costs related to securing avigation easements from property owners near the Authority, which is based on an estimate of the historical costs incurred as part of the noise mitigation program at the time that the Authority's avigation easements were secured

- Lease receivables and liabilities and subscription-based IT arrangement right-of-use assets and liabilities - Including the estimate of interest cost and terms of such agreements, which are based on the Authority's estimated incremental borrowing rate and the likelihood of exercise of renewal or termination options in the Authority's contracts with third parties

We have evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 11, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the introductory section, other information, and statistical section schedules, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the Authority.

GASB Statement No. 101 - Compensated Absences

This new accounting pronouncement will be effective for fiscal years ending December 31, 2024 and after. This statement updates the recognition and measurement guidance for compensated absences under a unified model, requiring that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used and updates disclosure requirements for compensated absences.

We would like to take this opportunity to thank the Authority's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This information is intended solely for the use of the board of commissioners and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding this communication, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Ali Hijazi

Ali H. Hijazi
Engagement Partner

Pamela L. Hill

Pamela L. Hill
Colleague Partner

Annual Comprehensive Financial Report

July 1, 2022 – June 30, 2023

BNA Nashville International Airport

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, 2023 and 2022

Prepared by:

The Finance Department

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Letter of Transmittal

Board of Commissioners, Executive Staff, and Senior Staff

Organization Chart

Certificate of Achievement for Excellence in Financial Reporting

October 11, 2023

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 years ended June 30, 2023 and 2022, 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 accounting principals generally accepted in the United States of America ("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 22-24 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 years ended June 30, 2023 and 2022, 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 with an introduction to the ACFR and the Authority. The introductory section includes background information on 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's 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 supplementary 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.

Annual Disclosure Report – The annual 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 as of June 30, 2023.

As of June 30, 2023 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. 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 personnel, with a headcount of 342 positions for fiscal year 2023. Authority staff are 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 was originally effective July 1, 2015 – June 30, 2022, and was extended through June 30, 2023. A new Airline Agreement commenced on July 1, 2023. See Note 19 in the Notes to the Financial Statements for additional details.

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 exceeding $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

During the calendar year 2022, the airline industry experienced a strong recovery following the turbulent pandemic years of 2020-2021. In the ever-changing landscape of the airline industry, there are both continued opportunities and obstacles for airlines worldwide. In the summer of 2023, the aviation industry witnessed a significant recovery as the world gradually emerged from the grip of the pandemic. Looking ahead, the path to full recovery may not be smooth, as the industry grapples with aircraft, parts, and labor shortages alongside fluctuating travel demands.

Airport Activity

Nashville International Airport completed another record-breaking year in fiscal year 2023 with 10.9 million enplanements, a 19% increase from the previous year's 9.2 million enplanements. Nashville International Airport averages 600 daily airline arrivals and departures to 99 nonstop destinations.

	2023	2022	2021
Enplanements	10,952,899	9,217,710	5,151,658
% (decrease) increase	18.8	78.9	(24.9)
Aircraft landed weight (all–000)	14,466,674	11,043,361	7,869,238
% (decrease) increase	31.0	40.3	(12.5)
Aircraft operations (all)	262,783	244,622	180,653
% (decrease) increase	7.4	35.4	(9.1)
Load factors	79.3%	78.9%	58.9%
% (decrease) increase	0.5	34.0	(13.8)

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 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.

THE 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 2.1 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 for 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 medium 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 2022, BNA ranked 29th nationwide in enplaned passengers with 9,829,062 enplanements, making BNA a large hub airport as classified by the FAA.

Economy

According to the Nashville Area Chamber of Commerce 2023 Regional Economic Development Guide "The Nashville region's economy continues to be a key driver of business activity in Tennessee and the southeast region. Robust health care, technology, corporate operations, manufacturing, and supply chain management sectors make Nashville one of the country's most dynamic growth centers. Nashville has ranked within the top 10 large metropolitan areas for job growth and population growth for the past 10 years. The region experiences low unemployment, steady in-migration, and a favorable business climate, making it a top location for companies looking to relocate or expand their businesses." Unemployment rates in the Nashville-Davidson-Murfreesboro-Franklin MSA continued to decline, dropping to 3.0 percent as of June 2023 compared to 3.4 percent as of June 2022.

Nashville often receives honors and rankings within the travel industry. Nashville's culturally diverse and friendly environment makes it a popular place for conventioneers and tourists alike, as well as a great place to work, live and raise a family. A sampling of Nashville's recent accolades follows:

Nashville's High Notes

- Nashville ranked #8 among Travel + Leisure's Readers' 15 Favorite Cities in the United States of 2023. (July 2023)
- The Telegraph has ranked Nashville as #10 in The 25 Biggest US Cities to Visit. (May 2023)
- Nashville is named in 25 Essential Drives for a U.S. Road Trip by National Geographic. (May 2023)
- Nashville landed as #1 on Fifty Grande's Best Live Music Cities in the U.S. (April 2023)
- Nashville ranked #5 on Southern Living's The South's Best Cities 2023. (March 2023)
- Nashville landed on the 10 Bucket List Destinations for 2023 by Kiwi Collection. (February 2023)
- Nashville has been named to the new Travel + Leisure list of the 50 Best Places to Travel in 2023. (November 2022)
- Nashville was voted as "Best Up-and-Coming City" in Hemispheres Readers' Choice Awards 2022. (September 2022)
- Nashville ranked #15 in Travel + Leisure's The 15 Best Cities in the United States. (July 2022)
- Robb Report placed Nashville as #5 in Our 12 Favorite Cities to Visit in the U.S. (May 2022)

Multiple Nashville museums landed on USA Today's 10 Music Museums 2023.

- #1 - The Johnny Cash Museum
- #8 - Patsy Cline Museum
- #9 - Country Music Hall of Fame and Museum
- Tennessee State University - The Aristocrat of Bands won a GRAMMY for the Best Roots Gospel Album. (February 2023)

Nashville Facts are courtesy of the Nashville Convention and Visitors Bureau.

Fiscal Year 2023 Awards & Recognitions

Doug E. Kreulen, A.A.E. is the president and Chief Executive Officer (CEO) for the Metropolitan Nashville Airport Authority responsible for both Nashville International Airport (BNA) and John C. Tune Airport (JWN). An Accredited Airport Executive (A.A.E.), Kreulen is active in a variety of civic organizations. In 2022, several accolades were bestowed to BNA for its outstanding operations and leadership including: The 2022 Award of Excellence, and the Airport of the Year award by the Tennessee Aeronautics Commission; Kreulen received the Inaugural Veterans Leader Award by Charlie & Hazel Daniels Veterans and Military Family Center at Middle Tennessee State University, and was named one of Nashville Business Journal's Most Admired CEOs.

Throughout fiscal year 2023, BNA celebrated numerous monumental achievements, events, and celebrations:

- Greeted participants at our 26th Aviation Classic Golf Tournament with proceeds benefiting the Nashville Cherry Blossom Festival, MTSU Charlie and Hazel Daniels Veterans and Military Family Center, Fisk University, and McGavock High School.

- Hosted the 3rd annual BNA 5K on the Runway benefiting the Gary Sinise Foundation, Boys and Girls Clubs of Middle Tennessee, and Make-a-Wish – Middle Tennessee.

- Added two additional nonstop routes to our portfolio:
  - WestJet Airlines announced service from Nashville to Vancouver – passengers now have easy access to Canada’s five largest cities.
  - Avelo Airlines announced service from BNA to Delaware’s Wilmington Airport (ILG) – a convenient and easy alternative to Philadelphia International Airport (PHL).

- Bestowed the following awards:
  - General Aviation Project of the year from the Southeast Chapter of the American Association of Airport Executives awarded to John C. Tune for the rebuild following the March 2020 tornados.
  - Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
  - BNA and Hi-Way Paving, Inc. Awarded “Gold Award” in the Commercial Services Airport Category and “Best in Show” for Innovation at the 2022 Excellence in Concrete Paving Awards. (December 2022)
  - Airport Authority’s rating rose from A+ to AA- from Standard & Poor’s (S&P) Global Ratings.

- Welcomed U.S. Secretary of Transportation Pete Buttigieg as well as local and state elected officials to celebrate the $7 million Airport Terminal Grant awarded to BNA.

FISCAL YEAR 2024 BUDGET

As fiscal year 2023 activity significantly outpaced the activity in fiscal year 2022, and the budgeted activity for fiscal year 2023, the Authority continues to plan and budget for growth. The fiscal year 2024 budget included a 14% increase in enplanements, and a 27% increase in landed weights. Although these are double digit increases, the Authority feels this is still a conservative approach as the fiscal year 2024 budgeted activity levels are at or near actual activity which occurred in fiscal year 2023. This approach should enable the Authority to meet or exceed the budgeted performance in fiscal year 2024.

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 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 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.

Specific elements of *BNA Vision 1.0* and 2.0, expected to total $1.5 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 with 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. The terminal lobby opened January 24, 2023, and the Marketplace and IAF opened September 27, 2023.

Concourse D, Terminal Wings, Ticketing and Baggage Claim Expansion
The project will revive and expand BNA's 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 Improvements – Phase 1
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 phase 1 of this project is scheduled for late 2023.

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 is slated to open in October 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.

In June 2022, the Authority announced a new capital initiative, *New Horizon*, which includes additional expansion projects to accommodate future demand beyond what was contemplated when BNA vision program was developed. The New Horizons design phase began in August 2022 with construction of Concourse D scheduled to begin in late 2023 with completing of all projects by late 2028. Specific elements of *New Horizon* – expected to total approximately $1.5 billion – include the following:

Concourse A and D Improvements
Concourse A and D will see extensions and improvements including additional gates, moving walkways, and additional concessions. The Concourse D extension is anticipated to add 5 additional gates and to provide operational flexibility during the construction of a new Concourse A, as the existing 6 gates on Concourse A will be demolished. New Concourse A is anticipated to add an additional 16 gates upon completion.

New Air Freight Building
A new air freight facility will be constructed to better support airline cargo requirements.

Terminal Roadway Improvements
Phase 2 and 3 – capacity will increase and ease traffic flow into and out of the airport terminal and parking garages.

Baggage Handling System Improvements
Upgrades to the baggage handling system will sort bags by flight, speed security inspections, and deliver passenger luggage to and from the aircraft faster.

As a result of the rapid growth which the Airport has been experiencing, the Authority will continue to actively assess and manage its capital needs to determine any necessary modifications to the CIP as necessary to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and other factors. The Authority's CIP is subject to frequent review and modification based on expected funding priorities of the Airport System.

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 programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants 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 airports 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 $1.6 billion, 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, 2023, the Authority has received approximately $503 million of PFC revenue, and interest earnings of approximately $31 million. The Authority has expended approximately $372 million on approved projects. The current PFC expiration date is estimated at March 1, 2045.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a “Certificate of Achievement” for Excellence in Financial Reporting for its ACFR for the year ended June 30, 2022. This was the twenty-second consecutive year that the Authority has achieved this prestigious award. 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 2023 ACFR to the GFOA for consideration.

Acknowledgements

The preparation of this report would not be possible without the cooperation of the Authority’s Board of Commissioners and executive 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, 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

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AVP, Maintenance, Environmental & Safety

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AVP, Operations

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AVP, Corporate Communications

Christopher Davidson
AVP, Executive Director, JWN

Keith B. Wilschetz
AVP, Strategic Planning

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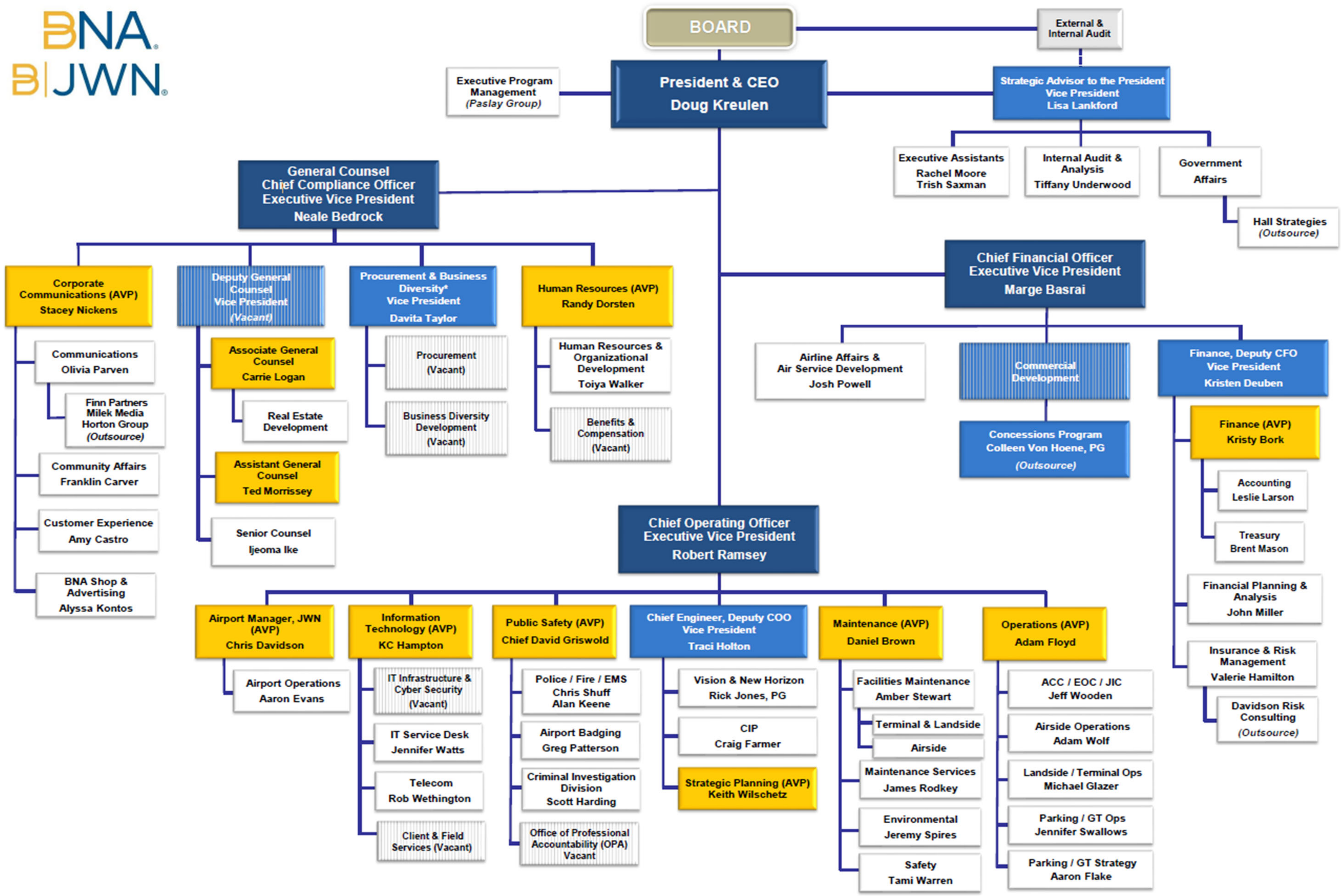
Metropolitan Nashville Airport Authority
Organizational Chart as of June 30, 2023



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Nashville Airport Authority
Tennessee

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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This section contains the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Plante & Moran, PLLC
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19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
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plantemoran.com

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on the Audits of the Financial Statements

Opinions

We have audited the 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, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 Authority as of June 30, 2023 and 2022 and the changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

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

To the Board of Commissioners
Metropolitan Nashville Airport Authority

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information, as identified in the table of contents; the schedule of expenditures of federal awards, as required by 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 schedule of collections and expenditures of passenger facility charges required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration and the requirements in 14 CFR 158.63 (collectively, the "Guide") are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, the schedule of expenditures of federal awards, and schedule of collections and expenditures of passenger facility charges are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section, statistical section schedules, and annual disclosure report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 11, 2023

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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 years ended June 30, 2023 and 2022. 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 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 ("GAAP") 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 MNAA 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. When an airline signs an agreement, it is designated a "Signatory Airline". The Airline Agreement also determines the budget and financing methodology which 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 Notes 9 and 19, included in the Notes to the Financial Statements.

Airport Activity Highlights

Nashville International Airport completed another record-breaking year in fiscal year 2023 with 10.9 million enplanements, a 19% increase from the 9.2 million enplanements recorded in fiscal year 2022. Fiscal year 2022 was the first record-breaking year after the COVID-19 pandemic began in fiscal year 2020. Currently, Nashville International Airport averages 600 daily airline arrivals and departures to 99 nonstop destinations.

Construction on the Authority's extensive, multi-phased capital improvement program known as the *BNA Vision*, continued throughout fiscal year 2023. *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 ($1.3 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 facility, an on-site hotel, and increasing federal security lanes, among other projects. *BNA Vision 2.0* is also underway and is expected to total $229.5 million. Projects include a free-standing satellite concourse, runway expansion and more. For additional details, please visit www.bnavisionnashville.com.

New Horizon is the newest construction phase and will include expansion of concourses A and D, including additional gates, moving walkways, and new concessions; a new air freight building to better support airline cargo requirements; terminal roadway improvements to ease traffic flow into and out of the airport terminal and parking garages; and upgrades to the baggage handling system which will ultimately deliver passenger luggage to and from aircraft faster. The *New Horizon* design phase began in August 2022, and all projects are expected to be complete in late 2028. The program is expected to cost an additional $1.5 billion.

In November 2022, Nashville International Airport completed the issuance of its Senior Airport Revenue Bonds Series 2022A (Non-AMT) and Series 2022B (AMT). The issuance included $596.1 million in new bonds, which will be used to fund a portion of costs associated with *BNA Vision* and *New Horizon.*

Nashville International Airport's newly renovated 200,000-square-foot Grand Lobby opened in January 2023, reuniting the north and south terminals. The lobby includes 24 TSA security lanes, immersive art displays, and a pedestrian bridge which connects the terminal to a plaza, the terminal parking garage, and the future on-site hotel.

Nashville International Airport opened its newest parking garage, "Garage B", in April 2023. The new garage added 1,800 additional covered parking spaces and connects to the future on-site hotel.

Nashville International Airport was proud to erect a 40-foot-tall monument sign which illuminates at night and welcomes passengers from its Interstate 40 exit.

In fiscal year 2023, Nashville International Airport welcomed 18 new concession and retail options in the terminal.

John C. Tune Airport completed the redevelopment of approximately 21 acres of terminal apron area previously destroyed by a tornado in Fiscal Year 2020. Improvements include the construction of a new maintenance facility, 100 new aircraft hangars, shade hangars, and aircraft tie-downs; apron expansion; and entrance road improvements.

The business development organization of the Authority, MPC, continued in 2023 with an occupancy level near 100%.

Statement of Net Position

The Statement of Net Position depicts the Authority's financial position as of June 30 and includes 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, 2023, 2022, and 2021 is as follows:

	2023 (000s)	2022 (000s)	2021 (000's)
ASSETS			
Current unrestricted assets	$ 671,819	$ 500,010	$ 362,397
Restricted assets	628,432	335,374	494,001
Capital assets, net	1,840,271	1,612,428	1,421,053
Other assets	143,355	104,593	30,727
Total assets	3,283,877	2,552,405	2,308,178
DEFERRED OUTFLOWS	5,787	10,636	2,648
LIABILITIES			
Current liabilities	$ 81,743	$ 85,057	$ 59,447
Noncurrent liabilities	2,020,077	1,472,403	1,403,987
Total liabilities	2,101,820	1,557,460	1,463,434
DEFERRED INFLOWS	130,777	107,154	18,822
NET POSITION			
Net investment in capital assets	278,592	363,710	376,713
Restricted	469,822	342,088	315,174
Unrestricted	308,653	192,629	136,683
Total net position	$ 1,057,067	$ 898,427	$ 828,570

Current unrestricted assets primarily consist of cash and investments, accounts receivable, lease receivable, and amounts due from other governmental agencies. Between 2023 and 2022, current unrestricted assets increased by $171.8 million. This is attributed to an increase in unrestricted cash and investments ($162.0 million) and an increase in accounts receivable ($7.8 million). The increase of $162.0 million in unrestricted cash and investments is primarily the result of net cash provided by operating activities of $108.9 million, and noncapital COVID-19 relief grant (ACRGP and ARPA) receipts of $28.7 million. The increase in accounts receivable of approximately $7.8 million is due to the increase in operations (i.e., landed weights, concessions, etc.) during fiscal year 2023, as well as an insurance settlement receivable of $4.6 million. The settlement relates to a tornado which occurred at John C. Tune Airport in fiscal year 2020. Between 2021 and 2022, current unrestricted assets increased by $137.6 million. This was attributed to an increase in unrestricted cash and investments ($122.0 million), the addition of $10.8 million in leases receivable, and an increase in accounts receivable ($3.3 million). The increase of $122.0 million in unrestricted cash and investments was primarily the result of net cash provided by operating activities of $112.7 million. The increase in accounts receivable of approximately $3.3 million was due to the increase in operations (i.e., landed weights, concessions, etc.) at the end of fiscal year 2022 as tourism rebounded from the effects of COVID-19. The addition of $10.8 million in lease revenue was due to the effects of implementing GASB Statement No. 87, *Leases*; see Note 16 for additional information.

Restricted assets consist of cash and investments and accounts receivable which are primarily restricted for debt service and bonded construction. Restricted assets increased approximately $293.7 million between 2022 and 2023, due to capital contributions from governmental agencies and bond proceeds received and offset by spending the proceeds on purchases of property and equipment. Restricted assets decreased approximately $158.6 million between 2021 and 2022 due to spending airport revenue bond proceeds on *BNA Vision* capital projects.

Net capital assets increased by $227.8 million in 2023 from 2022. The increase in 2023 is due to the completion of the Grand Lobby and Garage B, and ongoing construction of the international arrivals facility, satellite concourse, and terminal area roadway improvements. Net capital assets increased by $191.3 million in 2022 from 2021. The increase in 2022 was due to the ongoing construction of the Grand Lobby, international arrivals facility, satellite concourse, and terminal garage. For more detailed capital asset information, see Note 4 in the Notes to the Financial Statements.

Other assets consist primarily of long-term accounts receivable, lease receivable, prepaid expenses and deposits, net other post-employment benefits (OPEB) assets and net pension assets. In fiscal year 2023, other assets increased by $38.8 million, due to the increase in the lease receivable of $30.8 million, and the increase in the net OPEB asset of $8.0 million. The lease receivable increased as certain large non-regulated leases – such as airport lounge leases – expired with the former Airline Agreement at June 30, 2023; the new lease term commences July 1, 2023, along with the new Airline Agreement. Therefore, new and un-amortized lease receivables for such properties were recorded at June 30, 2023. The OPEB asset changed as more favorable market conditions increased the value of OPEB trust assets. In fiscal year 2022, other assets increased by $73.9 million due to a combination of factors. In fiscal year 2022, a long-term lease receivable of $99 million was recorded due to the implementation of GASB Statement No. 87, *Leases* (see Note 16 for more information). The increase in lease receivable was offset by a $12.2 million decrease in the net OPEB asset, as well as the prior year's $13 million net pension asset presenting as a liability in 2022. The changes in net OPEB and pension assets were due to unfavorable market conditions affecting the value of investments.

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 OPEB.

Current liabilities consist of accounts payable, payroll-related liabilities, accrued paid time off, and security/performance deposits. In fiscal year 2023, current liabilities remained consistent with the prior year, decreasing by $3.3 million. Accounts payable decreased by $5.8 million, due to the timing of operating invoice payments; accrued payroll increased by $1.9 million due to the addition of staff and increased employee pay during fiscal year 2023. In fiscal year 2022, current liabilities increased by $25.6 million due to an increase in accounts payable of $27.1 million. The increase in accounts payable was attributed to the increase in overall activity at the airport resulting in more payments to vendors, as well as construction activity related to the various *BNA Vision* projects such as the Grand Lobby, international arrivals facility, satellite concourse, and terminal garage.

Noncurrent liabilities consist primarily of long-term debt and the net pension liability. Long-term liabilities increased by $547.7 million in 2023. The increase resulted from issuing $596.1 million in new bonds, additional bond premiums of $33.6 million from said bond issue, and new borrowings of $65.2 million on the BNA Credit Facility. The increase in debt due to borrowing was offset by principal repayments totaling $8.7 million on bonds and notes payable, and $147.9 million for the BNA Credit Facility. Long-term liabilities increased by approximately $68.4 million in 2022, due to an overall increase in long-term debt of $61.3 million, and the addition of a net pension liability of $5.6 million. Long-term debt increased due to new borrowings on the BNA Credit Facility, totaling $76 million, less principal repayments of $8.5 million, and bond premium amortization of $6.4 million. For more detailed long-term debt information, see Note 5 in the Notes to the Financial Statements. The net pension asset recorded in fiscal year 2021 became a net pension liability of $5.6 million in fiscal year 2022 due to unfavorable market conditions affecting the value of investments.

Deferred inflows of resources represent an acquisition of net position that is applicable to future periods. They are recorded separately from liabilities and consist of deferred inflows related to long-term leases.

Summary of Operations and Changes in Net Position

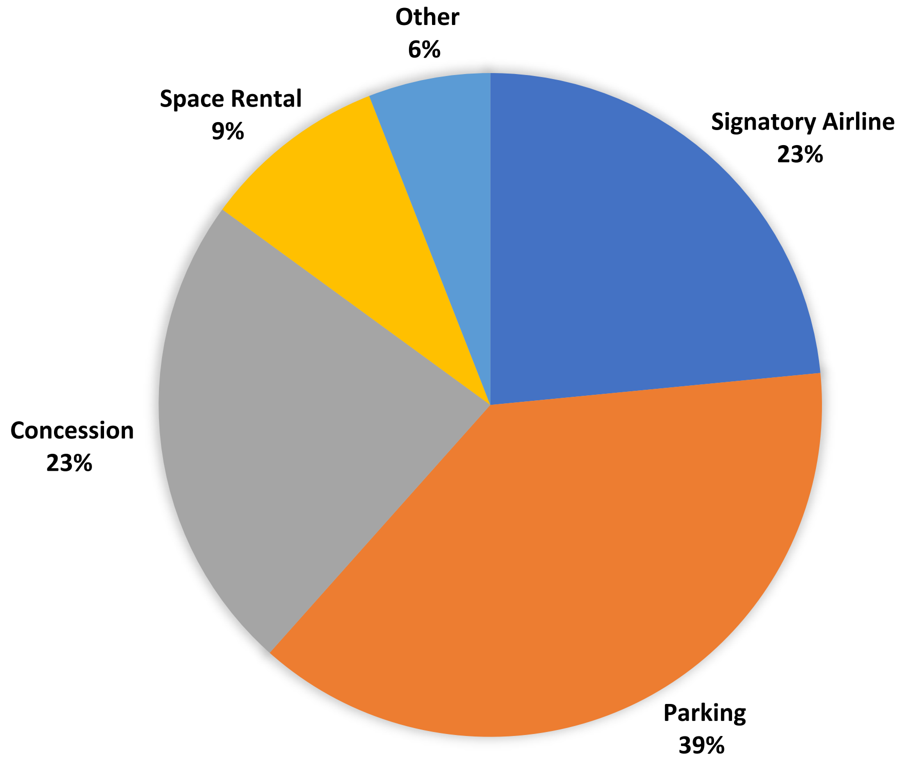
The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenue and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rentals and fees, parking fees, concession fees, and car rental revenues. Nonoperating revenues consist 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, 2023, 2022, and 2021 follows:

	2023 (000s)	2022 (000s)	2021 (000s)
Operating revenues:			
Signatory airline	$ 59,744	$ 54,396	$ 47,495
Parking	97,047	76,135	27,117
Concession	59,690	50,156	27,025
Space rental	22,967	20,142	15,470
Other	15,154	9,400	11,513
Operating revenues	254,602	210,229	128,620
Operating expenses:			
Salaries, wages, and fringe benefits	39,212	37,663	25,134
Contractual services	62,259	51,660	35,012
Materials and supplies	6,631	4,858	3,674
Utilities	8,662	7,002	5,762
Insurance	3,482	2,148	1,913
Other	5,620	9,634	3,040
Depreciation	85,872	79,274	53,384
Operating expenses	211,738	192,239	127,919
Operating income (loss)	42,864	17,990	701
Nonoperating revenues (expenses):			
Investment income (loss)	31,041	(4,756)	1,648
Passenger facility charges	41,532	35,678	20,253
Customer facility charges	15,494	12,939	8,365
Federal and state grants	29,255	26,494	31,482
Insurance reimbursement	6,215	1,851	5,099
Gain (loss) on disposal of property and equipment	3,801	67	(2,161)
Interest expense	(67,906)	(50,107)	(49,323)
Bond issuance costs	(2,639)	(62)	-
	56,793	22,104	15,363
Income before capital contributions	99,657	40,094	16,064
Capital contributions	58,983	29,763	31,357
Increase in net position	158,640	69,857	47,421
Total net position - beginning of year	898,427	828,570	781,149
Total net position - end of year	$ 1,057,067	$ 898,427	$ 828,570

Operating Revenues

The chart below illustrates the sources of total operating revenue for the year ended June 30, 2023:

OPERATING REVENUES COMPOSITION



Operating revenues increased in fiscal year 2023 from 2022 by approximately $44.4 million, and by approximately $81.6 million in fiscal year 2022 from 2021.

Signatory airline revenue consists of ramp rent, terminal rent, baggage fees, and landing fees, and are offset by in-terminal concession credit. Signatory airline revenue increased in 2023 from 2022 by $5.3 million, due to increases in terminal rental rates, and an increase in landing fees. In accordance with the signatory use and lease agreement, terminal rental rates were raised from $111.00 per square foot in 2022 to $116.55 per square foot in 2023, resulting in a terminal rental revenue increase of $2.2 million. In addition, the landing fee increased from $2.04 to $2.06 (per 1,000 pounds of gross landed weight) from 2022 to 2023. The increase in the landing fee, plus increased flight operations, led to increased signatory landing fees of $4.0 million. The increases in terminal rental rates and landing fees were offset by a reduction in baggage fees charged to the signatory airlines. Signatory airline revenue increased in 2022 from 2021 by $6.9 million as terminal rental rates and baggage fees were raised. The increase was offset by a reduction in landing fees. In accordance with the signatory use and lease agreement, the terminal rental rate for each signatory airline was $108.29 in 2021 and $111.00 in 2022. The landing fees decreased due to a decrease in the landing fee from $2.23 in fiscal year 2021 to $2.04 in fiscal year 2022.

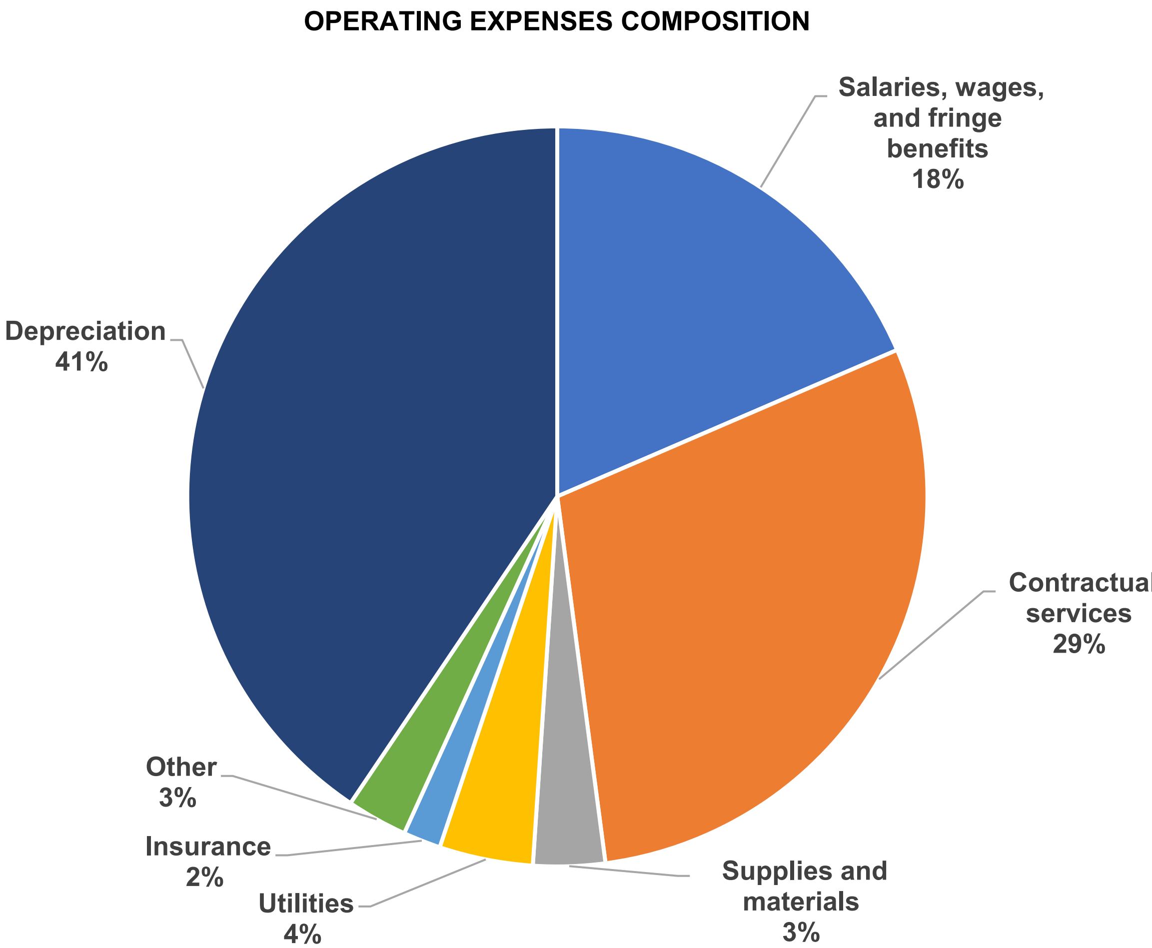
Parking revenue increased in 2023 from 2022 by approximately $20.9 million due to the continued increase in passenger volume at BNA, the opening of an additional parking garage in April 2023, and increased parking rates in March 2023. Parking revenue increased in 2022 from 2021 by approximately $49.0 million due to the large increase in passenger volume at BNA. Parking rates were also raised to keep up with the growing demand.

Concessions revenue consists of the food/beverage concessions, retail concessions, rental car revenue and ground transportation (including Transportation Network Companies). Concessions revenue increased from 2022 to 2023 by $9.5 million, due to record passenger volume, as well as the addition of 18 new retail concepts. For 2023 as compared to 2022, in-terminal concessions increased by approximately $1.3 million, rental car revenues by $4.0 million, and ground transportation revenue by $3.9 million. Concessions revenue increased from 2021 to 2022 by $23.1 million, also due to the increase in passenger volume, as well as the addition of 49 new retail concepts. For 2022 as compared to 2021, in-terminal concessions increased by approximately $6.5 million, rental car revenues by $7.8 million, and ground transportation revenue by $6.8 million.

Space rental increased from 2022 to 2023 by $2.8 million due to increased rental rates for non-airline tenants. Other operating income such as non-signatory landing fees increased by $5.8 million from 2022 to 2023, due to higher passenger volume, and higher landing fees. Space rental increased from 2021 to 2022 by $4.7 million. Other operating income such as non-signatory landing fees decreased by $2.1 million from 2021 to 2022.

Operating Expenses

The chart below illustrates the sources of total operating expenses for the year ended June 30, 2023:



Total operating expenses increased by $19.5 million between 2022 and 2023. Salaries increased by $1.5 million as the Authority continued to fill vacant positions. Salary adjustments were also necessary to bring staff to market rates. Contractual services increased by $10.6 million, materials and supplies increased by $1.8 million, utilities increased by $1.7 million, and insurance increased by $1.3 million. These increases are attributable to the addition of square footage in the new terminal lobby and Garage B, as well as the increase in passenger volume during the year. Due to the robust growth, the airport must incur more expenses to maintain cleanliness, comfort, safety and security for all passengers. Total operating expenses increased by $64.3 million from 2021 to 2022. Operating expenses in fiscal year 2021 were low due to the Authority's response to the COVID-19 pandemic. Cost cutting measures included 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 performance incentives. In the final quarter of 2021, air travel increased, and the Authority saw signs of recovery. Increased passenger volume led to higher expenses. Salaries and benefits increased by $12.5 million, and contractual services by $16.6 million. Salaries increased as positions which had previously been frozen were re-opened, and the Authority was able to grant raises and performance incentives as it had in prior years. Contract services increased as more staff were needed to manage the terminal and parking structures, and contractor wages increased because of post-pandemic labor shortages.

Nonoperating, Revenues, Expenses, and Contributed Capital

Nonoperating revenue increased by $55.1 million from fiscal year 2022 to fiscal year 2023. Investment income increased by $35.8 million due to the increase in funds invested after the new debt issuance, and more favorable market conditions in 2023. Passenger facility charges increased by $5.9 million, and customer facility charges increased by $2.6 million, both a direct result of more passengers traveling in fiscal year 2023. The Authority also recorded a receivable for an insurance settlement in the amount of $4.6 million related to the tornado which occurred at John C. Tune Airport in fiscal year 2020. Nonoperating expenses increased by $20.4 million from fiscal year 2022 to fiscal year 2023. Interest expense increased by $17.8 million, and bond issuance costs increased by $2.6 million; both were directly related to the bonds issued midway through fiscal year 2023. Nonoperating revenue increased by $6.7 million from fiscal year 2021 to fiscal year 2022. Passenger facility charges increased by $15.4 million, and customer facility charges increased by $4.6 million, both a direct result of more passengers traveling in fiscal year 2022. These increases were offset by decreases in insurance settlement income of $3.2 million, federal non-capital grant income of $5.0 million, and investment losses of $6.4 million. In fiscal year 2021, the Authority received a settlement of $3.7 million for the tornado which occurred at John C. Tune Airport in March 2020. No settlements of that size were received in fiscal year 2022. Federal non-capital grant income decreased as the Authority drew $30.1 million in federal COVID-19 relief funds in fiscal year 2021, and $25.1 million was drawn in fiscal year 2022. Investment losses were recorded in fiscal year 2022 due to unfavorable market conditions.

Capital contributions increased between 2022 and 2023 by $29.2 million primarily due to the receipt of a $33.1 million grant to construct the satellite concourse, expected to open in October 2023. Capital contributions decreased between 2021 to 2022 by $1.6 million due to completing the majority of the Runway 2R/20L and JWN Air Traffic Control Tower projects in fiscal year 2021, offset by ramping up construction on the JWN Redevelopment project in fiscal year 2022. Capital contributions include funding from the Federal Aviation Administration for Airport Improvement Program (AIP) grants, and grants from the State of Tennessee.

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Metropolitan Nashville Airport Authority
Statements of Net Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Unrestricted assets:		
Cash, cash equivalents, and investments	$ 631,027,635	$ 468,997,743
Accounts receivable (net of allowance for doubtful accounts of $333,075 in 2023 and $185,186 in 2022)	21,145,264	13,386,384
Lease receivable	9,100,425	10,841,469
Due from governmental agencies	6,679,434	5,036,705
Prepaid expenses and other	3,866,276	1,747,957
Total current unrestricted assets	671,819,034	500,010,258
Restricted assets:		
Cash and investments	628,288,824	334,637,897
Accounts receivable	143,045	736,388
Non-current assets:		
Capital assets:		
Capital assets not being depreciated		
Land and nondepreciable assets	111,226,323	108,112,921
Construction in progress	358,877,117	448,196,055
Capital assets being depreciated		
Infrastructure	728,661,124	693,670,381
Buildings and building improvements	952,350,604	764,568,968
Equipment, furniture, and fixtures	567,644,400	392,443,748
Subscription assets	2,244,691	698,216
Total capital assets	2,721,004,259	2,407,690,289
Less accumulated depreciation	(880,733,537)	(795,262,079)
Total capital assets, net	1,840,270,722	1,612,428,210
Other assets		
Accounts receivable, net	1,110,000	1,110,000
Lease receivable	129,959,020	99,139,433
Prepaid and deposits	-	85,566
Net OPEB asset	12,286,395	4,257,108
Total noncurrent assets	2,612,058,006	2,052,394,602
Total assets	$ 3,283,877,040	$ 2,552,404,860
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from OPEB	$ 624,787	$ 1,999,656
Deferred outflows from pension	3,355,166	6,473,537
Deferred amount on refunding	1,807,176	2,162,686
Total deferred outflows of resources	$ 5,787,129	$ 10,635,879

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Net Position
June 30, 2023 and 2022

	2023	2022
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	$ 70,003,929	$ 75,798,927
Accrued payroll and related items	7,918,571	6,065,683
Advanced billings and payments received in advance	2,994,064	2,514,716
Subscription lease liability	416,402	87,541
Current maturities of notes payable	303,474	453,087
Accrued interest payable	107,286	136,710
Total current liabilities	81,743,726	85,056,664
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued interest payable	45,086,495	27,404,329
Current maturities of airport revenue bonds	22,816,695	8,212,780
Unearned revenue from seized funds	890,301	1,244,141
Notes payable, less current maturities	16,544,832	99,555,535
Subscription lease liability	657,752	421,060
Net pension liability	4,208,378	5,633,292
Airport revenue bonds, less current maturities	1,929,872,286	1,329,931,889
Total noncurrent liabilities	2,020,076,739	1,472,403,026
Total liabilities	$ 2,101,820,465	$ 1,557,459,690
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leases	$ 130,776,747	107,153,559
Total deferred inflows of resources	$ 130,776,747	$ 107,153,559
NET POSITION		
Net investment in capital assets	$ 278,591,774	$ 363,709,605
Restricted for:		
Capital projects	70,305,016	53,034,524
Debt service	340,377,311	241,070,683
Operations	46,228,651	40,886,755
Pension	-	840,245
OPEB	12,911,182	6,256,764
Unrestricted net position	308,653,023	192,628,914
Total net position	$ 1,057,066,957	$ 898,427,490

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues:		
Signatory airline	$ 59,744,223	$ 54,395,946
Parking	97,046,859	76,135,079
Concession	59,689,463	50,155,481
Space rental	22,967,443	20,142,385
Other	15,154,376	9,399,973
Operating revenues	254,602,364	210,228,864
Operating expenses:		
Salaries, wages, and fringe benefits	39,212,410	37,663,363
Contractual services	62,258,776	51,659,702
Materials and supplies	6,631,336	4,857,819
Utilities	8,661,656	7,002,019
Insurance	3,481,751	2,148,338
Other	5,619,909	9,634,384
Depreciation	85,872,221	79,273,711
Operating expenses	211,738,059	192,239,336
Operating income	42,864,305	17,989,528
Nonoperating revenues (expenses):		
Investment income (loss)	31,040,249	(4,756,436)
Passenger facility charges	41,531,943	35,678,032
Customer facility charges	15,494,211	12,939,489
Federal and state grants	29,254,808	26,493,859
Insurance reimbursement	6,215,396	1,851,584
Gain on disposal of property and equipment	3,800,911	67,615
Interest expense	(67,906,457)	(50,107,131)
Bond issuance costs	(2,639,275)	(61,588)
	56,791,786	22,105,424
Income before capital contributions	99,656,091	40,094,952
Capital contributions	58,983,376	29,762,836
Increase in net position	158,639,467	69,857,788
Total net position - beginning of year	898,427,490	828,569,702
Total net position - end of year	$ 1,057,066,957	$ 898,427,490

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Cash received from customers	$ 248,495,051	$ 204,207,029
Cash paid to employees	(42,234,917)	(34,194,529)
Cash paid to suppliers	(94,638,993)	(60,341,230)
Cash received for lease deposits	311,733	3,143,196
Cash reimbursed for lease deposits	(3,031,041)	(72,824)
Net cash provided by operating activities	108,901,833	112,741,642
Cash flows from noncapital financing activities:		
Grants from federal/state governments	28,662,912	26,363,092
Interest paid on long-term debt	(636,192)	(337,889)
Net insurance recoveries	1,622,349	1,468,371
Net cash provided by noncapital financing activities	29,649,069	27,493,574
Cash flows from capital and related financial activities:		
Receipt of passenger facility charges	41,000,522	36,182,360
Receipt of customer facility charges	15,098,300	12,848,302
Purchases and construction of property and equipment	(310,608,330)	(260,751,180)
Interest paid on long-term debt	(56,157,601)	(55,846,780)
Payments on long-term debt	(156,528,990)	(8,523,417)
Proceeds from issuance of long-term debt	694,823,608	75,954,829
Payment for bond issuance cost	(2,639,275)	(61,588)
Interest received from leases	2,159,916	2,205,271
Contributions from governmental agencies	57,932,543	27,730,052
Net insurance recoveries	4,019,188	383,214
Net cash provided by (used in) capital and related financing activities	289,099,881	(169,878,937)
Cash flows from investing activities:		
Purchase of investments	(2,797,550,493)	(1,162,460,801)
Proceeds from the sale and maturities of investments	2,535,497,894	976,964,976
Realized gains (losses) on investments	28,030,034	(6,409,264)
Net cash used in investing activities	(234,022,565)	(191,905,089)
Net increase (decrease) in cash and cash equivalents	193,628,218	(221,548,810)
Cash and cash equivalents:		
Beginning of year	247,159,060	468,707,870
End of year	$ 440,787,278	$ 247,159,060

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 42,864,305	$ 17,989,528
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for depreciation	85,872,221	79,273,711
Changes in operating assets and liabilities:		
Accounts receivable	(29,727,322)	(3,764,757)
Lease receivable and related deferred inflows of resources	-	(2,776,716)
Inventories	23,477,106	970,257
Prepaid expenses	(2,118,320)	(216,357)
Accounts payable	(5,849,852)	14,167,547
Accrued payroll and related items	1,938,454	(223,558)
Advanced billings and payments received in advance	125,508	559,223
Lease deposits	(2,719,306)	3,070,372
Net pension liability/asset and related deferred inflows/outflows of resources	(50,045)	10,824,811
Net OPEB liability/asset and related deferred inflows/outflows of resources	(4,910,916)	(7,132,419)
Net cash provided by operating activities	$ 108,901,833	$ 112,741,642
Cash and investments - end of year consist of:		
Cash and cash equivalents	$ 440,787,278	$ 247,159,060
Investments	818,529,181	556,476,580
	$ 1,259,316,459	$ 803,635,640
Unrestricted cash and investments	$ 631,027,635	$ 468,997,743
Restricted cash and investments	628,288,824	334,637,897
	$ 1,259,316,459	$ 803,635,640
Noncash investing and financing activities:		
Deferred bond refundings	$ 355,510	$ 355,510
Interest expense, net of bond premium amortization	6,910,622	6,350,912
Net noncash financing activities	$ 7,266,132	$ 6,706,422

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Fiduciary Net Position
June 30, 2023

	2023	2022
	Other Post-Employment and Pension Trust Funds	**Other Post-Employment and Pension Trust Funds**
ASSETS		
Cash and cash equivalents	$ 4,929,798	$ 3,457,723
Investments, at fair value		
Pooled, common, and collective funds	61,337,507	59,556,334
Mutual funds	52,840,356	50,042,700
Total assets	119,107,661	113,056,757
NET POSITION		
Restricted for:		
OPEB	39,491,196	36,642,513
Pension	79,616,465	76,414,244
Total net position	$ 119,107,661	$ 113,056,757

See accompanying notes to basic financial statements.

	2023 Unadjudicated Funds - Custodial Fund	2022 Unadjudicated Funds - Custodial Fund
ASSETS		
Cash and cash equivalents	$ 890,969	$ 1,244,669
Total assets	890,969	1,244,669
NET POSITION		
Restricted for:		
Unadjudicated funds	890,969	1,244,669
Total net position	$ 890,969	$ 1,244,669

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
June 30, 2023

	2023 Other Post-Employment and Pension Trust Funds	2022 Other Post-Employment and Pension Trust Funds
Additions:		
Employer contributions	$ 1,561,000	$ 250,000
Employee contributions	535,502	-
Investment income		
Net depreciation in fair value	10,054,780	(17,830,505)
Interest and dividends	544,672	259,524
Investment expenses	(154,130)	(181,955)
Investment loss, net	10,445,322	(17,752,936)
Total additions	12,541,824	(17,502,936)
Deductions:		
Benefits paid to participants	6,415,863	6,180,156
Administrative expenses	75,057	85,711
Total deductions	6,490,920	6,265,867
Change in net position	6,050,904	(23,768,803)
Net position - beginning of year	113,056,757	136,825,560
Net position - end of year	$ 119,107,661	$ 113,056,757

See accompanying notes to basic financial statements.

	2023 Unadjudicated Funds - Custodial Fund	2022 Unadjudicated Funds - Custodial Fund
Additions:		
Collection of unadjudicated funds	$ 459,881	$ 712,738
Interest and dividends	140	93
Total additions	460,021	712,831
Deductions:		
Payout of unadjudicated funds	813,721	184,564
Total deductions	813,721	184,564
Change in net position	(353,700)	528,267
Net position - beginning of year	1,244,669	716,402
Net position - end of year	$ 890,969	$ 1,244,669

See accompanying notes to basic financial statements.

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 and are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. There are provisions whereby commissioners may be removed by vote of the Metropolitan Government Council. Board members appointed before August 2021 serve a four-year term and can be reappointed. Board members appointed after August 2021 serve a seven-year term and can be reappointed. The terms are staggered to provide for continuity of Authority development and management. The Board of Commissioners appoints a President and charges him with the responsibility for day-to-day operations. For additional information regarding the Board of Commissioners, see Note 19.

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 17).

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 therefore, not shown separately in the financial statements.

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 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 fiduciary funds is presented as a blended component unit. The assets in each trust are held only for the Authority retirees' benefit.

The Authority also reports unadjudicated funds as a blended component unit in the Fiduciary Fund Financial Statements. 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. After 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 allowance for doubtful accounts, valuation of net pension and OPEB liabilities or assets and the related deferred inflows and/or outflows, valuation of certain leases receivable and related deferred inflows, 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 use and lease 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, Customer Facility Charges ("CFCs") as described in Note 7, and lease-related interest income as described in Note 16.

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 expense was $165,321 and $54,148 for the years ended June 30, 2023 and 2022, respectively. The allowance for doubtful accounts was $333,075 and $185,186 at June 30, 2023 and 2022, respectively.

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

<u>Signatory airline</u>

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, the terminal rental rates being fixed, 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).

<u>Parking</u>

Parking revenue is generated primarily from the operation of Authority-owned parking facilities at Nashville International Airport. This amount is presented net of discounts.

<u>Concession</u>

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 typically based either on a minimum guarantee or on a percentage of gross receipts.

<u>Space rental</u>

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 as 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*.

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.

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, 2023 and 2022 is as follows:

	2023	2022
Debt Service:		
Cash and investments	$ 222,872,058	$ 148,964,303
Accounts receivable	143,045	736,388
Total	223,015,103	149,700,691
Construction:		
Cash and investments	398,677,729	179,209,567
Total	398,677,729	179,209,567
Operations:		
Cash and investments	6,739,037	6,464,027
Total	6,739,037	6,464,027
Total restricted assets	$ 628,431,869	$ 335,374,285

2. Summary of Significant Accounting Policies (continued)

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 useful life greater than one year, and with a cost of $25,000 or more at Nashville International Airport and $10,000 at John C. Tune Airport and MPC.

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
Information technology software	1 to 5 years

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.

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* ("GASB No. 75"), which establishes standards for the measurement, recognition, and display of postemployment benefits expense and related 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 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 statements 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 assets that applies to future periods and, therefore, are not recognized as an outflow of resources (expense) until then. *Deferred inflows of resources* represent an acquisition of net assets that applies to future periods and, therefore, are not recognized as an inflow of resources (revenue) until then.

2. Summary of Significant Accounting Policies (continued)

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. 87, *Leases* ("GASB No. 87"), deferred inflow of resources related to leasing activities; 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. 87 establishes a deferred inflow, representing the present value of long-term lease payments expected to be received during a lease payment term, net of any prepayments received from lessees and lease incentives paid to lessees.

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 earnings on investments, changes in assumptions, changes in benefit terms, other experience gains or losses, and other factors. 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 represent 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 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.

Long-term leases

Regulated leases

The Authority leases certain assets to various third parties as regulated leases. These leases are for assets related directly and substantially to the movement of passengers, baggage, mail, and cargo at the airport. Regulated lease revenue is recorded as it is earned over the life of the regulated leases.

Non-regulated leases

The Authority leases certain assets to various third parties as non-regulated leases. As a lessor, the Authority is required to recognize a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is equal to the lease receivable, less prepayments received from lessees, or lease incentives paid to lessees. As lease payments are received, the Authority recognizes

2. Summary of Significant Accounting Policies (continued)

interest revenue and a reduction to the lease receivable. The Authority also recognizes lease revenue calculated as the amortization of the deferred inflow of resources over the lease term. Additional information regarding lease accounting is provided in Note 16.

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 (net of deferred amount on refunding), mortgages, notes, 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 "net investment in capital assets" or "restricted net position".

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.

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 2022 financial statements to conform with the presentation of the 2023 financial statements.

2. Summary of Significant Accounting Policies (continued)

Upcoming accounting pronouncements

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses eleven unrelated practice issues and technical matters related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, terminology updates related to GASB Statement No. 53 and GASB Statement No. 63, leases, public-private and public-public partnerships, subscription-based IT arrangements, financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53. 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 June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Further, the standard addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2025.

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 supplementary 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 bank balances totaled $519,741,989 and $317,863,585 on June 30, 2023 and 2022, respectively.

Cash deposits, maintained at four financial institutions, are carried at cost plus interest, which approximates fair value. Cash deposits totaled $75,607,996 and $34,615,807 at June 30, 2023 and 2022, respectively. Cash deposits are required by State statute to be secured and collateralized by such institutions.

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

3. Cash and Cash Equivalents and Investments (continued)

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*.

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.

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.

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2023, the average maturities of cash and investments subject to interest rate risk are as follows:

	Fair Value	Average Maturity
Primary Government:		
Investments subject to risk:		
U.S. agencies	$ 615,585,547	1.24 years
Commercial paper	188,465,197	1.8 months
Certificate of deposit	1,006,804	10 months
Investments subject to risk	805,057,548	
Deposits/investments not subject to risk:		
Investment pool	184,511,731	
Deposits	74,678,365	
Money market funds	195,068,815	
Deposits/investments not subject to risk	454,258,911	
Total Primary Government	$ 1,259,316,459	
Fiduciary Funds:		
Investments subject to risk:		
Pooled, common and collective funds	$ 2,299,987	6.27 years
Mutual funds	910,910	6.27 years
Investments subject to risk	3,210,897	
Deposits/investments not subject to risk:		
Deposits	905,579	
Money market funds	4,915,188	
Pooled, common and collective funds	59,037,520	
Mutual funds	51,929,446	
Deposits/investments not subject to risk	116,787,733	
Total Fiduciary Funds	$ 119,998,630	

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2022, the average maturities of cash and investments subject to interest rate risk are as follows:

	Fair Value	Average Maturity
Primary Government:		
Investments subject to risk:		
U.S. agencies	$ 333,106,146	1.19 years
Commercial paper	113,528,682	5.6 months
Certificate of deposit	1,002,996	10 months
Investments subject to risk	447,637,824	
Deposits/investments not subject to risk:		
Investment pool	132,050,389	
Deposits	33,368,033	
Money market funds	190,579,394	
Deposits/investments not subject to risk	355,997,816	
Total Primary Government	$ 803,635,640	
Fiduciary Funds:		
Investments subject to risk:		
Pooled, common and collective funds	$ 2,180,451	5.98 years
Mutual funds	823,690	5.98 years
Investments subject to risk	3,004,141	
Deposits/investments not subject to risk:		
Deposits	1,247,774	
Money market funds	3,454,618	
Pooled, common and collective funds	57,375,883	
Mutual funds	49,219,010	
Deposits/investments not subject to risk	111,297,285	
Total Fiduciary Funds	$ 114,301,426	

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.

On June 30, 2023, the credit quality ratings of investments (other than the U.S. agency issues) are as follows:

Investment		Fair Value	Rating	Organization
Primary Government:				
Commercial Paper	$	188,465,197	A1, P1	S&P, Moody
Fiduciary Funds:				
Pooled, common and collective funds	$	9,162,717	AA	S&P, Moody, Fitch
Pooled, common and collective funds		5,681,748	A+	S&P, Moody, Fitch
Pooled, common and collective funds		3,623,996	AA	S&P, Moody, Fitch
Mutual funds		12,777,045	A+	S&P, Moody, Fitch
Unrated investments		88,753,124		
Total Fiduciary Fund investments	$	119,998,630		

On June 30, 2022, the credit quality ratings of investments (other than the U.S. agency issues) are as follows:

Investment		Fair Value	Rating	Organization
Primary Government:				
Commercial Paper	$	113,528,682	A1, P1	S&P, Moody
Fiduciary Funds:				
Pooled, common and collective funds	$	12,514,899	AA	S&P, Moody, Fitch
Pooled, common and collective funds		12,496,082	A+	S&P, Moody, Fitch
Pooled, common and collective funds		12,644,757	AA	S&P, Moody, Fitch
Mutual funds		13,930,310	AA-	S&P, Moody, Fitch
Unrated investments		62,715,378		
Total Fiduciary Fund investments	$	114,301,426		

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 based on 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 on June 30, 2023 and 2022 are collateralized by securities held by the Authority's agent in the Authority's name.

Financial Instruments Reported at Fair Value

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. 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

3. Cash and Cash Equivalents and Investments (continued)

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 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, 2023:

- U.S agency issues of $615,585,547 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of $52,840,356 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of $188,465,197 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of $61,337,507 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Cash and cash equivalents include $4,915,188 of money market funds 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, 2022:

- U.S agency issues of $333,106,146 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of $50,042,700 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of $113,528,682 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of $59,556,334 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Cash and cash equivalents include $3,454,618 of money market funds valued using quoted market prices and various market and industry inputs (Level 2 inputs).

Totals of $184,511,731 and $132,050,389 are invested in the Tennessee Local Government Investment Pool on June 30, 2023 and 2022, respectively. Totals of $195,068,815 and $190,579,394 are invested at Goldman Sachs on June 30, 2023 and 2022, respectively. These 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.

4. Capital Assets

Capital assets and related accumulated depreciation activity for year end June 30, 2023 and 2022 were as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2023
Capital assets not being depreciated:					
Land & nondepreciable assets	$ 108,112,921	$ 3,311,675	$ (198,273)	$ -	$ 111,226,323
Construction in progress	448,196,055	309,037,392	-	(398,356,330)	358,877,117
Total capital assets not being depreciated	556,308,976	312,349,067	(198,273)	(398,356,330)	470,103,440
Capital assets being depreciated:					
Infrastructure	693,670,381	-	-	34,990,743	728,661,124
Buildings and building improvements	764,568,968	-	-	187,781,636	952,350,604
Equipment, furniture, and fixtures	392,443,748	265,626	(648,925)	175,583,951	567,644,400
Subscription assets	698,216	1,318,315	-	228,160	2,244,691
Total capital assets being depreciated	1,851,381,313	1,583,941	(648,925)	398,584,490	2,250,900,819
Less accumulated depreciation:					
Infrastructure	(428,036,098)	(22,732,773)	-	-	(450,768,871)
Buildings and building improvements	(237,365,210)	(30,223,913)	-	-	(267,589,123)
Equipment, furniture and fixtures	(129,713,699)	(32,232,930)	628,923	-	(161,317,706)
Subscription assets	(147,072)	(682,605)	-	(228,160)	(1,057,837)
Total accumulated depreciation	(795,262,079)	(85,872,221)	628,923	(228,160)	(880,733,537)
Net capital assets being depreciated	1,056,119,234	(84,288,280)	(20,002)	398,356,330	1,370,167,282
Net capital assets	$ 1,612,428,210	$ 228,060,787	$ (218,275)	$ -	$ 1,840,270,722

	Balance July 1, 2021	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2022
Capital assets not being depreciated:					
Land & nondepreciable assets	$ 107,554,524	$ -	$ -	$ 558,397	$ 108,112,921
Construction in progress	301,079,238	269,721,982	-	(122,605,165)	448,196,055
Total capital assets not being depreciated	408,633,762	269,721,982		(122,046,768)	556,308,976
Capital assets being depreciated:					
Infrastructure	618,570,710	-	-	75,099,671	693,670,381
Buildings and building improvements	718,298,100	-	-	46,270,868	764,568,968
Equipment, furniture, and fixtures	393,243,815	258,175	(1,734,471)	676,229	392,443,748
Subscription assets	-	698,216	-	-	698,216
Total capital assets being depreciated	1,730,112,625	956,391	(1,734,471)	122,046,768	1,851,381,313
Less accumulated depreciation:					
Infrastructure	(407,116,238)	(20,919,860)	-	-	(428,036,098)
Buildings and building improvements	(209,623,401)	(27,741,809)	-	-	(237,365,210)
Equipment, furniture and fixtures	(100,953,863)	(30,464,969)	1,705,134	-	(129,713,698)
Subscription assets	-	(147,073)	-	-	(147,073)
Total accumulated depreciation	(717,693,502)	(79,273,711)	1,705,134	-	(795,262,079)
Net capital assets being depreciated	1,012,419,123	(78,317,320)	(29,337)	122,046,768	1,056,119,234
Net capital assets	$ 1,421,052,885	$ 191,404,662	$ (29,337)	$ -	$ 1,612,428,210

*Transfers and adjustments include reclassifications amongst fixed asset classes.

4. Capital Assets (continued)

The amount of construction in progress at June 30, 2023 is attributable to the following:

International Arrivals Facility	$ 128,892,444
Satellite Concourse	91,293,552
Terminal Area Roadway Improvements (TARI)	32,903,998
Expansion EA & Site Preparation	26,926,066
Terminal and Taxilane Expansion	22,323,854
Other projects	56,537,203
Total construction in progress	$ 358,877,117

During fiscal year 2023, $398,356,330 of construction in progress was substantially completed and transferred to capital assets as follows:

Terminal Lobby	$ 278,376,082
Terminal Garage B	78,206,078
Reconstruct Taxiway Bravo South (Design)	18,298,006
Reconstruct Taxiway Kilo West (Design)	12,994,489
Other projects	10,481,675
Total transferred to capital assets	$ 398,356,330

The amount of construction in progress at June 30, 2022 is attributable to the following:

Terminal Lobby/International Arrivals Facility	$ 280,120,558
Terminal Garage B	50,728,583
Terminal Area Roadway Improvements (TARI)	29,666,882
Terminal and Taxilane Expansion	23,763,323
Satellite Concourse	18,751,771
Other projects	45,164,938
Total construction in progress	$ 448,196,055

During fiscal year 2022, $122,605,165 of construction in progress was substantially completed and transferred to capital assets as follows:

Reconstruct Runway 2R/20L	$ 58,070,536
JWN Hangar Redevelopment	32,468,638
Mobile Equipment Maintenance Building	11,046,044
Delta Sky Club	10,556,695
Other projects	10,463,252
Total transferred to capital assets	$ 122,605,165

Uncompleted construction contracts

Estimated costs of completion of construction in progress at June 30, 2023 total $212,439,411 and relate to various projects. The estimated costs to complete construction progress are anticipated to be funded by the Authority.

5. Long-term Debt

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

	2023	2022
Special facility revenue bonds - direct borrowing:		
Senior lien, CONRAC Series 2018, 3.40%, due 7/1/2028	$ 21,197,130	$ 24,329,910
Total special facility revenue bonds - direct borrowing	21,197,130	24,329,910
Airport revenue bonds - other:		
Senior lien, Series 2003B, 5.49% to 5.94%, due 7/1/2033	10,725,000	11,405,000
Senior lien, Series 2015A, 4.00% to 5.00%, due 7/1/2045	82,740,000	84,745,000
Senior lien, Series 2015B, 4.00% to 5.00%, due 7/1/2045	97,690,000	100,085,000
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
Senior lien, Series 2022A, 5.00% to 5.25%, due 7/1/2052	94,525,000	-
Senior lien, Series 2022B, 5.00% to 5.50%, due 7/1/2052	501,560,000	-
Total airport revenue bonds - other	1,706,825,000	1,115,820,000
Notes payable - direct borrowing:		
Energy Loan Phase II	-	155,172
Geothermal Loan	2,592,385	2,890,300
Total notes payable - direct borrowing	2,592,385	3,045,472
Other long-term debt:		
BNA Credit Facility	14,255,921	96,963,150
Total other long-term debt	14,255,921	96,963,150
Total airport bonds payable and other debt	1,744,870,436	1,240,158,532
Add:		
Unamortized bond premiums	224,666,851	197,994,759
Total airport bonds payable and other debt, net	1,969,537,287	1,438,153,291
Less current portion	23,120,169	8,665,867
Total airport bonds payable and other debt, noncurrent	$ 1,946,417,118	$ 1,429,487,424

5. Long-term Debt (continued)

The annual requirements to pay principal and interest on the Authority's debt outstanding at June 30, 2023 are summarized as follows:

	Principal				
	Direct Placement Special Facility Revenue Bonds	Other Airport Revenue Bonds	Direct Placement Notes Payable	Other Long-term Debt	Total
2024	$ 3,240,774	$ 5,320,000	$ 303,474	$ 14,255,921	$ 23,120,169
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	3,587,550	28,670,000	320,779	-	32,578,329
2028	3,711,220	30,075,000	326,764	-	34,112,984
2029-2033	3,838,791	174,485,000	1,017,328	-	179,341,119
2034-2038	-	225,610,000	-	-	225,610,000
2039-2043	-	287,735,000	-	-	287,735,000
2044-2048	-	382,540,000	-	-	382,540,000
2049-2053	-	471,890,000	-	-	471,890,000
2054	-	66,775,000	-	-	66,775,000
Total	$ 21,197,130	$ 1,706,825,000	$ 2,592,385	$ 14,255,921	$ 1,744,870,436

	Interest			
	Direct Placement Special Facility Revenue Bonds	Other Airport Revenue Bonds	Direct Placement Notes Payable	Total
2024	$ 674,395	$ 87,294,533	$ 67,850	$ 88,036,778
2025	562,462	84,885,316	59,335	85,507,113
2026	443,220	84,131,066	50,661	84,624,947
2027	321,593	83,075,215	41,825	83,438,633
2028	195,773	81,689,414	32,824	81,918,011
2029-2033	65,984	384,853,749	42,771	384,962,504
2034-2038	-	334,141,278	-	334,141,278
2039-2043	-	272,688,434	-	272,688,434
2044-2048	-	202,405,529	-	202,405,529
2049-2053	-	101,643,988	-	101,643,988
2054	-	3,146,250	-	3,146,250
Total	$ 2,263,427	$ 1,719,954,772	$ 295,266	$ 1,722,513,465

5. Long-term Debt (continued)

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 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 $4.4 million and $8.4 million of the Series 2015A and Series 2015B bonds, respectively, and approximately $495 million of the Series 2019B and Series 2022B bonds (Note 6). Although the CONRAC Series 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 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.

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. For the years ended June 30, 2023 and 2022, net revenues were $128,736,526 and $97,263,239, respectively, compared to the net debt service (principal and interest) for senior and subordinate revenue bonds of $62,970,022 and $62,931,561, 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, 2023 and 2022, the PFC revenues were $41,531,943 and $35,678,032, respectively, compared to the net debt service (principal and interest) of $688,478 for each aforementioned year.

Net CONRAC revenues have been pledged toward the repayment of the CONRAC Series 2018 Refunding Revenue Bonds. For the years ended June 30, 2023 and 2022, the CONRAC revenues were $15,494,211 and $12,939,489, respectively, compared to the net debt service (principal and interest) of $3,917,045 and $3,918,860, respectively.

5. Long-term Debt (continued)

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 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, 2023, $35,565,000 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 $3,240,774 on July 1, 2023, 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 resulting from 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 $0 and $155,172 at June 30, 2023 and 2022, 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 $2,592,385 and $2,890,300 at June 30, 2023 and 2022, respectively.

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).

5. Long-term Debt (continued)

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 $720,000 on July 1, 2023, 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 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.

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 $2,085,000 on July 1, 2023, 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 $2,515,000 on July 1, 2023, 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.

Interest on the Series 2019A&B bonds is payable on January 1 and 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.

5. Long-term Debt (continued)

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.

Airport improvement revenue bonds, Series 2022A&B

During November 2022, the Authority issued Series 2022A bonds in the principal amount of $94,525,000 and Series 2022B bonds in the principal amount of $501,560,000, collectively the “Series 2022A&B bonds”. The Series 2022A&B bonds were issued to finance certain capital improvement at Nashville International Airport, fund capitalized interest on the Series 2022A&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 $7,122,713 and $26,460,002 for 2022A and 2022B, respectively. This amount is being amortized through 2052.

Interest on the Series 2022A&B bonds is payable on each January 1 and July 1, commencing July 1, 2023.

The Series 2022A bonds contain serial bonds at interest rates ranging from 5% to 5.25%, maturing in amounts ranging from $1,720,000 on July 1, 2026, to $3,755,000 on July 1, 2042. $21,905,000 of term bonds at 5.25% are due on July 1, 2047, and $28,140,000 of term bonds at 5% are due on July 1, 2052.

The Series 2022B bonds contain serial bonds at interest rates ranging from 5% to 5.5%, maturing in amounts ranging from $8,855,000 on July 1, 2026, to $20,055,000 on July 1, 2042. $117,515,000 of term bonds at 5.25% are due on July 1, 2047, $127,285,000 of term bonds at 5.5% are due on July 1, 2052, and $25,000,000 of term bonds at 5% are due on July 1, 2052.

The Series 2022A&B bonds maturing on and after July 1, 2033, 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, 2032.

BNA credit facility loan agreement

On January 7, 2019, the Authority entered into a new Credit Facility Loan Agreement (“BNA Credit Facility”). 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. In January 2022, the note was amended to carry a maximum principal amount of $300,000,000. The note matures on January 7, 2024. The taxable portion of the Credit

5. Long-term Debt (continued)

Facility bears interest at a variable interest rate equal to BSBY1M plus 52 basis points. The nontaxable portion of the Credit Facility bears interest at a variable interest rate equal to 80% BSBY1M plus 42 basis points. The rates at June 30, 2023 were 5.73571% for the taxable Credit Facility, and 4.592568% for the nontaxable Credit Facility. Interest on this Credit Facility totaled $2,060,636 and $357,906 during fiscal years 2023 and 2022, respectively. Accrued interest on this line of credit was $71,252 and $96,535 at June 30, 2023 and 2022, 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):

(i) The lender may terminate the available commitment and declare the outstanding amount due under the obligations immediately due and payable.

(ii) The lender may sell or otherwise transfer all or a portion of the notes.

(iii) 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.

Long-term debt activity for the years ended June 30, 2023 and 2022 were as follows:

	Balance July 1, 2022	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2023	Due within one year
Direct placement - special facility revenue bonds	$ 24,329,910	$ -	$ (3,132,780)	$ -	$ 21,197,130	$ 3,240,774
Other - airport revenue bonds	1,115,820,000	596,085,000	(5,080,000)	-	1,706,825,000	5,320,000
Direct Placement - notes payable	3,045,472	-	(453,087)	-	2,592,385	303,474
Other - long-term debt	96,963,150	65,155,894	(147,863,123)	-	14,255,921	14,255,921
Add:						
Unamortized bond premiums	197,994,759	33,582,714	-	(6,910,622)	224,666,851	-
Total long-term debt	$ 1,438,153,291	$ 694,823,608	$ (156,528,990)	$ (6,910,622)	$ 1,969,537,287	$ 23,120,169

	Balance July 1, 2021	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2022	Due within one year
Direct placement - special facility revenue bonds	$ 27,358,295	$ -	$ (3,028,385)	$ -	$ 24,329,910	$ 3,132,780
Other - airport revenue bonds	1,120,655,000	-	(4,835,000)	-	1,115,820,000	5,080,000
Direct Placement - notes payable	3,705,504	-	(660,032)	-	3,045,472	453,087
Other - long-term debt	21,008,321	75,954,829	-	-	96,963,150	-
Add:						
Unamortized bond premiums	204,345,671	-	-	(6,350,912)	197,994,759	-
Total long-term debt	$ 1,377,072,791	$ 75,954,829	$ (8,523,417)	$ (6,350,912)	$ 1,438,153,291	$ 8,665,867

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 occasionally 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 2023 and 2022 totaled $41,531,943 and $35,678,032, respectively.

Effective September 2010, the Authority could collect a $3.00 PFC per enplaning passenger. In May 2015, the Authority began collecting 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, 2023:

Airfield development	$	218,905,270
Terminal development		1,311,492,678
Land acquisition		21,260,411
	$	1,551,658,359

As of June 30, 2023, cumulative expenditures to date on approved PFC projects totaled $371,699,225.

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 customer and subsequently remitted to the Authority. The Authority has pledged the CFC proceeds as collateral security for the payment of the CONRAC Series 2018 bonds issued in May 2018. Additionally, in accordance with the terms of the CONRAC Series 2018 bond agreement, 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 2023 and 2022 totaled $15,494,211 and $12,939,489, 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 $29,714,942 and $30,050,839 at June 30, 2023 and 2022, respectively, and is included in 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, 2023 and 2022 was $9,500,000. These bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations. Therefore, 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, 2023 and 2022 was $1,800,000 and $2,355,000, 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 Agreement was subsequently extended to June 30, 2023. Information regarding the Airline Agreement starting July 1, 2023, can be found in Note 19.

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.

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

9. Airline Use and Lease Agreement (continued)

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 $259,013,000 of capital improvement projects that may not be funded through rates and charges to be paid by signatory airlines. It is anticipated 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, Authority net revenues, and new, additional non-airline revenues). The principal amount of bonds allocable to the funding of capitalized interest are not counted toward these requirements.

9. Airline Use and Lease Agreement (continued)

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:

	2023	2022
Balance - Beginning of year	$ 430,008	$ 928,102
Provision for incurred claims	3,434,346	2,640,676
Claim payments	(3,651,838)	(3,138,770)
Balance - End of year	$ 212,516	$ 430,008

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.

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 2023 and 2022, employees sold back $238,642 and $208,728 of their annual leave balances to the Authority in exchange for cash. Additional payments of $294,150 and $499,077 were made to employees who left employment with the Authority during the years ended June 30, 2023 and 2022, 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:

	2023	2022
Balance - Beginning of year	$ 2,698,833	$ 2,817,555
Provision for compensated absences	3,725,810	2,837,424
Annual leave used	(2,706,495)	(2,248,341)
Annual leave buy-back and other	(532,792)	(707,805)
Balance - End of year	$ 3,185,356	$ 2,698,833

The compensated absences liability is included in accrued payroll and related items on the statements of net position, and is due within one year.

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. On June 30, 2023, the Committee consists of 6 voting members, 4 of whom are active Authority senior management, two of whom are active Authority employees and members of the Plan. The Authority's Assistant Vice President of Finance is a non-voting member on the committee.

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 retiring 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-

12. Retirement Benefit Plan (continued)

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

On June 30, 2023, the following employees were covered by the benefit terms:

Retired	196
Deferred vested	50
Active vested	43
	289

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 2023. 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.

Pension net position

The Authority does not issue separate financial statements for the pension plan. 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.

12. Retirement Benefit Plan (continued)

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, Principal.

Additional information regarding pension net position is included in Note 14.

The Plan's investments which represented 5% or more of net position as of June 30, 2023 and 2022 are as follows:

Description of Investment		2023	2022
Principal	Federated Total Return Bond	$ 9,149,734	$ 9,202,252
Principal	Dodge and Cox Intermediate Bond	9,192,456	9,076,186
Principal	Allspring Core Bond	9,162,717	9,067,473
Principal	Blackrock S&P 500 Index	8,260,037	7,985,278
Principal	Blackrock S&P Midcap Index	5,545,284	5,193,827
	Other funds representing less than 5%	38,306,237	35,889,228
	Total investment and net position	$79,616,465	$76,414,244

Net pension liability

The Authority's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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
Asset smoothing method	3-year weighted average of asset gains and losses, subject to a 20% corridor

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-2021 to the RP-2014 Generational Mortality table for Males and Females with Improvement Scale MP-2022. The discount rate remains the same at 5.5%.

The annual money-weighted rate of return on pension assets was 8.86% in fiscal year 2023.

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

12. Retirement Benefit Plan (continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Small Cap	4.00%	8.00%
Domestic Equity - Large Cap	26.50%	6.40%
Domestic Equity - Mid Cap	7.00%	7.50%
International Equity	12.50%	7.20%
Fixed Income	47.00%	2.50%
Cash	3.00%	1.30%

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.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2022	$ 82,047,536	$ 76,414,244	$ 5,633,292
Changes for the year:			
Service cost	503,601	-	503,601
Interest	4,512,614	-	4,512,614
Difference between expected and actual experience	1,546,464	-	1,546,464
Contributions - Employer	-	1,410,000	(1,410,000)
Net investment income	-	6,577,593	(6,577,593)
Benefits paid	(4,785,372)	(4,785,372)	-
Net changes	1,777,307	3,202,221	(1,424,914)
Balance as June 30, 2023	$ 83,824,843	$ 79,616,465	$ 4,208,378

12. Retirement Benefit Plan (continued)

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2021	$ 79,475,842	$ 92,526,143	$ (13,050,301)
Changes for the year:			
Service cost	528,437	-	528,437
Interest	4,371,171	-	4,371,171
Difference between expected and actual experience	2,075,869	-	2,075,869
Change in assumptions	137,652	-	137,652
Contributions - Employer	-	250,000	(250,000)
Net investment income	-	(11,820,464)	11,820,464
Benefits paid	(4,541,435)	(4,541,435)	-
Net changes	2,571,694	(16,111,899)	18,683,593
Balance as June 30, 2022	$ 82,047,536	$ 76,414,244	$ 5,633,292

The pension fiduciary net position is equal to 95% of the total pension liability at June 30, 2023.

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 at June 30, 2023, 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:

	1% Decrease 4.50%	Current Rate 5.50%	1% Increase 6.50%
Net pension liability (asset)	$13,322,016	$ 4,208,378	$ (3,505,648)

12. Retirement Benefit Plan (continued)

Pension plan fiduciary net position

For the years ending June 30, 2023 and 2022, the Authority recognized pension expenses of $3,103,457 and $3,219,544, respectively. On June 30, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	$ -	$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	3,355,166	-
Total	$ 3,355,166	$ -

	June 30, 2022	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	$ -	$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	6,473,537	-
Total	$ 6,473,537	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2023, will be recognized in pension expense as follows:

Year ended June 30,	
2024	$ 515,538
2025	$ 468,403
2026	$ 2,864,753
2027	$ (493,528)

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 administered by management of the Authority and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. On June 30, 2023, the Committee consists of 6 voting members, 4 of whom are active Authority senior management, two of whom are active Authority employees and members of the Plan. The Authority's Assistant Vice President of Finance is a non-voting member on the committee.

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, the Authority 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 the Authority. If they desired not to enroll in Authority supplemental plans, they have the option to enroll in the individual Market Medicare Plans.

The Authority 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 Authority 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 co-pays, 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, 209 Pre-65 are receiving OPEB benefits. The monthly contribution requirements for participants in the Authority's medical plan range from $104.12 (single "Core Wellness" premium) to $439.80 (family "HDHP" non-well premium). The Authority elected not to 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, 2023, there were 6 retirees receiving benefits

13. Other Postemployment Benefits (OPEB) (continued)

under the PERS. During the years ended June 30, 2023 and 2022, payments of $71,644 and $78,676, respectively, were made to the Metropolitan Government for postemployment benefits under this PERS.

Employees covered by benefit terms

On June 30,2023 the following employees were covered by the benefit terms:

Actives (with medical coverage)	74
Actives (without medical coverage)	1
Retirees (with medical coverage)	163
Covered spouses of retirees	80
Retirees (without medical coverage)	33
Deferred vested employees	51
	402

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, Principal.

Additional information regarding pension net position is included in Note 14.

13. Other Postemployment Benefits (OPEB) (continued)

The Plan's investments which represented 5% or more of net position as of June 30, 2023, are as follows:

Description of Investment		2023	2022
Principal	Allspring Core Bond Fund	$ 3,631,111	$ 3,447,426
Principal	Metropolitian West Total Return Bond Fund Class I	3,624,050	3,475,459
Principal	Federated Total Return Fund Class I	3,623,996	3,442,505
Principal	Northern Mid Cap Index Fund	3,347,584	3,013,636
Principal	Dodge & Cox Income Fund	3,639,107	3,419,896
Principal	Vanguard 500 Index Fund	4,985,388	4,625,517
	Other funds representing less than 5%	16,639,960	15,218,074
	Total investment and net position	$ 39,491,196	$ 36,642,513

Net OPEB asset

The Authority's net OPEB asset was measured as of June 30, 2023, and the total OPEB 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, 2023, 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

The Medical trend was changed from 6.00% graded to 5.50% over 2 years and following the Getzen model thereafter to 6.25 % grading to 5.20% over 2 years and following the Getzen model thereafter.

13. Other Postemployment Benefits (OPEB) (continued)

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 annual money-weighted rate of return on OPEB assets was 10.7% in fiscal year 2023.

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%	5.00%
Fixed Income	37.00%	1.10%
Cash	3.00%	-0.50%

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.

13. Other Postemployment Benefits (OPEB) (continued)

Changes in the net OPEB liability

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2022	$32,385,405	$36,642,513	$ (4,257,108)
Change for the year:			
Service cost	339,253	-	339,253
Interest	1,897,780	-	1,897,780
Difference between expected and actual experience	(6,447,643)	-	(6,447,643)
Changes of assumptions	124,995	-	124,995
Net investment income	-	3,867,729	(3,867,729)
Contributions - employer	-	686,502	(686,502)
Benefits paid	(1,094,989)	(1,630,491)	535,502
Administrative expenses	-	(75,057)	75,057
	(5,180,604)	2,848,683	(8,029,287)
Balance at June 30, 2023	$27,204,801	$39,491,196	$ (12,286,395)

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2021	$27,867,732	$44,299,417	$ (16,431,685)
Change for the year:			
Service cost	505,251	-	505,251
Interest	1,604,056	-	1,604,056
Difference between expected and actual experience	4,284,326	-	4,284,326
Changes of assumptions	(237,239)	-	(237,239)
Net investment loss	-	(5,932,472)	5,932,472
Contributions - employer	-	-	-
Benefits paid	(1,638,721)	(1,638,721)	-
Administrative expenses	-	(85,711)	85,711
Net changes	4,517,673	(7,656,904)	12,174,577
Balance at June 30, 2022	$32,385,405	$36,642,513	$ (4,257,108)

13. Other Postemployment Benefits (OPEB) (continued)

The Authority made contributions of $686,502 and $0 to the OPEB Trust during fiscal years 2023 and 2022, respectively. These contributions were considered in the June 30, 2023 and 2022 actuarial valuations.

The OPEB fiduciary net position is equal to 145% of the total OPEB liability at June 30, 2023.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following represents the net OPEB asset calculated using the stated health care cost trend assumption, as well as what the OPEB 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:

	1% Decrease	Current	1% Increase
Net OPEB (Asset)			
June 30, 2023	$ (14,389,129)	$ (12,286,395)	$ (9,861,425)

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

The following represents the net OPEB asset calculated using the stated discount rate, as well as what the net OPEB 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 (Asset)			
June 30, 2023	$ (10,022,204)	$ (12,286,395)	$ (14,260,426)

13. Other Postemployment Benefits (OPEB) (continued)

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

For the years ending June 30, 2023 and 2022, the Authority recognized OPEB expense (recovery) of ($6,503,416) and ($722,846), respectively. On June 30, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2023	
	Deferred Ouflows of Resources	Deferred Inflows of Resources
Experience gains or losses	$ -	$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	624,787	
	$ 624,787	$ -

	June 30, 2022	
	Deferred Ouflows of Resources	Deferred Inflows of Resources
Experience gains or losses	$ -	$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	1,999,656	-
Total	$ 1,999,656	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2023, will be recognized in OPEB expense as follows:

Year Ended June 30,	
2024	$ (215,593)
2025	$ (187,789)
2026	$ 1,368,029
2027	$ (339,860)

14. Pension and Other Postemployment Benefits Trust Funds

The following are condensed financial statements for the pension and OPEB plans:

	June 30, 2023		
	Other Post-Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	$ 1,350,943	$ 3,578,855	$ 4,929,798
Investments, at fair value:			
Pooled, common and collective funds	-	61,337,507	61,337,507
Mutual funds	38,140,253	14,700,103	52,840,356
Net position	$ 39,491,196	$ 79,616,465	$ 119,107,661
Schedule of Changes in Net Position			
Employer contributions	$ 151,000	$ 1,410,000	$ 1,561,000
Employee contributions	535,502	-	535,502
Net appreciation in fair value	3,867,729	6,187,051	10,054,780
Interest and dividends	-	544,672	544,672
Investment expenses	-	(154,130)	(154,130)
Benefits paid to participants	(1,630,491)	(4,785,372)	(6,415,863)
Administrative expenses	(75,057)	-	(75,057)
Net change in net position	$ 2,848,683	$ 3,202,221	$ 6,050,904

	June 30, 2022		
	Other Post-Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	$ 1,022,093	$ 2,435,630	$ 3,457,723
Investments, at fair value:			
Pooled, common and collective funds	-	59,556,334	59,556,334
Mutual funds	35,620,420	14,422,280	50,042,700
Net position	$ 36,642,513	$ 76,414,244	$ 113,056,757
Schedule of Changes in Net Position			
Employer contributions	$ -	$ 250,000	$ 250,000
Net depreciation in fair value	(5,932,472)	(11,898,033)	(17,830,505)
Interest and dividends	-	259,524	259,524
Investment expenses	-	(181,955)	(181,955)
Benefits paid to participants	(1,638,721)	(4,541,435)	(6,180,156)
Administrative expenses	(85,711)	-	(85,711)
Net change in net position	$ (7,656,904)	$ (16,111,899)	$ (23,768,803)

15. 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, Voya Retirement Services. 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 without any waiting period. Amounts contributed by the Authority to the deferred compensation plan were $1,223,457 and $1,127,151 in 2023 and 2022, respectively. Employees contributed through payroll deductions to the plan $1,550,257 and $1,497,833 in 2023 and 2022, respectively.

During May 2013, the Board of Commissioners approved an additional 401 (a) defined contribution retirement plan, which is administered by a third party, Voya Retirement Services. Under this additional plan, the Authority contributed 10% of an employee's base compensation on an annual basis. This 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 one year of employment. Any forfeitures are refunded to the Authority. Amounts contributed by the Authority to the deferred retirement compensation plan were $2,007,056 and $1,556,331 in 2023 and 2022, respectively.

16. Lease Accounting

Lessor

The Authority's financial statements include the adoption of GASB Statement No. 87, *Leases* ("GASB No. 87"). The primary objective of GASB No. 87 is to enhance the relevance and consistency of information about governmental leasing activities. GASB No. 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, 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. For additional information, refer to the disclosures below.

The Authority leases certain assets to various third parties. The assets leased include space, ground and lands leased in the airfield and grounds, terminal building, John C. Tune Airport, Multi-Purpose Building and International Plaza Building. These payments are generally fixed monthly payments with certain variable payments not included in the measurement of the lease receivable. These payments are based on a percentage of lessee's revenue above the Minimum Annual Guarantee.

During the years ended June 30, 2023 and 2022, the Authority recognized the following related to its lessor agreements:

	2023	2022
Lease revenue	$ 12,076,379	$ 11,539,625
Interest Income related to its leases	$ 2,135,383	$ 2,354,547
Revenue from variable payments not previously included in the measurement of the lease receivables	$ 4,313,326	$ 1,174,690

16. Lease Accounting (continued)

Summary of Lease Activities as of June 30, 2023:

	2023	2022
Buildings		
Number of leases	61	55
Term	1 to 398 months	8 to 416 months
Lease receivable	$ 86,069,995	$ 54,379,915
Lease revenue	$ 8,598,478	$ 8,061,724
Termination options	1 to 3 months	1 to 3 months
Land		
Number of leases	13	13
Term	10 to 566 months	33 to 581 months
Lease receivable	$ 52,989,450	$ 55,600,987
Lease revenue	$ 3,477,901	$ 3,477,901

Included in the Authority's lease receivables at June 30, 2023 and 2022 are $139,059,446 and $109,980,902, respectively, related to leases whose revenue is pledged to secure certain outstanding debt obligations of the Authority. The leases contain lessee options to terminate the leases or abate payments under certain circumstances. These include passenger volumes dropping to an unsustainable level, failure to perform by lessor, or the assumption of the US Government or authorized agency to control or restrict the use of the lessee's assigned area. Certain leases allow the lessee to cancel for any reason with 1 to 3 months' advance written notice.

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

	Principal and Interest Expected to Maturity		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 9,100,425	$ 3,108,992	$ 12,209,417
2025	11,346,554	2,970,891	14,317,445
2026	11,319,245	2,739,779	14,059,024
2027	11,262,518	2,502,281	13,764,799
2028	10,129,805	2,267,563	12,397,368
2029 - 2033	42,400,163	8,132,957	50,533,120
2034 - 2038	13,117,312	4,706,673	17,823,985
2039 - 2043	7,256,041	3,466,473	10,722,514
2044 - 2048	4,878,898	2,653,411	7,532,309
2049 - 2053	4,159,852	2,116,661	6,276,513
2054 - 2058	3,854,322	1,568,958	5,423,280
2059 - 2063	3,748,826	1,102,662	4,851,488
2064 - 2068	4,795,601	544,148	5,339,749
2069 - 2070	1,689,883	31,679	1,721,562
Total principal and interest expected to maturity	$ 139,059,445	$ 37,913,128	$ 176,972,573

16. Lease Accounting (continued)

Regulated Leases

The Authority leases certain assets to various third parties as regulated leases, as defined by GASB Statement No. 87. The leased assets include jet bridges, ticket counters, ticket offices, passenger hold rooms, concourse operations space, baggage service areas, hangars, grounds and land, and are regulated under the FAA Rates and Charges Policy and Grant Assurance 22. Certain assets are subject to preferential or exclusive use by the counterparties to these agreements, as follows:

Jet bridges – 36 of 40 total jet bridges are designated preferential use

Passenger hold rooms – 90% of available space is designated preferential use

Baggage service – 70% of available space is designated preferential use

Ticket counter space – 74% of available space is designated preferential use

Ticket office space – 100% of available space is designated exclusive use

Concourse operations space – 81% of available space is designated exclusive use

During the year ended June 30, 2023, the Authority recognized the following from regulated leases:

Regulated lease revenue	$29,936,633
Revenue from variable payments not included in schedule of expected future minimum payments	$15,737,280

Future expected minimum payments related to the Authority's regulated leases at June 30, 2023 are as follows:

Fiscal Year	Future Minimum Expected Receipts
2024	$6,359,786
2025	$6,134,452
2026	$5,952,845
2027	$6,043,656
2028	$6,027,654
2029 - 2033	$29,161,553
2034 - 2038	$24,971,113
2039 - 2043	$21,424,344
2044 - 2048	$23,882,527
2049 - 2053	$27,108,984
2054 - 2058	$19,686,295
2059 - 2063	$3,557,978
2064 - 2068	$1,639,544
2069 – 2070	$553,099

The Authority has entered into certain regulated leases whereby the related lease revenue is pledged to secure certain outstanding debt obligations of the Authority. These leases contain lessee options to terminate the lease or abate payments under certain circumstances such as: for convenience with 90-180 days' notice, failure of Authority to repair or reconstruct property necessary for aircraft operations, failure of Authority to keep airfield open at all practical times in accordance with its FAA Operating Permit, failure to

16. Lease Accounting (continued)

disclose and conflict or potential conflict of interest, default by Authority, assumption of the United States Government, or any authorized agency, to control airport operations in such a manner that substantially restricts the lessee's use of its assigned area, and any other breach of terms not remedied within 30 days of notice.

17. Subscription-based Information Technology Arrangements

GASB 96 – Included Subscription-based Information Technology Arrangements

The Authority's financial statements include the adoption of GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement provides one methodology for the accounting and financial reporting for subscription-based information technology arrangements. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

The Authority has entered into SBITAs with various third parties. These arrangements provide access to airline common use systems, accounts receivable software, public warning platforms, and project management software. The leased assets include access to a third party's proprietary software. A subscription asset and related accumulated amortization are included in capital assets on the Statement of Net Position. SBITAs that include maintenance or support services in addition to access to a third party's proprietary software are reported below. A summary at June 30, 2023 is as follows:

Subscription asset	$2,244,691
Accumulated amortization	$1,057,837
Term	6 to 66 months

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

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Interest Payments	Total Payments
Principal and interest requirements to maturity, current:			
2024	$ 416,402	$ 21,513	$ 437,915
Principal and interest requirements to maturity, noncurrent:			
2025	403,829	12,654	416,483
2026	80,930	3,732	84,662
2027	84,598	2,542	87,140
2028	88,395	1,298	89,693
Total principal and interest requirements to maturity, noncurrent:	657,752	20,226	677,978
Total principal and interest requirements to maturity	$ 1,074,154	$ 41,739	$ 1,115,893

GASB 96 – Excluded SBITAs

In accordance with GASB Statement No. 96, the Authority does not recognize a lease liability or right-to-use asset for SBITAs that are considered short-term, or a maintenance or support arrangement.

18. Condensed Financial Information by Entity

	June 30, 2023			
	Airports		Blended Component Unit	
Condensed statement of net position:	Nashville International Airport	John C. Tune Airport	MNAA Properties Corporation	Total
Assets:				
Current assets	$ 650,872,178	$ 5,941,410	$ 15,005,446	$ 671,819,034
Restricted assets	628,431,869	-	-	628,431,869
Capital assets, net	1,748,794,804	86,606,080	4,869,838	1,840,270,722
Other assets	133,408,039	44,211	9,903,165	143,355,415
Total assets	3,161,506,890	92,591,701	29,778,449	3,283,877,040
Deferred outflows of resources	5,787,129	-	-	5,787,129
Total assets and deferred outflows of resources	$3,167,294,019	$ 92,591,701	$ 29,778,449	$3,289,664,169
Liabilities:				
Current liabilities	$ 77,958,883	$ 3,394,697	$ 390,146	$ 81,743,726
Noncurrent liabilities	2,020,076,739	-	-	2,020,076,739
Total liabilities	2,098,035,622	3,394,697	390,146	2,101,820,465
Deferred inflows of resources	119,389,235	49,529	11,337,983	130,776,747
Net position:				
Net investment in capital assets	187,115,856	86,606,080	4,869,838	278,591,774
Restricted for:				
Capital projects	70,305,016	-	-	70,305,016
Debt service	340,377,311	-	-	340,377,311
Operations	46,228,651	-	-	46,228,651
OPEB	12,911,182	-	-	12,911,182
Unrestricted net position	292,931,146	2,541,395	13,180,482	308,653,023
Total net position	949,869,162	89,147,475	18,050,320	1,057,066,957
Total liabilities, deferred inflows of resources, and net position	$3,167,294,019	$ 92,591,701	$ 29,778,449	$3,289,664,169
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	$ 247,817,896	$ 1,969,509	$ 4,814,959	$ 254,602,364
Operating expenses	203,819,586	5,744,743	2,173,730	211,738,059
Operating income (loss)	43,998,310	(3,775,234)	2,641,229	42,864,305
Nonoperating revenues	51,351,368	4,896,403	544,015	56,791,786
Transfers	(45,780)	45,780	-	-
Capital contributions	55,170,102	3,813,274	-	58,983,376
Increase in net position	150,474,000	4,980,223	3,185,244	158,639,467
Net position, beginning of year	799,395,162	84,167,252	14,865,076	898,427,490
Net position, end of year	$ 949,869,162	$ 89,147,475	$ 18,050,320	$1,057,066,957
Condensed statement of cash flows:				
Cash flows from operating activities	$ 106,489,472	$ (802)	$ 2,413,163	$ 108,901,833
Cash flows from noncapital financing activities	29,429,069	220,000	-	29,649,069
Cash flows from capital and related financing activities	291,187,543	(2,254,763)	167,101	289,099,881
Cash flows from investing activities	(230,066,526)	(415,774)	(3,540,265)	(234,022,565)
Intercompany	(2,515,077)	2,505,729	9,348	-
Increase (decrease) in cash and cash equivalents	194,524,481	54,390	(950,653)	193,628,218
Cash and cash equivalents beginning of year	246,021,405	49,708	1,087,947	247,159,060
Cash and cash equivalents, end of year	$ 440,545,886	$ 104,098	$ 137,294	$ 440,787,278

18. Condensed Financial Information by Entity (continued)

	June 30, 2022			
	Airports		Blended Component Unit	
Condensed statement of net position:	Nashville International Airport	John C. Tune Airport	MNAA Properties Corporation	Total
Assets:				
Current assets	$ 480,185,150	$ 7,551,153	$ 12,273,955	$ 500,010,258
Restricted assets	335,374,285	-	-	335,374,285
Capital assets, net	1,526,001,067	80,881,828	5,545,315	1,612,428,210
Other assets	94,869,397	50,670	9,672,040	104,592,107
Total assets	2,436,429,899	88,483,651	27,491,310	2,552,404,860
Deferred outflows of resources	10,635,879	-	-	10,635,879
Total assets and deferred outflows of resources	$2,447,065,778	$ 88,483,651	$ 27,491,310	$2,563,040,739
Liabilities:				
Current liabilities	$ 80,507,525	$ 4,259,921	$ 289,218	$ 85,056,664
Noncurrent liabilities	1,472,403,026	-	-	1,472,403,026
Total liabilities	1,552,910,551	4,259,921	289,218	1,557,459,690
Deferred inflows of resources	94,760,065	56,478	12,337,016	107,153,559
Net position:				
Net investment in capital assets	277,282,462	80,881,828	5,545,315	363,709,605
Restricted for:				
Capital projects	53,034,524	-	-	53,034,524
Debt service	241,070,683	-	-	241,070,683
Operations	40,886,755	-	-	40,886,755
Pension	840,245	-	-	840,245
OPEB	6,256,764	-	-	6,256,764
Unrestricted net position	180,023,729	3,285,424	9,319,761	192,628,914
Total net position	799,395,162	84,167,252	14,865,076	898,427,490
Total liabilities, deferred inflows of resources, and net position	$2,447,065,778	$ 88,483,651	$ 27,491,310	$2,563,040,739
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	$ 205,401,861	$ 984,467	$ 3,842,536	$ 210,228,864
Operating expenses	185,891,460	4,351,587	1,996,289	192,239,336
Operating income (loss)	19,510,401	(3,367,120)	1,846,247	17,989,528
Nonoperating revenues	20,637,713	1,294,722	172,989	22,105,424
Transfers	(464,004)	464,004	-	-
Capital contributions	317,550	29,445,286	-	29,762,836
Increase in net position	40,001,660	27,836,892	2,019,236	69,857,788
Net position, beginning of year	759,393,503	56,330,360	12,845,839	828,569,702
Net position, end of year	$ 799,395,163	$ 84,167,252	$ 14,865,075	$ 898,427,490
Condensed statement of cash flows:				
Cash flows from operating activities	$ 110,438,923	$ 177,624	$ 2,125,095	$ 112,741,642
Cash flows from noncapital financing activities	26,574,987	918,587	-	27,493,574
Cash flows from capital and related financing activities	(166,953,357)	(2,913,993)	(11,587)	(169,878,937)
Cash flows from investing activities	(180,953,554)	(3,069,827)	(7,881,708)	(191,905,089)
Intercompany	(424,565)	462,063	(37,498)	-
Increase (decrease) in cash and cash equivalents	(211,317,566)	(4,425,546)	(5,805,698)	(221,548,810)
Cash and cash equivalents beginning of year	457,338,971	4,475,254	6,893,645	468,707,870
Cash and cash equivalents, end of year	$ 246,021,405	$ 49,708	$ 1,087,947	$ 247,159,060

19. Subsequent Events

New board appointments

After June 30, 2023, MNAA's seven-member board of commissioners, which had been appointed by the Nashville mayor, was vacated and reconstituted to consist of eight members, the majority of whom are now appointed by officials with the State of Tennessee. Accordingly, since June 30, 2023, the newly appointed board has met and assumed responsibility for governance. The vacating and reconstitution of the board was pursuant to a new state law that also modifies MNAA's rights, obligations, and authority with respect to certain land-use and other subject matters. The new law is the subject of a lawsuit in which the Metropolitan Government of Nashville and Davidson County is challenging the constitutionality of the law, seeking to enjoin its implementation and reinstate the prior mayoral-appointed board. That lawsuit remains pending before the Chancery Court for Davidson County, Tennessee.

The board members appointed as of July 1, 2023 are as follows:

Chair
James "Jimmy" W. Granbery

Vice Chair
Robert "Bobby" J. Joslin

Secretary
Masami I. Tyson

Commissioners
Anthony "Tony" D. Giarratana

Jack Johnson

Stuart C. McWhorter

New airline use and lease agreement

Effective July 1, 2023, the Authority has entered into a new Signatory Airline Use and Lease Agreement (the "Airline Agreement"). This Airline Agreement has an eight-year term with one two-year mutual renewal option.

Highlights of the new Airline Agreement include:

- Annual Minimum Signatory Airline Commitment: Passenger carriers must pay at least 1% of the total rates, charges, and fees paid by all signatory airlines. Cargo carriers must pay at least 1% of annual landing fees paid by all signatory airlines.
- Landing fee methodology remains residual.
- The terminal rate methodology changes to commercial compensatory with a 50% airline rented space minimum if certain debt service coverage requirements are not met.
- Signatory airlines occupying the satellite concourse, scheduled to open during fiscal year 2024, receive a 2.5% discount from the main terminal rate.
- Rolling debt service coverage is incorporated in all rate calculations for airline cost centers.
- Revenue sharing from available in-terminal concessions is based on the weighting of three set factors:
    1. Net remaining revenues (20%)
    2. In-terminal concessions (50%-25%)
    3. Amount per enplaned passenger ($1.00-$0.50)
- Signatory airline support for John C. Tune airport continues.
- Signatory airlines have Majority-in-Interest ("MII") review rights for capital costs allocable to airfield projects exceeding $2.0 million. The form of the MII is negative (e.g., the Authority may proceed unless it receives disapproval from the majority).

Details regarding the Airline Agreement effective through June 30, 2023 are found in Note 9.

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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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 503,601	$ 528,437	$ 654,045	$ 823,410	$ 685,843	$ 667,297	$ 741,608	$ 679,217	$ 645,437	$ 845,864
Interest	4,512,614	4,371,171	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	1,546,464	2,075,869	(307,806)	(1,902,545)	2,027,120	745,177	(1,259,978)	537,929	677,000	356,625
Changes of assumptions	-	137,652	2,223,479	(219,979)	7,451,464	2,942,473	(616,820)	2,516,013	1,676,218	3,581,969
Benefit payments	(4,785,372)	(4,541,435)	(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	1,777,307	2,571,694	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	82,047,536	79,475,842	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)	83,824,843	82,047,536	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	1,410,000	250,000	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 (loss)	6,577,593	(11,820,464)	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	(4,785,372)	(4,541,435)	(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	3,202,221	(16,111,899)	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	76,414,244	92,526,143	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)	79,616,465	76,414,244	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)	$ 4,208,378	$ 5,633,292	$ (13,050,301)	$ (3,145,335)	$ 1,278,902	$ (441,851)	$ (2,047,037)	$ 6,538,938	$ 10,621,488	$ 13,063,642
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.0%	93.1%	116.4%	104.1%	98.3%	100.7%	103.4%	89.1%	80.4%	73.8%
Covered payroll	$ 4,062,321	$ 4,342,597	$ 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	103.6%	129.7%	(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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 409,587	$ 166,598	$ 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	1,410,000	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995	8,000,000	8,000,000
Contribution (excess) deficiency	$ (1,000,413)	$ (83,402)	$ -	$ (2,504,912)	$ (8,109,505)	$ (1,282,656)	$ (4,059,226)	$ (10,299,207)	$ (5,834,854)	$ (5,332,055)
Covered payroll	$ 4,062,321	$ 4,342,597	$ 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	34.7%	5.8%	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, 2023 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 value for Statement No. 67 and Statement No. 68 Fair value is based on quoted market prices
Amortization method	Level Dollar
Amortization period	For Statement No. 68 as of June 30, 2023: 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
Asset smoothing method	3-year weighted average of asset gains and losses, subject to a 20% corridor
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	June 30, 2023: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2022 June 30, 2022: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 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)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.86%	-12.88%	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

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	$ 339,253	$ 505,252	$ 729,685	$ 838,087	$ 1,110,421	$ 1,287,152	$ 1,259,595
Interest	1,897,780	1,604,056	1,522,814	1,669,885	1,445,441	1,478,732	1,346,638
Differences between expected and actual experience	(6,447,643)	4,284,326	(1,243,929)	(2,752,567)	(2,713,939)	(2,340,217)	809,991
Changes of assumptions	124,995	(237,239)	(2,867,444)	387,506	(1,225,616)	-	1,205,435
Benefit payments	(1,094,989)	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Net change in total OPEB liability	(5,180,604)	4,517,674	(4,834,795)	(939,373)	(2,464,912)	(921,207)	3,429,676
Total OPEB liability - beginning	32,385,405	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018	33,598,342
Total OPEB liability - ending (a)	27,204,801	32,385,405	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018
Plan fiduciary net position:							
Contributions - employer	151,000	-	3,202,541	5,532,284	3,081,219	10,195,977	$ 7,983,073
Contributions - employee	535,502	-	-	-	-	-	-
Net investment income (loss)	3,867,729	(5,932,472)	9,514,314	1,380,131	1,595,233	1,204,489	1,016,930
Benefit payments	(1,630,491)	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Administrative expenses	(75,057)	(85,711)	(66,595)	(59,148)	(52,660)	(31,165)	(18,854)
Net change in plan fiduciary net position	2,848,683	(7,656,904)	9,674,339	5,770,983	3,542,573	10,022,427	7,789,166
Plan fiduciary net position - beginning	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095	7,499,929
Plan fiduciary net position - ending (b)	39,491,196	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095
Authority's net OPEB (asset) liability - ending (a) - (b)	$ (12,286,395)	$ (4,257,108)	$ (16,431,686)	$ (1,922,552)	$ 4,787,804	$ 10,795,289	$ 21,738,923
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	145.2%	113.1%	159.0%	105.9%	85.8%	70.1%	41.3%
Covered-employee payroll	$ 6,677,516	$ 7,062,037	$ 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	-184.0%	-60.3%	-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

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 151,696	$ -	$ 605,418	$ 1,200,138	$ 1,911,323	$ 3,167,615	$ -
Contributions in relation to the actuarially determined contribution	151,000	-	3,202,542	5,532,284	3,081,219	10,195,977	7,983,073
Contribution deficiency (excess)	$ 696	$ -	$ (2,597,124)	$ (4,332,146)	$ (1,169,896)	$ (7,028,362)	$ (7,983,073)
Covered-employee payroll	$ 6,677,516	$ 7,062,037	$ 7,881,945	$ 10,303,336	$ 9,777,169	$ 10,678,528	$ 11,523,443
Contributions as a percentage of covered-employee payroll	2.3%	0.0%	40.6%	53.7%	31.5%	95.5%	69.3%

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

Actuarially determined contribution rates for each year presented in the Schedule of OPEB 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, 2023 actuarially determined contribution are below. For each year presented in the Schedule of Changes in Net OPEB Liability (Asset), assumption changes relate to an annual update of the mortality table, as noted below:

Actuarial valuation method	Entry age normal method
Discount rate	6% per annum
Health care cost trend rate	The following health care trends were used for the year presented: June 30, 2023: 6.25% graded down using the Getzen 2023 model June 30, 2022: 6.00% graded down using the Getzen 2022 model June 30, 2021: 6.25% graded down using the Getzen 2021 model June 30, 2020: 7.25% graded down using the Getzen 2020 model June 30, 2019: 7.25% graded down using the Getzen 2019 model June 30, 2018: 7.50% graded down using the Getzen model
Dental and vision rate	5%
Retirement rates	Varying rates beginning with 5% at age 50 and 100% retirement at age 65
Mortality	The 2023 actuarially determined contribution was based on the RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2022. Assumption changes in the Schedule of Changes in Net OPEB Liability (Asset) relate to a change in the mortality tables used for each year presented, as follows: June 30, 2023: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2022 June 30, 2022: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 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

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 presented.

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

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	10.70%	-13.64%	27.54%	4.79%	6.31%	7.53%	13.02%

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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
For the Year Ended June 30, 2023

	Nashville International Airport (1)	John C. Tune Airport	MNAA Properties Corporation (1)	Total
ASSETS				
Current assets:				
Unrestricted assets:				
Cash, cash equivalents, and investments	$ 615,253,541	$ 3,677,455	$ 12,096,639	$ 631,027,635
Accounts receivable, net	16,377,851	4,608,748	158,665	21,145,264
Lease receivables	6,320,328	6,459	2,773,638	9,100,425
Due from governmental agencies	6,572,451	106,983	-	6,679,434
Due from (to) other funds	2,481,731	(2,458,235)	(23,496)	-
Prepaid expenses and other	3,866,276	-	-	3,866,276
Total current unrestricted assets	650,872,178	5,941,410	15,005,446	671,819,034
Restricted assets:				
Cash and investments	628,288,824	-	-	628,288,824
Accounts receivable	143,045	-	-	143,045
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated				
Land and nondepreciable assets	107,811,202	3,214,304	200,817	111,226,323
Construction in progress	354,262,793	4,614,324	-	358,877,117
Capital assets being depreciated				
Infrastructure	668,570,669	60,090,455	-	728,661,124
Buildings and building improvements	893,742,667	44,843,034	13,764,903	952,350,604
Equipment, furnitures, and fixtures	562,037,261	3,951,949	1,655,190	567,644,400
Subscription assets	2,244,691	-	-	2,244,691
Total capital assets	2,588,669,283	116,714,066	15,620,910	2,721,004,259
Less accumulated depreciation	(839,874,479)	(30,107,986)	(10,751,072)	(880,733,537)
Net capital assets	1,748,794,804	86,606,080	4,869,838	1,840,270,722
Other assets:				
Accounts receivable, net	1,110,000	-	-	1,110,000
Lease receivables	120,011,644	44,211	9,903,165	129,959,020
Net OPEB asset	12,286,395	-	-	12,286,395
Total noncurrent assets	2,510,634,712	86,650,291	14,773,003	2,612,058,006
Total assets	$ 3,161,506,890	$ 92,591,701	$ 29,778,449	$ 3,283,877,040
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from OPEB	$ 624,787	$ -	$ -	$ 624,787
Deferred outflows from pension	3,355,166	-	-	3,355,166
Deferred amount on refunding	1,807,176	-	-	1,807,176
Total deferred outflows of resources	$ 5,787,129	$ -	$ -	$ 5,787,129

(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
For the Year Ended June 30, 2023

	Nashville International Airport (1)	John C. Tune Airport	MNAA Properties Corporation (1)	Total
LIABILITIES				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable	$ 66,580,576	$ 3,103,494	$ 319,859	$ 70,003,929
Accrued payroll and related items	7,737,205	181,366	-	7,918,571
Advanced billings and payments received in advance	2,813,940	109,837	70,287	2,994,064
Subscription lease liability	416,402	-	-	416,402
Current maturities of notes payable	303,474	-	-	303,474
Accrued interest payable	107,286	-	-	107,286
Total current liabilities	77,958,883	3,394,697	390,146	81,743,726
Noncurrent liabilities:				
Payable from restricted assets:				
Accrued interest payable	45,086,495	-	-	45,086,495
Current maturities of airport revenue bonds	22,816,695	-	-	22,816,695
Deferred revenue from seized funds	890,301	-	-	890,301
Notes payable, less current maturities	16,544,832	-	-	16,544,832
Subscription lease liability	657,752	-	-	657,752
Net pension liability	4,208,378	-	-	4,208,378
Airport revenue bonds, less current maturities	1,929,872,286	-	-	1,929,872,286
Total noncurrent liabilities	2,020,076,739	-	-	2,020,076,739
Total liabilities	$ 2,098,035,622	$ 3,394,697	$ 390,146	$ 2,101,820,465
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from leases	$ 119,389,235	$ 49,529	$ 11,337,983	$ 130,776,747
Total deferred inflows of resources	$ 119,389,235	$ 49,529	$ 11,337,983	$ 130,776,747
NET POSITION				
Net investment in capital assets	$ 187,115,856	$ 86,606,080	$ 4,869,838	$ 278,591,774
Restricted for:				
Capital projects	70,305,016	-	-	70,305,016
Debt service	340,377,311	-	-	340,377,311
Operations	46,228,651	-	-	46,228,651
Net OPEB asset	12,911,182	-	-	12,911,182
Unrestricted net position	292,931,146	2,541,395	13,180,482	308,653,023
Total net position	$ 949,869,162	$ 89,147,475	$ 18,050,320	$ 1,057,066,957

(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 Revenues, Expenses, and Changes in Net Position Information by Entity
For the Year Ended June 30, 2023

	Nashville International Airport (1)	John C. Tune Airport	MNAA Properties Corporation (1)	Total
Operating revenues:				
Signatory airline	$ 59,744,223	$ -	$ -	$ 59,744,223
Parking	97,046,859	-	-	97,046,859
Concession	59,689,463	-	-	59,689,463
Space rental	16,550,503	1,755,432	4,661,508	22,967,443
Other	14,786,848	214,077	153,451	15,154,376
Total operating revenue	247,817,896	1,969,509	4,814,959	254,602,364
Operating expenses:				
Salaries, w ages and fringe benefits	38,470,488	741,922	-	39,212,410
Contractual services	60,561,255	1,171,426	526,095	62,258,776
Materials and supplies	6,498,936	111,153	21,247	6,631,336
Utilities	8,038,940	117,740	504,976	8,661,656
Insurance	3,398,933	38,105	44,713	3,481,751
Other	5,208,752	9,936	401,221	5,619,909
Depreciation	81,642,282	3,554,461	675,478	85,872,221
Total operating expenses	203,819,586	5,744,743	2,173,730	211,738,059
Operating income (loss)	43,998,310	(3,775,234)	2,641,229	42,864,305
Nonoperating revenues (expenses):				
Investment income	30,412,878	83,356	544,015	31,040,249
Passenger facility charges	41,531,943	-	-	41,531,943
Customer facility charges	15,494,211	-	-	15,494,211
Federal and state grants	29,034,808	220,000	-	29,254,808
Insurance reimbursement	1,622,349	4,593,047	-	6,215,396
Gain on disposal of assets	3,800,911	-	-	3,800,911
Interest expense	(67,906,457)	-	-	(67,906,457)
Bond issuance costs	(2,639,275)	-	-	(2,639,275)
	51,351,368	4,896,403	544,015	56,791,786
Income before capital contributions and transfers	95,349,678	1,121,169	3,185,244	99,656,091
Transfers	(45,780)	45,780	-	-
Capital contributions	55,170,102	3,813,274	-	58,983,376
Increase in net position	150,474,000	4,980,223	3,185,244	158,639,467
Net position - beginning of year	799,395,162	84,167,252	14,865,076	898,427,490
Net position - end of year	$ 949,869,162	$ 89,147,475	$ 18,050,320	$ 1,057,066,957

(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 w ith the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Fiduciary Net Position Information by Entity
June 30, 2023

	Other Post-Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,350,943	$ 3,578,855	$ 4,929,798
Investments, at fair value:			
Pooled, common and collective funds	-	61,337,507	61,337,507
Mutual funds	38,140,253	14,700,103	52,840,356
Total assets	39,491,196	79,616,465	119,107,661
NET POSITION			
Restricted for:			
OPEB	39,491,196	-	39,491,196
Pension	-	79,616,465	79,616,465
Total net position	$ 39,491,196	$ 79,616,465	$ 119,107,661

Metropolitan Nashville Airport Authority
Combining Schedule of Changes in Fiduciary Net Position Information by Entity
For the Year Ended June 30, 2023

	Other Post-Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Additions:			
Employer contributions	$ 151,000	$ 1,410,000	$ 1,561,000
Employee contributions	535,502	-	535,502
Investment income			
Net appreciation in fair value	3,867,729	6,187,051	10,054,780
Interest and dividends	-	544,672	544,672
Investment expenses	-	(154,130)	(154,130)
Investment income, net	3,867,729	6,577,593	10,445,322
Total additions	4,554,231	7,987,593	12,541,824
Deductions:			
Benefits paid to participants	1,630,491	4,785,372	6,415,863
Administrative expenses	75,057	-	75,057
Total deductions	1,705,548	4,785,372	6,490,920
Change in net position	2,848,683	3,202,221	6,050,904
Net position - beginning of year	36,642,513	76,414,244	113,056,757
Net position - end of year	$ 39,491,196	$ 79,616,465	$ 119,107,661

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

Year Ending June 30,	Series 2003B Revenue Bonds		CONRAC Refunding Revenue Bonds		Series 2015A Revenue Bonds		Series 2015B Revenue Bonds		Subordinate Series 2019A Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 720,000	$ 688,290	$ 3,240,774	$ 674,395	$ 2,085,000	$ 3,982,300	$ 2,515,000	$ 4,649,594	$ -	$ 12,221,750
2025	760,000	594,297	3,350,795	562,462	2,170,000	3,897,200	2,640,000	4,520,719	2,965,000	12,221,750
2026	805,000	594,297	3,468,000	443,220	2,255,000	3,808,700	2,775,000	4,399,219	3,120,000	12,073,500
2027	855,000	594,297	3,587,550	321,593	2,350,000	3,716,600	2,885,000	4,271,594	3,270,000	11,917,500
2028	905,000	594,297	3,711,220	195,773	2,440,000	3,620,800	3,030,000	4,123,716	3,430,000	11,754,000
2029	960,000	594,297	3,838,791	65,985	2,540,000	3,508,500	3,180,000	3,968,469	3,600,000	11,582,500
2030	1,015,000	594,297	-	-	2,665,000	3,378,375	3,340,000	3,805,469	3,790,000	11,402,500
2031	1,075,000	594,297	-	-	2,800,000	3,241,750	3,505,000	3,634,344	3,970,000	11,213,000
2032	1,140,000	594,297	-	-	2,940,000	3,098,250	3,680,000	3,454,719	4,175,000	11,014,500
2033	1,210,000	594,297	-	-	3,085,000	2,947,625	3,865,000	3,266,092	4,380,000	10,805,750
2034	1,280,000	297,148	-	-	3,240,000	2,789,500	4,060,000	3,067,969	5,000,000	10,586,750
2035	-	-	-	-	3,405,000	2,623,375	4,260,000	2,859,969	5,245,000	10,336,750
2036	-	-	-	-	3,575,000	2,448,875	4,475,000	2,641,594	5,640,000	10,074,500
2037	-	-	-	-	3,750,000	2,359,500	4,255,000	2,529,719	5,920,000	9,792,500
2038	-	-	-	-	3,940,000	2,359,500	4,470,000	2,529,719	6,210,000	9,496,500
2039	-	-	-	-	4,135,000	2,359,500	4,695,000	2,529,719	6,530,000	9,186,000
2040	-	-	-	-	4,345,000	2,359,500	4,930,000	2,529,719	6,855,000	8,859,500
2041	-	-	-	-	4,560,000	1,841,250	5,175,000	1,941,593	7,195,000	8,516,750
2042	-	-	-	-	4,790,000	1,323,000	5,435,000	1,353,470	7,555,000	8,157,000
2043	-	-	-	-	5,025,000	1,323,000	5,705,000	1,353,466	7,935,000	7,779,250
2044	-	-	-	-	5,280,000	1,323,000	5,990,000	925,220	8,330,000	7,382,500
2045	-	-	-	-	5,545,000	1,323,000	6,290,000	496,970	8,750,000	6,966,000
2046	-	-	-	-	5,820,000	661,500	6,535,000	248,485	12,940,000	6,560,550
2047	-	-	-	-	-	-	-	-	13,535,000	5,964,150
2048	-	-	-	-	-	-	-	-	14,165,000	5,340,550
2049	-	-	-	-	-	-	-	-	14,810,000	4,688,050
2050	-	-	-	-	-	-	-	-	15,500,000	4,006,000
2051	-	-	-	-	-	-	-	-	16,225,000	3,276,200
2052	-	-	-	-	-	-	-	-	16,990,000	2,512,450
2053	-	-	-	-	-	-	-	-	17,785,000	1,712,850
2054	-	-	-	-	-	-	-	-	18,620,000	875,950
	$ 10,725,000	$ 6,334,111	$ 21,197,130	$ 2,263,428	$ 82,740,000	$ 60,294,600	$ 97,690,000	$ 65,101,547	$ 254,435,000	$ 258,277,500
Bond Premium	-	-	-	-	10,141,099	-	9,334,411	-	51,232,927	-
	$ 10,725,000	$ 6,334,111	$ 21,197,130	$ 2,263,428	$ 92,881,099	$ 60,294,600	$ 107,024,411	$ 65,101,547	$ 305,667,927	$ 258,277,500

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

Subordinate Series 2019B Revenue Bonds		Series 2022A Revenue Bonds		Series 2022B Revenue Bonds		Total Debt Service		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
$ -	$ 32,132,500	$ -	$ 5,099,736	$ -	$ 28,520,363	$ 8,560,774	$ 87,968,928	$ 96,529,702
7,920,000	32,132,500	-	4,781,013	-	26,737,837	19,805,795	85,447,778	105,253,573
8,315,000	31,736,500	-	4,781,013	-	26,737,837	20,738,000	84,574,286	105,312,286
8,735,000	31,320,750	1,720,000	4,738,012	8,855,000	26,516,462	32,257,550	83,396,808	115,654,358
9,170,000	30,884,000	1,810,000	4,649,763	9,290,000	26,062,838	33,786,220	81,885,187	115,671,407
9,625,000	30,425,500	1,900,000	4,557,013	9,755,000	25,586,713	35,398,791	80,288,977	115,687,768
10,110,000	29,944,250	1,990,000	4,459,763	10,240,000	25,086,838	33,150,000	78,671,492	111,821,492
10,610,000	29,438,750	2,090,000	4,357,763	10,755,000	24,561,963	34,805,000	77,041,867	111,846,867
11,145,000	28,908,250	2,195,000	4,250,638	11,295,000	24,010,713	36,570,000	75,331,367	111,901,367
11,700,000	28,351,000	2,305,000	4,138,138	11,855,000	23,417,144	38,400,000	73,520,046	111,920,046
13,240,000	27,766,000	2,425,000	4,019,888	12,475,000	22,778,481	41,720,000	71,305,736	113,025,736
13,905,000	27,104,000	2,545,000	3,895,638	13,140,000	22,106,088	42,500,000	68,925,820	111,425,820
14,920,000	26,408,750	2,670,000	3,765,263	13,820,000	21,398,388	45,100,000	66,737,370	111,837,370
15,655,000	25,662,750	2,805,000	3,628,388	14,545,000	20,635,625	46,930,000	64,608,482	111,538,482
16,445,000	24,880,000	2,945,000	3,484,638	15,350,000	19,813,513	49,360,000	62,563,870	111,923,870
17,260,000	24,057,750	3,090,000	3,333,763	16,200,000	18,945,888	51,910,000	60,412,620	112,322,620
18,130,000	23,194,750	3,245,000	3,175,388	17,090,000	18,030,413	54,595,000	58,149,270	112,744,270
19,040,000	22,288,250	3,410,000	3,009,013	18,030,000	17,064,613	57,410,000	54,661,469	112,071,469
19,990,000	21,336,250	3,580,000	2,834,263	19,010,000	16,046,013	60,360,000	51,049,996	111,409,996
20,985,000	20,336,750	3,755,000	2,650,888	20,055,000	14,971,725	63,460,000	48,415,079	111,875,079
22,030,000	19,287,500	3,945,000	2,557,013	21,160,000	14,420,213	66,735,000	45,895,446	112,630,446
23,130,000	18,186,000	4,155,000	2,557,013	22,280,000	14,420,213	70,150,000	43,949,196	114,099,196
33,340,000	17,095,100	4,365,000	2,557,013	23,445,000	14,420,213	86,445,000	41,542,861	127,987,861
34,900,000	15,528,900	4,600,000	2,557,013	24,660,000	14,420,213	77,695,000	38,470,276	116,165,276
36,540,000	13,889,750	4,840,000	1,982,006	25,970,000	11,335,444	81,515,000	32,547,750	114,062,750
38,260,000	12,173,800	5,090,000	1,407,000	27,330,000	8,250,675	85,490,000	26,519,525	112,009,525
40,045,000	10,377,500	5,350,000	1,407,000	28,815,000	8,250,675	89,710,000	24,041,175	113,751,175
41,940,000	8,488,400	5,615,000	1,407,000	30,370,000	8,250,675	94,150,000	21,422,275	115,572,275
43,915,000	6,510,100	5,895,000	1,407,000	32,015,000	8,250,675	98,815,000	18,680,225	117,495,225
45,995,000	4,439,100	6,190,000	703,500	33,755,000	4,125,338	103,725,000	10,980,788	114,705,788
48,155,000	2,270,300	-	-	-	-	66,775,000	3,146,250	69,921,250
$ 665,150,000	$ 676,555,700	$ 94,525,000	$ 98,151,540	$ 501,560,000	$ 555,173,789	$ 1,728,022,130	$ 1,722,152,215	$ 3,450,174,345
120,935,410	-	7,004,002	-	26,019,002	-	224,666,851	-	224,666,851
$ 786,085,410	$ 676,555,700	$ 101,529,002	$ 98,151,540	$ 527,579,002	$ 555,173,789	$ 1,952,688,981	$ 1,722,152,215	$ 3,674,841,196

Metropolitan Nashville Airport Authority
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2023
Nashville International Airport									
NOTES PAYABLE									
Payable through general fund									
Energy Loan Phase II	$ 2,777,500	1.85%	12/01/2012	11/30/2023	$ 155,172	$ -	$ (155,172)	$ -	$ -
Geothermal Loan	4,300,000	2.78%	07/01/2015	06/30/2031	2,890,300	-	(297,915)	-	2,592,385
Total notes payable through general fund					$ 3,045,472	$ -	$ (453,087)	$ -	$ 2,592,385
BONDS PAYABLE									
Payable through general fund									
General Airport Revenue Bond, Series 2003B	$ 19,585,000	5.49 to 5.94%	11/01/2003	07/01/2033	$ 11,405,000	$ -	$ (680,000)	$ -	$ 10,725,000
General Airport Revenue Bond, Series 2015A	91,855,000	4.0 to 5.0%	12/01/2015	07/01/2045	84,745,000	-	(2,005,000)	-	82,740,000
General Airport Revenue Bond, Series 2015B	108,145,000	4.0 to 5.0%	12/01/2015	07/01/2045	100,085,000	-	(2,395,000)	-	97,690,000
Subordinate, General Airport Revenue Bond, Series 2019A	254,435,000	4.0 to 5.0%	12/17/2019	07/01/2054	254,435,000	-	-	-	254,435,000
Subordinate, General Airport Revenue Bond, Series 2019B	665,150,000	4.0 to 5.0%	12/17/2019	07/01/2054	665,150,000	-	-	-	665,150,000
General Airport Revenue Bond, Series 2022A					-	94,525,000	-	-	94,525,000
General Airport Revenue Bond, Series 2022B					-	501,560,000	-	-	501,560,000
Total bonds payable through general fund					$ 1,115,820,000	$ 596,085,000	$ (5,080,000)	$ -	$ 1,706,825,000
Payable through customer facility charges									
CONRAC, Series 2018	$ 27,358,295	3.40%	05/01/2018	07/01/2028	$ 24,329,910	-	(3,132,780)	-	$ 21,197,130
Total bonds payable through customer facility charges					$ 24,329,910	$ -	$ (3,132,780)	$ -	$ 21,197,130
OTHER LONG-TERM DEBT									
Payable through general fund									
BNA Credit Facility	Maximum $ 400,000,000	Taxable 5.74% Nontaxable 4.59%	01/07/2019	01/07/2024	$ 96,963,150	$ 65,155,893	$ (147,863,122)	$ -	$ 14,255,921
Total other long-term debt payable through general fund					$ 96,963,150	$ 65,155,893	$ (147,863,122)	$ -	$ 14,255,921

This part of the Authority's comprehensive annual 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 112, 115, and 116)

Revenue Capacity
These schedules contain information to help the reader assess the Authority's most significant revenue sources (schedules on pages 113, 114, 118, and 119)

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 115 and 117)

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 120, 121, and 122)

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 121)

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

	2023	2022	2021	2020	2019	(as restated) 2018	(as restated) 2017	2016	(as restated) 2015	(as restated) 2014
Operating Revenues:										
Signatory airline	$ 59,744,223	$ 54,395,946	$ 47,495,370	$ 46,012,326	$ 55,264,548	$ 48,091,521	$ 30,671,634	$ 30,561,053	$ 39,414,175	$ 37,026,998
Parking	97,046,859	76,135,079	27,116,496	41,735,515	53,153,828	50,369,200	43,977,208	41,889,907	38,725,346	36,258,325
Concession	59,689,463	50,155,481	27,024,842	31,730,323	37,203,600	33,498,728	29,338,439	25,453,862	22,873,310	21,520,372
Space rental	22,967,443	20,142,385	15,469,797	14,918,277	16,885,811	16,648,433	15,121,337	12,324,959	11,989,094	11,045,009
Other	15,154,376	9,399,973	11,513,054	9,522,197	7,524,807	5,871,735	8,987,603	5,959,737	5,993,198	6,278,417
Total Operating Revenues	**254,602,364**	**210,228,864**	**128,619,559**	**143,918,638**	**170,032,594**	**154,479,617**	**128,096,221**	**116,189,518**	**118,995,123**	**112,129,121**
Operating Expenses:										
Salaries, wages, and fringe benefits	39,212,410	37,663,363	25,133,488	36,981,912	38,469,934	32,879,302	33,862,254	34,666,038	32,019,144	30,602,436
Contractual services	62,258,776	51,659,702	35,011,863	42,218,732	41,434,039	36,801,980	28,610,678	26,270,995	25,962,137	27,886,714
Materials and supplies	6,631,336	4,857,819	3,674,419	4,544,743	4,046,799	3,840,490	3,509,520	3,374,113	3,987,451	4,132,884
Utilities	8,661,656	7,002,019	5,761,724	5,977,699	6,140,029	5,639,206	5,971,391	5,944,858	6,255,942	5,887,708
Insurance	3,481,751	2,148,338	1,913,299	1,442,491	1,336,036	-	-	-	-	-
Other	5,619,909	9,634,384	3,040,336	5,270,166	8,287,094	6,101,266	5,610,734	5,677,177	5,451,870	4,645,047
Total Operating Expenses	**125,865,838**	**112,965,625**	**74,535,129**	**96,435,743**	**99,713,931**	**85,262,244**	**77,564,577**	**75,933,181**	**73,676,544**	**73,154,789**
Provision for Depreciation	**85,872,221**	**79,273,711**	**53,383,630**	**49,768,473**	**44,497,442**	**39,914,221**	**38,979,958**	**37,223,834**	**36,534,617**	**35,773,468**
Nonoperating Revenues:										
Investment income (loss)	31,040,249	(4,756,436)	1,647,674	23,723,090	7,703,826	2,149,362	730,198	333,542	359,790	328,349
Passenger facility charges	41,531,943	35,678,032	20,253,069	26,384,555	31,416,941	28,300,013	25,982,494	23,735,979	15,703,411	13,502,385
Customer facility charges	15,494,211	12,939,489	8,365,388	11,827,674	15,094,273	14,290,386	13,561,430	12,956,481	11,692,265	10,825,490
Other nonoperating revenues	39,271,115	28,345,443	36,580,521	12,032,061	-	130,025	86,599	614,433	396,880	313,559
Total Nonoperating Revenues	**127,337,518**	**72,206,528**	**66,846,652**	**73,967,380**	**54,215,040**	**44,869,786**	**40,360,721**	**37,640,435**	**28,152,346**	**24,969,783**
Nonoperating Expenses:										
Debt-related expenses	70,545,732	50,168,719	49,322,732	37,994,910	13,267,265	10,262,472	10,299,910	8,874,244	7,610,829	9,000,146
Other nonoperating expenses	-	(67,615)	2,160,638	112,570	16,170,808	548,726	(461,510)	1,234,522	302,080	-
Total Nonoperating Expenses	**70,545,732**	**50,101,104**	**51,483,370**	**38,107,480**	**29,438,073**	**10,811,198**	**9,838,400**	**10,108,766**	**7,912,909**	**9,000,146**
Capital Contributions	**58,983,376**	**29,762,836**	**31,356,438**	**21,287,199**	**18,178,942**	**15,010,688**	**14,552,791**	**28,763,278**	**28,056,580**	**12,739,063**
Increase in Net Position	**158,639,467**	**69,857,788**	**47,420,520**	**54,861,521**	**68,777,130**	**78,372,428**	**56,626,798**	**59,327,450**	**57,079,979**	**31,909,564**
Total Net Position - End of Year	**$ 1,057,066,957**	**$ 898,427,490**	**$ 828,569,702**	**$ 781,149,182**	**$ 726,287,661**	**$ 657,510,531**	**$ 579,138,103**	**$ 522,511,305**	**$ 463,183,855**	**$ 406,103,876**

* 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.

Nashville International Airport Cost per Enplaned Passenger (CPEP)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Signatory Airlines:										
Space and ramp fees	$ 35,209	$ 33,821	$ 25,162	$ 25,268	$ 34,170	$ 28,288	$ 12,245	$ 11,399	$ 28,886	$ 27,027
Landing fees	24,535	20,575	22,333	20,744	21,094	19,804	18,427	19,162	10,528	10,000
Total signatory revenue	59,744	54,396	47,495	46,012	55,264	48,092	30,672	30,561	39,414	37,027
Signatory enplaned (000s)	10,682	9,106	5,119	6,703	8,306	7,349	6,571	6,021	4,926	4,791
Cost per Signatory Enplaned	**$ 5.59**	**$ 5.97**	**$ 9.28**	**$ 6.86**	**$ 6.65**	**$ 6.54**	**$ 4.67**	**$ 5.08**	**$ 8.00**	**$ 7.73**
Non-signatory Airlines:										
Space and ramp fees	$ 3,278	$ 1,314	$ 606	$ 866	$ 1,674	$ 1,108	$ 1,747	$ 502	$ 986	$ 1,156
Landing fees	1,801	859	351	1,450	2,399	1,203	979	657	1,452	1,380
Total non-signatory revenue	5,079	2,173	957	2,316	4,073	2,311	2,726	1,159	2,438	2,536
Non-signatory enplaned (000s)	271	112	33	156	290	117	219	120	678	521
Cost per Non-signatory Enplaned	**$ 18.74**	**$ 19.40**	**$ 29.00**	**$ 14.85**	**$ 14.04**	**$ 19.75**	**$ 12.45**	**$ 9.66**	**$ 3.60**	**$ 4.87**
Summary Analysis:										
Total signatory & non-signatory revenue	$ 64,823	$ 56,569	$ 48,452	$ 48,328	$ 59,337	$ 50,403	$ 33,398	$ 31,720	$ 41,852	$ 39,563
Blended Cost per Enplaned	**$ 5.92**	**$ 6.14**	**$ 9.40**	**$ 7.05**	**$ 6.90**	**$ 6.75**	**$ 4.92**	**$ 5.17**	**$ 7.47**	**$ 7.45**
Operating revenues (BNA only)	$ 247,818	$ 205,402	$ 124,523	$ 139,513	$ 165,926	$ 150,498	$ 124,093	$ 112,946	$ 115,755	$ 108,918
Total enplaned (includes charters)	10,953	9,218	5,152	6,859	8,596	7,466	6,790	6,141	5,604	5,312
Operating Revenues per Enplaned	**$ 22.63**	**$ 22.28**	**$ 24.17**	**$ 20.34**	**$ 19.30**	**$ 20.16**	**$ 18.28**	**$ 18.39**	**$ 20.66**	**$ 20.50**

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

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).

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Signatory Rates:										
Landing fee	$ 2.06	$ 2.04	$ 2.23	$ 2.52	$ 3.09	$ 3.21	$ 2.99	$ 3.25	$ 1.65	$ 1.69
Ramp fees (see note below)	$ 2.63	$ 1.69	$ 1.82	$ 2.07	$ 2.23	$ 2.34	$ 1.71	$ 1.71	$ 266.99	$ 223.05
Main terminal	$ 116.55	$ 111.00	$ 108.29	$ 105.65	$ 103.07	$ 100.55	$ 90.00	$ 90.00	$ 180.58	$ 164.54
North concourse	$ 116.55	$ 111.00	$ 108.29	$ 105.65	$ 103.07	$ 100.55	$ 90.00	$ 90.00	$ 112.07	$ 79.11
South concourse	$ 116.55	$ 111.00	$ 108.29	$ 105.65	$ 103.07	$ 100.55	$ 90.00	$ 90.00	$ 104.35	$ 113.96

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.

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Non-signatory Rates:										
Landing fee	$ 3.54	$ 3.57	$ 3.69	$ 3.84	$ 4.29	$ 4.23	$ 3.74	$ 4.07	$ 4.23	$ 4.10
Per use fee (see note below)	$ 5.00	$ 5.00	$ 5.44	$ 3.38	$ 4.30	$ 3.55	$ 3.51	$ 3.66	N/A	N/A
Ramp (see note above)	$ 3.29	$ 2.11	$ 2.28	$ 2.59	$ 2.79	$ 2.93	$ 2.14	$ 2.14	$ 397.15	$ 349.31
Main terminal	$ 145.69	$ 138.75	$ 135.36	$ 132.06	$ 128.84	$ 125.69	$ 112.50	$ 112.50	$ 312.16	$ 294.36
North concourse	$ 145.69	$ 138.75	$ 135.36	$ 132.06	$ 128.84	$ 125.69	$ 112.50	$ 112.50	$ 113.74	$ 111.78
South concourse	$ 145.69	$ 138.75	$ 135.36	$ 132.06	$ 128.84	$ 125.69	$ 112.50	$ 112.50	$ 121.36	$ 121.11

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:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parking lot revenue (000)	$ 97,047	$ 76,135	$ 27,116	$ 41,736	$ 53,154	$ 50,369	$ 43,977	$ 41,890	$ 38,725	$ 36,258
Spaces available (actual)	15,432	13,943	13,968	13,377	11,169	11,172	12,203	14,041	12,811	12,811
Revenue per Space	**$ 6,289**	**$ 5,460**	**$ 1,941**	**$ 3,120**	**$ 4,759**	**$ 4,509**	**$ 3,604**	**$ 2,983**	**$ 3,023**	**$ 2,830**
Garages	6,278	4,789	4,814	4,192	2,201	2,318	2,369	2,369	2,369	2,369
Terminal Lot A	1,125	1,125	1,125	1,125	1,034	830	1,810	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	3,625	3,625	3,499	3,625	3,625	3,690	3,690	3,690
BNA Express	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	-	-
Valet	1,050	1,050	1,050	1,081	1,081	1,045	1,045	1,152	1,152	1,152
Overflow	-	-	-	-	-	-	-	1,416	1,416	1,416
Public Parking Spaces	15,432	13,943	13,968	13,377	11,169	11,172	12,203	14,041	12,811	12,811

Econony Lot B was closed for a portion of fiscal years 2020 and 2021.
Economy Lot C was closed for a portion of fiscal years 2020 and 2021.
BNA Express was closed in the last quarter of fiscal year 2020 and remains closed to incoming traffic. It is now used for Valet/Overflow parking as needed.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

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

	2023	%	2022	2021	2020	2019	2018	2017	2016	2015	2014
Land and nondepreciable assets	$ 111,226,323	23.7%	$ 108,112,921	$ 107,554,524	$ 105,115,818	$ 97,169,587	$ 97,169,587	$ 96,968,771	$ 96,968,770	$ 96,968,770	$ 96,992,465
Construction in progress	358,877,117	76.3%	448,196,055	301,079,238	139,067,964	233,273,255	153,579,003	72,814,778	42,890,290	62,125,107	36,845,372
Total capital assets not being depreciated	470,103,440	100.0%	556,308,976	408,633,762	244,183,782	330,442,842	250,748,590	169,783,549	139,859,060	159,093,877	133,837,837
Infrastructure	728,661,124	37.5%	693,670,381	618,570,710	613,663,559	588,779,486	576,918,742	561,704,513	541,464,084	487,401,089	476,885,301
Buildings and building improvements	952,350,604	41.3%	764,568,968	718,298,100	841,349,251	422,874,974	315,970,461	298,911,276	264,629,088	258,305,083	255,460,891
Equipment, furniture and fixtures	567,644,400	21.2%	392,443,748	393,243,815	194,396,606	183,211,887	182,051,284	165,348,939	129,795,510	114,296,965	108,530,594
Subscription leases	2,244,691	0.0%	698,216	-	-	-	-	-	-	-	-
Total capital assets being depreciated	2,250,900,819	100.0%	1,851,381,313	1,730,112,625	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
Less accumulated depreciation	(880,733,537)	43.0%	(795,262,079)	(717,693,502)	(668,885,544)	(627,078,709)	(615,032,739)	(578,686,474)	(539,922,435)	(503,403,886)	(466,909,686)
Net Capital Assets	**$ 1,840,270,722**	**N/A**	**$ 1,612,428,210**	**$ 1,421,052,885**	**$ 1,224,707,654**	**$ 898,230,480**	**$ 710,656,338**	**$ 617,061,803**	**$ 535,825,307**	**$ 515,693,128**	**$ 507,804,937**

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

	2023	%	2022	2021	2020	2019	2018	2017	2016	2015	2014
Series 2003B Revenue Bonds	$ 10,725,000	0.6%	$ 11,405,000	$ 12,050,000	$ 13,235,000	$ 13,235,000	$ 14,785,000	$ 14,785,000	$ 14,785,000	$ 15,250,000	$ 15,695,000
Series 2008A Revenue Bonds	-	N/A	-	-	-	3,800,000	7,400,000	10,800,000	12,000,000	12,200,000	12,400,000
Series 2009A Revenue Bonds	-	N/A	-	-	-	7,970,000	12,160,000	16,180,000	20,040,000	23,755,000	27,310,000
Series 2010A Revenue Bonds	-	N/A	-	-	-	-	-	3,835,000	7,525,000	11,085,000	14,520,000
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
Series 2018 CONRAC Revenue Bonds	21,197,130	1.2%	24,329,910	27,358,295	27,358,295	27,358,295	27,358,295	-	-	-	-
Series 2010B Revenue Bonds	-	N/A	-	-	-	-	-	-	-	16,475,000	31,965,000
Series 2010C Revenue Bonds	-	N/A	-	-	-	-	-	-	1,740,000	4,340,000	7,145,000
Series 2015A Revenue Bonds	82,740,000	4.8%	84,745,000	86,655,000	88,475,000	90,205,000	91,855,000	91,855,000	91,855,000	-	-
Series 2015B Revenue Bonds	97,690,000	5.7%	100,085,000	102,365,000	104,535,000	106,615,000	108,145,000	108,145,000	108,145,000	-	-
Series 2019A Revenue Bonds	254,435,000	14.7%	254,435,000	254,435,000	254,435,000	-	-	-	-	-	-
Series 2019B Revenue Bonds	665,150,000	38.5%	665,150,000	665,150,000	665,150,000	-	-	-	-	-	-
Series 2022A Revenue Bonds	94,525,000	5.5%	-	-	-	-	-	-	-	-	-
Series 2022B Revenue Bonds	501,560,000	29.0%	-	-	-	-	-	-	-	-	-
Total Revenue Bonds	1,728,022,130	100.0%	1,140,149,910	1,148,013,295	1,156,188,295	255,023,295	270,238,295	302,295,000	315,070,000	144,175,000	172,010,000
Plus unamortized premium	224,666,851	N/A	197,994,759	204,345,671	210,686,583	23,016,511	24,158,916	25,296,995	26,648,869	787,902	2,207,486
Net Outstanding Debt	**$ 1,952,688,981**	**N/A**	**$ 1,338,144,669**	**$ 1,352,358,966**	**$ 1,366,874,878**	**$ 278,039,806**	**$ 294,397,211**	**$ 327,591,995**	**$ 341,718,869**	**$ 144,962,902**	**$ 174,217,486**
Enplanements	**10,952,899**	**N/A**	**9,217,710**	**5,151,658**	**6,858,395**	**8,596,307**	**7,466,332**	**6,790,099**	**6,141,092**	**5,604,148**	**5,312,021**
Net Outstanding Debt per Enplanement	**$ 178.28**	**N/A**	**$ 145.17**	**$ 262.51**	**$ 199.30**	**$ 32.34**	**$ 39.43**	**$ 48.25**	**$ 55.65**	**$ 25.87**	**$ 32.80**

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

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

	2023	2022	2021	2020	2019	2018	(as restated) 2017	(as restated) 2016	2015	(as restated) 2014
Net Position:										
Net investment in capital assets	$ 278,592	$ 363,710	$ 376,713	$ 397,961	$ 507,479	$ 502,945	$ 441,690	$ 419,177	$ 387,595	$ 342,148
Restricted	469,822	342,088	315,174	307,948	154,036	80,172	80,759	70,955	56,559	65,801
Unrestricted net position (deficit)	308,653	192,629	136,683	75,240	64,772	74,394	56,689	32,379	19,030	(1,845)
Total	**$ 1,057,067**	**$ 898,427**	**$ 828,570**	**$ 781,149**	**$ 726,287**	**$ 657,511**	**$ 579,138**	**$ 522,511**	**$ 463,184**	**$ 406,104**

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenue	$ 247,818	$ 205,402	$ 124,523	$ 139,513	$ 165,926	$ 150,498	$ 124,093	$ 112,946	$ 115,755	$ 108,918
Less Operating Expenses (excludes depreciation)	(119,102)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)	(70,914)	(71,472)
Add Investment Income (Loss)	30,413	(4,934)	1,635	23,640	7,677	2,148	728	331	357	326
COVERAGE CASH FLOW	**$ 159,129**	**$ 92,317**	**$ 58,148**	**$ 74,350**	**$ 75,860**	**$ 69,558**	**$ 49,822**	**$ 39,070**	**$ 45,198**	**$ 37,772**
INTEREST	$ 21,188	$ 3,941	$ 3,859	$ 8,830	$ 11,920	$ 6,787	$ 3,420	$ 6,672	$ 2,246	$ 3,527
PRINCIPAL	2,406	2,204	1,900	3,513	6,072	7,325	3,915	3,430	19,740	18,940
TOTAL NET DEBT SERVICE	$ 23,594	$ 6,145	$ 5,759	$ 12,343	$ 17,992	$ 14,112	$ 7,335	$ 10,102	$ 21,986	$ 22,467
DEBT SERVICE COVERAGE	**674.4%**	**1502.3%**	**1009.7%**	**602.4%**	**421.6%**	**492.9%**	**679.2%**	**386.8%**	**205.6%**	**168.1%**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenue	$ 247,818	$ 205,402	$ 124,523	$ 139,513	$ 165,926	$ 150,498	$ 124,093	$ 112,946	$ 115,755	$ 108,918
Less Operating Expenses (excludes depreciation)	(119,102)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)	(70,914)	(71,472)
Add Investment Income (Loss)	30,413	(4,934)	1,635	23,640	7,677	2,148	728	331	357	326
COVERAGE CASH FLOW	**$ 159,129**	**$ 92,317**	**$ 58,148**	**$ 74,350**	**$ 75,860**	**$ 69,558**	**$ 49,822**	**$ 39,070**	**$ 45,198**	**$ 37,772**
INTEREST	$ 33,384	$ 15,597	$ 9,449	$ 10,420	$ 11,920	$ 6,787	$ 3,420	$ 6,672	$ 2,246	$ 3,527
PRINCIPAL	2,406	2,204	1,900	4,026	6,072	7,325	3,915	3,430	19,740	18,940
TOTAL NET DEBT SERVICE	$ 35,790	$ 17,801	$ 11,349	$ 14,446	$ 17,992	$ 14,112	$ 7,335	$ 10,102	$ 21,986	$ 22,467
DEBT SERVICE COVERAGE	**444.6%**	**518.6%**	**512.4%**	**514.7%**	**421.6%**	**492.9%**	**679.2%**	**386.8%**	**205.6%**	**168.1%**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Customer Facility Charges	$ 15,494	$ 12,939	$ 8,365	$ 11,828	$ 15,094	$ 14,290	$ 13,561	$ 12,956	$ 11,692	$ 10,825
Less Operating Expenses (excludes depreciation)	(1,727)	(3,045)	(1,715)	(1,607)	(1,681)	(1,537)	(1,585)	(1,500)	(1,475)	(138)
Add Investment Income	1,488	70	152	289	261	45	34	21	12	8
COVERAGE CASH FLOW	**$ 15,255**	**$ 9,964**	**$ 6,802**	**$ 10,510**	**$ 13,674**	**$ 12,798**	**$ 12,010**	**$ 11,477**	**$ 10,229**	**$ 10,695**
INTEREST	$ 674	$ 784	$ 1,029	$ 1,186	$ 944	$ 3,282	$ 3,571	$ 3,673	$ 3,759	$ 3,830
PRINCIPAL	3,243	3,134	3,000	2,840	2,695	20,802	2,480	2,285	2,090	1,905
TOTAL NET DEBT SERVICE	$ 3,917	$ 3,918	$ 4,029	$ 4,026	$ 3,639	$ 24,084	$ 6,051	$ 5,958	$ 5,849	$ 5,735
DEBT SERVICE COVERAGE	**389.5%**	**254.3%**	**168.8%**	**261.1%**	**375.8%**	**53.1%**	**198.5%**	**192.6%**	**174.9%**	**186.5%**

Net debt service is total debt service less PFC- and CRRSA/ARPA-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

	% of Total	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Signatory Airlines:											
Alaska Airlines	1.0%	113,995	102,762	64,928	87,807	115,960	87,309	58,533	41,233	-	-
Allegiant Air	3.7%	407,726	252,591	136,565	115,305	-	-	-	-	-	-
American Airlines (A)	14.3%	1,569,654	1,471,530	725,481	1,070,173	1,348,801	1,235,501	1,176,043	1,156,141	454,897	460,153
American Eagle (A)	0.0%	-	-	-	-	-	-	-	-	218,520	280,860
Continental Express d/b/a ExpressJet	0.0%	-	-	-	-	-	-	-	-	223,995	324,175
Delta Air Lines Inc. (B)	12.2%	1,336,379	1,105,082	503,867	971,443	1,278,183	1,138,922	988,137	926,454	623,480	552,169
Frontier Airlines	1.5%	163,960	118,912	73,885	126,000	177,341	146,184	9,979		81,596	94,385
JetBlue	2.1%	228,078	149,302	44,914	99,316	138,189	130,541	138,985	22,570	-	-
Southwest Airlines	51.2%	5,608,049	4,945,583	3,091,692	3,571,632	4,517,284	4,009,180	3,655,441	3,426,391	3,114,815	2,879,200
Spirit Airlines	3.8%	417,971	268,835	171,669	122,176	-	-	-	-	-	-
United Airlines (C)	7.6%	835,968	691,107	306,115	539,013	730,243	600,988	543,704	448,396	6,400	115
US Airways (A)	0.0%	-	-	-	-	-	-	-	-	202,656	200,169
Subtotal	97.5%	10,681,780	9,105,704	5,119,116	6,702,865	8,306,001	7,348,625	6,570,822	6,021,185	4,926,359	4,791,226

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).

	% of Total	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Non-signatory Airlines:											
Air Canada	0.5%	50,396	5,854	-	-	-	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.1%	7,807	16,356	-	24,745	292	174	1,034	371	229	18,558
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
Allegiant Air	0.0%	-	-	-	-	80,170	6,136	-	-	-	-
British Airways	0.5%	55,208	11,577	-	32,684	43,289	8,671	-	-	-	-
Contour Airlines	0.0%	-	20,091	9,741	12,303	14,290	10,432	8,038	-	-	-
Delta/Chautauqua	0.2%	26,363	-	-	-	-	-	-	-	-	546
Frontier Airlines	0.0%	-	-	-	-	-	-	130,449	71,840	-	-
Mesa Airlines (A)	0.0%	-	-	-	-	-	-	-	-	43,348	47,608
Republic	0.0%	-	-	-	-	-	-	-	-	77,117	69,823
Sun Country	0.3%	36,877	25,007	16,868	-	-	-	-	-	-	-
Various/Trans State Airlines (A)	0.0%	-	-	-	-	-	-	-	-	26,324	-
United/Skywest (C)	0.0%	-	-	-	-	-	-	-	-	37,261	-
Westjet Airlines	0.3%	35,979	16,487	-	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)	0.5%	58,489	16,634	5,933	48,728	61,163	14,264	14,286	16,992	391,566	329,916
Subtotal	2.5%	271,119	112,006	32,542	155,530	290,306	117,707	219,277	119,907	677,789	520,795
Total	**100.0%**	**10,952,899**	**9,217,710**	**5,151,658**	**6,858,395**	**8,596,307**	**7,466,332**	**6,790,099**	**6,141,092**	**5,604,148**	**5,312,021**

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

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

	% of Total	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Signatory Airline:											
Alaska Airlines	0.8%	110,669	100,654	93,408	104,358	129,001	99,354	55,390	43,248	-	-
Allegiant Air	3.6%	496,404	317,469	248,448	145,579	-	-	-	-	-	-
American Airlines (A)	12.8%	1,779,567	1,693,950	945,038	1,356,238	1,549,447	1,415,662	1,352,169	1,332,377	523,970	518,096
American Eagle (A)	0.0%	-	-	-	-	-	-	-	-	261,251	334,087
Continental Express d/b/a ExpressJet (B)	0.0%	-	-	-	-	-	-	-	-	219,248	325,905
Delta Air Lines Inc. (B)	10.5%	1,461,428	1,260,848	871,462	1,147,250	1,427,507	1,287,034	1,148,263	1,051,357	693,222	650,841
Frontier Airlines	12.3%	1,720,670	118,797	82,863	130,207	166,271	140,496	8,784	-	85,862	98,132
JetBlue	2.1%	294,044	183,497	71,669	126,152	156,958	147,967	152,321	23,986	-	-
Southwest Airlines	44.2%	6,168,540	5,456,214	4,463,892	4,564,368	4,947,577	4,391,669	4,065,313	3,807,965	3,600,935	3,468,480
Spirit Airlines	3.1%	434,883	288,542	201,041	167,604	-	-	-	-	-	-
United Airlines (C)	7.1%	992,581	813,331	442,277	707,738	859,945	683,646	614,443	485,586	15,306	1,887
US Airways (A)	0.0%	-	-	-	-	-	-	-	-	230,945	251,464
Subtotal	96.4%	13,458,786	10,233,302	7,420,098	8,449,494	9,236,706	8,165,828	7,396,683	6,744,519	5,630,739	5,648,892

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).

	% of Total	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Non-signatory Airlines:											
Air Canada	0.2%	29,226	9,204	-	-	-	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.3%	38,491	20,752	-	32,799	1,840	2,752	2,987	2,583	2,111	25,304
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
Express Jet/Delta (B)	0.0%	-	-	-	-	-	-	-	-	57,364	83,788
British Airways	0.9%	128,525	25,200	-	85,225	101,865	15,960	-	-	-	-
Compass Airlines (B)	0.0%	-	-	-	-	-	-	-	-	2,296	24,437
Contour Airlines	0.5%	74,160	52,296	31,201	-	-	-	-	-	-	-
Delta, Midwest Connect	0.0%	-	-	-	-	-	-	-	-	85	4,617
Frontier Airlines	0.0%	-	-	-	-	-	-	126,550	70,424	-	-
Mesa Airlines	0.0%	-	-	-	-	-	-	-	-	45,879	48,918
Pinnacle/Endeavor Airlines	0.0%	-	-	-	-	-	-	-	-	107,398	117,366
Republic	0.0%	-	-	-	-	-	-	-	-	183,157	92,102
Trans States Airlines	0.0%	-	-	-	-	-	-	-	-	25,662	84
Sun Country	0.8%	107,159	51,273	34,377	-	-	-	-	-	-	-
SkyWest	0.0%	-	-	-	-	-	-	-	-	157,259	129,226
WestJet/Encore	0.2%	34,373	19,363	405	-	-	-	-	-	-	-
All Others (includes charters)	0.7%	91,827	49,861	29,048	175,116	262,979	102,944	94,068	46,700	124,323	82,701
Subtotal	3.6%	503,761	227,949	95,031	302,137	415,278	169,078	271,215	153,213	822,158	668,508
Total Passenger Carrier Weight (000s)	**100.0%**	**13,962,547**	**10,461,251**	**7,515,129**	**8,751,631**	**9,651,984**	**8,334,906**	**7,667,898**	**6,897,732**	**6,452,897**	**6,317,400**
Cargo & misc. carrier weight (000s)		504,127	582,109	354,109	276,583	300,413	305,994	285,758	305,642	304,279	300,986
Total Weight All Aircraft (000s)		**14,466,674**	**11,043,360**	**7,869,238**	**9,028,214**	**9,952,397**	**8,640,900**	**7,953,656**	**7,203,374**	**6,757,176**	**6,618,386**
% Passenger Carrier Weight		**97%**	**95%**	**96%**	**97%**	**97%**	**96%**	**96%**	**96%**	**95%**	**95%**

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

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
United Airlines (C)

Signatory Affiliate Carriers:*
Air Wisconsin (C)
Commutair (Multiple)
Endeavor Air (B)
Envoy (A)
ExpressJet (B)
GoJet Airlines (Multiple)
Mesa Airlines (A)
Republic Airways (Multiple)
SkyWest Airlines (Multiple)

Non-signatory Carriers:
Air Canada / Jazz Aviation
Air Georgian
Avelo Airlines
Boutique Air
Breeze Airways
British Airways
Cape Air
Contour Airlines
Flair Airlines
Sun Country
Swift Air
VivaAerobus
WestJet
WestJet Encore

Signatory Cargo Carriers:
Federal Express

Non-signatory Cargo Carriers:
Air Transport Int'l.
Airborne Express
Amazon Prime
Atlas Air
DHL
Kalitta Air
Mountain Air Cargo
Silkway West
Southern Air

Fixed-base Operators:
Atlantic Aviation
Signature Flight Support

Other Airport Tenants:
121 @ BNA
Above and Beyond
Aeronautical Radio / Rockwell Collins
Aircraft Services International
Airline Maint. Svcs
AMD Freight (terminated 12/2018)
Embraer Aircraft Maintenance
Federal Aviation Administration
Genesco, Inc
Graphic Ticket & Systems
Marisol
Metro Air Services
Metro Government of Nashville and Davidson County
Miller Transfer
Monell's at the Manor
Simino Electric
State of Tennessee
Swissport
TN Aeronautics Commission
TN Dept of Transportation
US Customs Border Patrol
US DEA
US Govt Weather Service
US Postal Service
Wilson Tire & Auto

Other Terminal Tenants:
In-Ter-Space Services dba Clear Channel Airports
Concourse Communications Nashville (Boingo Wireless)
Fraport Tennessee, Inc.
Ready Credit Corporation
Smarte Carte, Inc.
Van Vending Services, Inc.
A&M Group, LLC
Air Ventures, LLC
Dalmation Creative Agency, Inc.
Delaware North Companies Travel Hospitality Services
Fifth Third Bank
Heartland Hospitality, LLC
Hissho International, LLC dba Hissho Sushi
Hudson-Nash-F&B JV dba Hudson Nonstop
InMotion BNA-C
Lily Palmer Floral Design, LLC
Minute Suites BNA, LLC
MRG Nashville, LLC
Music City Benchmark Concessions, LLC
Music City Retailers, LLC (Hudson)
Nash Nails MRG, LLC
Nashville Gourmet Brands BNA Group dba Green Beans Coffee
NewZoom, LLC
Pyramids of Nashville, Inc., dba Pyramids Cafe
Smokey Mountain Provisions, LLC (Hudson)
Stellar DCA SLA Nashville
Time for a Shine, Inc.
Transfare II LLC
Travelers Post USA LLC
Tricopian dba Fuel Rod
ASG Nashville, LLC
DNC BNA Partners, LLC
Host TRA Nashville FB III, LLC
Newslink of Nashville LLC
Ole Red Nashville Airport, LLC
Tennessee F&B, LLC
TRNA Nashville, LLC
SNA Nashville, LLC
Gilly Vending, Inc.
Ferncroft Airport, LLC

Vehicle Parking:
ABM Parking
LAZ Parking

Private Hangar Rentals:
Nashville Hangar
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
TNCs (Uber, Lyft)

Ground Handlers:
Airport Terminal Services (ATS)
Delta Global Services (DGS)
dnata
Dynair/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
Plane Hangar
Mid America Jet

** 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).*

Metropolitan Nashville Airport Authority Staffing - Full-time Equivalents

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Administration	114.0	107.0	91.0	109.0	100.0	89.5	87.5	89.5	89.5	96.5
Engineering & Maintenance	114.0	105.0	107.0	113.0	98.5	72.0	75.0	72.0	72.0	76
Operations, Safety, Security	114.0	107.0	108.0	110.0	112.5	134	126.5	125.5	127.0	129
Total Authority Full-time Equivalents	**342.0**	**319.0**	**306.0**	**332.0**	**311.0**	**295.5**	**289.0**	**287.0**	**288.5**	**301.5**

Nashville - Davidson - Murfreesboro Metropolitan Statistical Area Population

Year	Nashville MSA*	Tennessee	United States
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	2,118,223	6,910,840	331,449,281

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

Nashville Metropolitan Statistical Area* Average Unemployment Rate

Year	Nashville MSA	Tennessee	United States
2023	3.0%	3.2%	3.6%
2022	3.4%	3.3%	3.6%
2021	4.60%	4.9%	5.9%
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%

*Nashville Metropolitan Statistical Area consists of Davidson, Murfreesboro and Franklin Tennessee.

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

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

2023	Staff	Employer	Headquarters	2022	Staff
1	30,324	Vanderbilt University Medical Center and Monroe Carroll Jr.	Nashville	3	25,095
2	27,694	HCA Healthcare Inc.	Nashville	1	27,187
3	26,431	State of Tennessee	Nashville	2	26,531
4	13,459	U.S. Government	Washington, DC	4	13,452
5	11,000	Nissan North America Inc.	Franklin	6	11,000
6	10,513	Metropolitan Nashville-Davidson County Public Schools	Nashville	5	11,030
7	9,852	Metropolitan Government of Nashville and Davidson County	Nashville	7	8,700
8	8,900	Ascension Saint Thomas	Nashville	8	8,335
9	8,100	The Kroger Co.	Cincinnati, OH	9	8,091
10	7,211	Williamson County Public Schools and County Government	Franklin	11	7,032
11	7,200	Amazon.com	Seattle, WA	12	7,000
12	7,186	Rutherford County Government and Board of Education	Murfreesboro	10	7,047
13	5,947	Vanderbilt University	Nashville	13	5,774
14	5,100	Clarksville - Montgomery County School System	Clarksville	14	5,000
15	5,004	Community Health Systems Inc.	Franklin	15	4,744
16	4,743	Western Express	Nashville	17	4,455
17	4,675	Sumner County Government and Public Schools	Gallatin	16	4,675
18	3,500	Fresh Hospitality	Nashville	N/A	N/A
19	3,400	Asurion	Nashville	18	4,024
20	3,037	Bridgestone Americas Inc.	Nashville	21	2,966
21	3,028	National HealthCare Corporation	Murfreesboro	19	3,028
22	3,000	Dollar General Corp.	Goodlettsville	20	2,845
23	2,771	Tractor Supply Co.	Brentwood	24	2,356
24	2,569	City of Murfreesboro	Murfreesboro	N/A	N/A
25	2,500	United Healthcare	Minnetonka, MN	22	2,600

*Ranked by number of Middle Tennessee employees as of June 9, 2023 publication.
Source: Nashville Business Journal

Middle Tennessee Largest 25 Public Companies**

2022	2021	Employer	Headquarters
1	1	HCA Healthcare Inc.	Nashville
2	2	Dollar General Corp.	Goodlettsville
3	5	Delek US Holdings Inc.	Brentwood
4	3	Tractor Supply Co.	Brentwood
5	4	Community Health Systems Inc.	Franklin
6	6	Yellow Corp.	Nashville
7	8	Alliance Bernstein Holding	Nashville
8	7	Louisiana-Pacific Corp.	Nashville
9	17	Clover Health Investments Corp.	Franklin
10	12	Kaiser Aluminum Corp.	Franklin
11	10	Cracker Barrel Old Country Store Inc.	Lebanon
12	11	Brookdale Senior Living Inc.	Brentwood
13	14	Acadia Healthcare	Franklin
14	15	Surgery Partners Inc.	Brentwood
15	13	Genesco Inc.	Nashville
16	16	CoreCivic Inc.	Brentwood
17	20	Ryman Hospitality Properties Inc.	Nashville
18	18	Pinnacle Financial Partners Inc.	Nashville
19	19	National HealthCare Corp.	Murfreesboro
20	22	Delek Logistics Partners	Brentwood
21	26	Healthcare Realty Trust Inc.	Nashville
22	21	HireRight Holdings Corp.	Nashville
23	24	FB Financial Corp.	Nashville
24	25	Kirkland's Inc.	Brentwood
25	23	SmileDirect Club	Nashville

**Ranked by 2022 Revenue as of July 7, 2023 publication
Source: Nashville Business Journal

This section contains the following subsection:

Annual Disclosure Report

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, 2023, 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, 2023, 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 final Official Statements relating to the Outstanding Senior Bonds and the Outstanding Subordinate Bonds, which are available on the Electronic Municipal Market Access ("EMMA®") website operated by the Municipal Securities Rulemaking Board, which can be accessed at http://emma.msrb.org, and using the Base CUSIP Number of 592190, as applicable. The Authority will file its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023 (the "2023 ACFR," which includes this Report) as the "2023 Annual Filing" on EMMA®, which can be accessed at http://emma.msrb.org.

Miscellaneous; Forward-Looking Statements

The 2023 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 the Authority's debt in any jurisdiction. The matters discussed in the 2023 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 2023 ACFR nor anything in it shall form the basis of any contract or commitment. By the filing of the 2023 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 2023 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 2023 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, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed herein.

The 2023 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 2023 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 2023 ACFR. The Authority has not undertaken any obligation to update any information in the 2023 Annual Filing. Any financial data and other information provided in the 2023 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").

(d) $94,525,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the "Series 2022A Bonds"); and

(e) $501,560,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022B (AMT) (the "Series 2022B Bonds," and together with the Series 2022A Bonds, the "Series 2022 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.

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Nashville International Airport
Annual Enplanement Activity
Fiscal Years 2014 – 2023

Fiscal Year	Signatory Airlines	Non-Signatory Airlines	Total
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
2022	9,105,704	112,006	9,217,710
2023	10,681,780	271,119	10,952,899

(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 in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority (2023 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 statement relating to the Series 2015 Bonds.

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

Nashville International Airport
Monthly Enplanement Activity
Fiscal Years 2019 – 2023

	2019	2020(1)	2021(1)	2022	2023
July	718,555	828,530	309,036	840,374	915,482
August	700,457	790,318	304,939	758,751	873,424
September	676,187	762,322	330,652	717,418	952,606
October	771,444	875,797	390,250	832,185	1,026,284
November	702,094	751,439	356,369	768,303	905,756
December	668,960	765,328	372,093	750,314	807,745
January	585,863	657,466	292,625	522,163	738,496
February	584,876	668,237	272,301	597,977	746,797
March	755,200	383,512	492,249	786,068	951,922
April	747,058	31,510	549,615	807,445	948,584
May	844,443	102,325	705,456	920,938	1,054,756
June	841,170	241,611	776,073	915,774	1,031,047
Fiscal Year Totals	8,596,307	6,858,395	5,151,658	9,217,710	10,952,899

(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 2022 Bonds Undertaking, 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 2019 – 2023

	2019	% of Total	2020(4)	% of Total	2021(4)	% of Total	2022	% of Total	2023	% of Total
Signatory Airlines:										
Alaska Airlines	115,960	1.3%	87,807	1.3%	64,928	1.3%	102,762	1.1%	113,995	1.0%
Allegiant Air	-	-	115,305	1.7%	136,565	2.7%	252,591	2.7%	407,726	3.7%
American Airlines(2)	1,348,801	15.7%	1,070,173	15.6%	725,481	14.1%	1,471,530	16.0%	1,569,654	14.3%
Delta Air Lines Inc.	1,278,183	14.9%	971,443	14.2%	503,867	9.8%	1,105,082	12.0%	1,336,379	12.2%
Frontier Airlines	177,341	2.1%	126,000	1.8%	73,885	1.4%	118,912	1.3%	163,960	1.5%
JetBlue	138,189	1.6%	99,316	1.4%	44,914	0.9%	149,302	1.6%	228,078	2.1%
Southwest Airlines	4,517,284	52.5%	3,571,632	52.1%	3,091,692	60.0%	4,945,583	53.7%	5,608,049	51.2%
Spirit Airlines	-	-	122,176	1.8%	171,669	3.3%	268,835	2.9%	417,971	3.8%
United Airlines(3)	730,243	8.5%	539,013	7.9%	306,115	5.9%	691,107	7.5%	835,968	7.6%
Subtotal	8,306,001	96.6%	6,702,865	97.8%	5,119,116	99.4%	9,105,704	98.8%	10,681,780	97.4%

	2019	% of Total	2020(4)	% of Total	2021(4)	% of Total	2022	% of Total	2023	% of Total
Non-Signatory Airlines:										
Air Canada	-	0.0%	-	0.0%	-	0.0%	5,854	0.1%	50,396	0.5%
Air Canada d/b/a Jazz Air	292	0.0%	24,745	0.4%	-	0.0%	16,356	0.2%	7,807	0.1%
Air Georgian dba Air Canada	45,204	0.5%	8,549	0.1%	-	0.0%	-	0.0%	-	0.0%
Allegiant Air	80,170	0.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
British Airways	43,289	0.5%	32,684	0.5%	-	0.0%	11,577	0.1%	55,208	0.5%
Contour Airlines	14,290	0.2%	12,303	0.2%	9,741	0.2%	20,091	0.2%	-	0.0%
Chautauqua (Delta)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	26,363	0.2%
Sun Country	-	0.0%	-	0.0%	16,868	0.3%	25,007	0.3%	36,877	0.3%
Westjet Airlines	23,559	0.3%	8,848	0.1%	-	0.0%	16,487	0.2%	35,979	0.3%
Westjet/Encore	22,339	0.3%	19,673	0.3%	-	0.0%	-	0.0%	-	0.0%
All Others (includes Charters)	61,163	0.7%	48,728	0.7%	5,933	0.1%	16,634	0.2%	58,489	0.5%
Subtotal	290,306	3.4%	155,530	2.3%	32,542	0.6%	112,006	1.3%	271,119	2.4%
Total	**8,596,307**	**100%**	**6,858,395**	**100%**	**5,151,658**	100%	**9,217,710**	**100%**	**10,952,899**	**100%**

(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 (2023 ACFR; Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023 (the “2023 ACFR”)); the Metropolitan Nashville Airport Authority (2022 ACFR; Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022 (the “2022 ACFR”)); the Metropolitan Nashville Airport Authority (2021 ACFR; Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2020 and June 30, 2021 (the “2021 ACFR”)); the Metropolitan Nashville Airport Authority (2020 ACFR; Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2019 and June 30, 2020 (the “2020 ACFR”)); and the Metropolitan Nashville Airport Authority (2020 ACFR; Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2018 and June 30, 2019 (the “2019 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, 2015 Bonds Undertaking, and the 2022 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 Market Share (in 000s)[1]
Fiscal Years 2019 – 2023

	2019	% of Total	2020[4]	% of Total	2021[4]	% of Total	2022	% of Total	2023	% of Total
Signatory Airlines:										
Alaska Airlines	129,001	1.3%	104,358	1.2%	93,408	1.2%	100,654	1.0%	110,669	0.8%
Allegiant Airlines	-	-	145,579	1.7%	248,448	3.3%	317,469	3.0%	496,404	3.6%
American Airlines[2]	1,549,447	16.1%	1,356,238	15.6%	945,038	12.6%	1,693,950	16.2%	1,779,567	12.7%
Delta Air Lines Inc.	1,427,507	14.8%	1,147,250	13.2%	871,462	11.6%	1,260,848	12.1%	1,461,428	10.5%
Frontier Airlines	166,271	1.7%	130,207	1.5%	82,863	1.1%	118,797	1.1%	1,720,670	12.3%
JetBlue	156,958	1.6%	126,152	1.4%	71,669	1.0%	183,497	1.8%	294,044	2.1%
Southw est Airlines	4,947,577	51.3%	4,564,368	52.4%	4,463,892	59.4%	5,456,214	52.2%	6,168,540	44.2%
Spirit Airlines	-	-	167,604	1.9%	201,041	2.7%	288,542	2.8%	434,883	3.1%
United Airlines[3]	859,945	8.9%	707,738	8.1%	442,277	5.9%	813,331	7.8%	992,581	7.1%
Subtotal	9,236,706	95.7%	8,449,494	97.0%	7,420,098	98.8%	10,233,302	98.0%	13,458,786	96.4%

	2019	% of Total	2020[4]	% of Total	2021[4]	% of Total	2022	% of Total	2023	% of Total
Non-Signatory Airlines:										
Air Canada	-	-	-	-	-	-	9,204	0.1%	29,226	0.2%
Air Canada d/b/a Jazz Air	1,840	0.0%	32,799	0.4%	-	-	20,752	0.2%	38,491	0.3%
Air Georgian dba Air Canada	48,594	0.5%	8,997	0.1%	-	-	-	0.0%	-	0.0%
British Airw ays	101,865	1.1%	85,225	1.0%	-	-	25,200	0.2%	128,525	0.9%
Contour Airlines	-	-	-	-	31,201	0.4%	52,296	0.5%	74,160	0.5%
Sun Country	-	-	-	-	34,377	0.5%	51,273	0.5%	107,159	0.8%
WestJet/Encore	-	-	-	-	405	0.0%	19,363	0.2%	34,373	0.2%
All Others (includes Charters)	262,979	2.7%	142,317	1.6%	29,048	0.4%	49,861	0.5%	91,827	0.7%
Subtotal	415,278	4.3%	269,338	3.1%	95,031	1.3%	227,949	2.2%	503,761	3.6%
Total Passenger Carrier Weight (000s)	**9,651,984**	**100%**	**8,718,832**	**100%**	**7,515,129**	**100%**	**10,461,251**	**100%**	**13,962,547**	**100%**
Cargo & Misc. Carrier Weight (000s)	300,413		276,583		354,109		582,109		504,127	
Total Weight All Aircrafts (000s)	**9,952,397**		**8,995,415**		**7,869,238**		**11,043,360**		**14,466,674**	
% Passenger Carrier Weight	**97%**		**97%**		**96%**		**95%**		**97%**	

(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 *(2023 ACFR, 2022 ACFR, 2021 ACFR, 2020 ACFR, and 2019 ACFR).*

Note: The table entitled "Passenger, Cargo, and Miscellaneous Landed Weight" was entitled "Airline 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 2019 to 2023 (June data)

Signatory Airlines	2019 Average Flights	% of Total	2020 Average Flights(8)(9)	% of Total	2021 Average Flights(8)(9)	% of Total	2022 Average Flights	% of Total	2023 Average Flights	% of Total
Alaska Airlines	6	1.1%	2	0.8%	4	0.8%	4	0.8%	5	1.0%
Allegiant	-	-	18	7.5%	16	3.3%	17	3.3%	22	4.2%
American Airlines(3)	95	17.8%	32	13.3%	82	16.9%	84	16.1%	94	18.0%
Delta Air Lines	82	15.4%	12	5.0%	60	12.4%	60	11.5%	65	12.4%
Frontier Airlines	8	1.5%	3	1.3%	4	0.8%	4	0.8%	5	1.0%
JetBlue Airways	10	1.9%	2	0.8%	8	1.7%	13	2.5%	11	2.1%
Southwest Airlines	238	44.6%	140	58.3%	242	50.0%	242	46.3%	265	50.7%
Spirit Airlines	-	-	2	0.8%	10	2.1%	15	2.9%	19	3.6%
United Airlines(4)	54	10.1%	14	5.8%	40	8.3%	52	9.9%	50	9.6%
Subtotal	493	92.4%	225	93.6%	466	96.3%	491	94.1%	536	102.6%

Non-Signatory Airlines	2019 Average Flights	% of Total	2020 Average Flights(8)(9)	% of Total	2021 Average Flights(8)(9)	% of Total	2022 Average Flights	% of Total	2023 Average Flights	% of Total
Air Canada(5)	6	1.1%	-	-	-	-	5	1.0%	3	0.6%
Allegiant Air	14	2.6%	-	-	-	-	-	-	-	-
British Airways	2	0.4%	-	-	-	-	2	0.4%	2	0.4%
Cape Air	-	-	-	-	8	1.7%	7	1.3%	7	1.3%
Contour Airlines	6	1.1%	6	2.5%	-	-	8	1.5%	9	1.7%
Westjet Airlines(6)	6	1.1%	-	-	-	-	3	0.6%	3	0.6%
All Others(7)	7	1.3%	9	3.8%	10	2.1%	7	1.3%	7	1.3%
Subtotal	41	7.6%	15	6.3%	18	3.8%	32	6.1%	31	5.9%
TOTAL	534	100%	240	100%	484	100%	523	100%	567	109%

(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 during 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 2018 - 2023

Year	Daily Departures
2018	220
2019	267
2020	120
2021	242
2022	265
2023	286

(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 during June of Fiscal Year 2020.

Source: The Metropolitan Nashville Airport Authority.

Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2003B Bonds Undertaking, the 2015 Bonds Undertaking, and the 2022 Bond Undertaking, the following table presents the Authority's schedule of revenues, expenditures, and change in net position for Fiscal Years 2019 through 2023 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 2023 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, John C. Tune ("JWN"), 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. JWN 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 added new aviation facilities and replaced buildings destroyed in the tornado. The project 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. Construction was complete during Fiscal Year 2022.

Schedule of Revenues, Expenses and Change in Net Position[(1)(2)]
Fiscal Years 2019 - 2023
(Unaudited)

	2019[(4)]	2020[(3)]	2021[(3)]	2022	2023
Operating Revenues:					
Signatory Airline	$ 55,264,548	$ 46,012,326	$ 47,495,370	$ 54,395,946	$ 59,744,223
Parking	53,153,828	41,735,515	27,116,496	76,135,079	97,046,859
Concession	37,203,600	31,730,323	27,024,842	50,155,481	59,689,463
Space Rental	16,885,811	14,918,277	15,469,797	20,142,385	22,967,443
Other	7,524,807	9,522,197	11,513,054	9,399,973	15,154,376
Total Operating Revenues	**170,032,594**	**143,918,638**	**128,619,559**	**210,228,864**	**254,602,364**
Operating Expenses:					
Salaries and w ages	38,469,934	36,981,912	25,133,488	37,663,363	39,212,410
Contractual Services	41,434,039	42,218,732	35,011,863	51,659,702	62,258,776
Materials and Supplies	4,046,799	4,544,743	3,674,419	4,857,819	6,631,336
Utilities	6,140,029	5,977,699	5,761,724	7,002,019	8,661,656
Insurance	1,336,036	1,442,491	1,913,299	2,148,338	3,481,751
Other	8,287,094	5,270,166	3,040,336	9,634,384	5,619,909
Total Operating Expenses	**99,713,931**	**96,435,743**	**74,535,129**	**112,965,625**	**125,865,838**
Provision for Depreciation	**44,497,442**	**49,768,473**	**53,383,630**	**79,273,711**	**85,872,221**
Nonoperating Revenues:					
Investment income (loss)	7,703,826	23,723,090	1,647,674	(4,756,436)	31,040,249
Passenger facility charges	31,416,941	26,384,555	20,253,069	35,678,032	41,531,943
Customer facility charges	15,094,273	11,827,674	8,365,388	12,939,489	15,494,211
Other nonoperating revenues (expenses)	-	12,032,061	36,580,521	28,413,059	39,271,115
Total Nonoperating Revenues	**54,215,040**	**73,967,380**	**66,846,652**	**72,274,144**	**127,337,518**
Nonoperating Expenses:					
Debt-related expenses	13,267,265	37,994,910	49,322,732	50,168,720	70,545,732
Other nonoperating expenses	16,170,808	112,570	2,160,638	-	-
Total Nonoperating Expenses	**29,438,073**	**38,107,480**	**51,483,370**	**50,168,720**	**70,545,732**
Capital Contributions	**18,178,942**	**21,287,199**	**31,356,438**	**29,762,836**	**58,983,376**
Increase in Net Position	**68,777,130**	**54,861,521**	**47,420,520**	**69,857,788**	**158,639,467**
Total Net Position – End of Year	**$ 726,287,661**	**$ 781,149,182**	**$ 828,569,702**	**$ 898,427,490**	**$ 1,057,066,957**

(1) This table presents the Authority's revenues, expenses and change in net position in accordance with the presentation in the 2023 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 2019 through 2023 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) 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.

(4) 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 *(2023 ACFR, 2022 ACFR, 2021 ACFR, 2020 ACFR, and 2019 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.

Historical Debt Service Coverage

In connection with the 2003B Bonds Undertaking, the 2015 Bonds Undertaking, and the 2022 Bonds Undertaking, the following table presents the historical debt service coverage on the Senior Bonds and the Subordinate Bonds for past five Fiscal Years.

Senior and Subordinate Debt Service Coverage[1]
Fiscal Years 2019-2023
(Unaudited)

	2019	2020	2021	2022	2023
Airport Revenues (Operating Revenues)[2]	$ 166,845,829	$ 140,324,281	$ 125,103,988	$ 206,386,328	$ 249,787,405
Add: Investment Income (loss)[2]	7,691,491	23,671,953	1,638,683	(4,929,426)	30,496,234
Revenues Available for Debt Service	**174,537,320**	**163,996,234**	**126,742,671**	**201,456,902**	**280,283,639**
Less: Operating Expenses[3]	(98,347,533)	(95,177,939)	(83,844,828)	(112,644,774)	(124,367,586)
Less: CARES/CRRSA Money Applied to Operating Expenses[3]	-	2,925,517	3,988,211	2,026,935	3,280,617
Net Revenues	**$76,189,787**	**$71,743,812**	**$46,886,054**	**$90,839,063**	**$159,196,670**
Senior Debt Service					
Interest	$ 10,563,490	$ 10,155,649	$ 9,859,235	$ 9,649,735	$ 11,564,563
Principal	16,155,000	4,565,000	4,835,000	5,080,000	5,320,000
Less: PFC Revenues Applied to DebtService[4]	(6,560,025)	(573,900)	-	(688,478)	(688,531)
Less: Debt Service Reserve Fund Release[5]	(3,723,692)	-	-	-	-
Less: CARES/CRRSA Money Applied to Debt Service	-	(2,384,981)	(8,934,541)	(7,865,937)	(8,308,528)
Total Senior Debt Service	**$ 16,434,773**	**$ 11,761,768**	**$ 5,759,694**	**$ 6,175,320**	**$ 7,887,504**
Senior Debt Service Coverage	**4.64x**	**6.10x**	**8.14x**	**14.71x**	**20.18x**
Subordinate Debt Service					
Interest	-	$ 2,996,813	$ 22,830,050	$ 27,295,973	$ 27,870,419
Principal	-	-	-	-	-
Less: CARES/CRRSA Money Applied to Debt Service	-	(998,920)	(17,240,578)	(15,172,652)	(15,675,036)
Total Subordinate Debt Service	-	**$ 1,997,893**	**$ 5,589,472**	**$ 12,123,321**	**$ 12,195,383**
Subordinate Debt Service Coverage	-	**30.0x**	**7.36x**	**7.49x**	**13.05x**
Senior and Subordinate Debt Service Coverage	**4.64x**	**5.21x**	**4.13x**	**4.96x**	**7.93x**

(1) This table presents the debt service coverage for the Authority's outstanding Senior Bonds and Subordinate Bonds in accordance with the Senior Bond Resolution and the Subordinate Bond Resolution, respectively, 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. Does not include amounts paid to Bank of America, N.A. pursuant to the Note Purchase Agreement.
(2) Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport.
(3) Includes annual operating expenses related to the Airport and the Reliever Airport.
(4) Includes amounts transferred from PFC Revenues to pay debt service on the Authority's Airport Improvement Revenue Bonds, Series 2009A (the "Series 2009A Bonds") (which are no longer Outstanding), and the Series 2015A Bonds.
(5) Includes release of funds relating to the Series 2009A Bonds (which are no longer Outstanding) from the Airport Improvement Bond Reserve Fund.

Source: Metropolitan Nashville Airport Authority.

Airlines Serving the Airport

In connection with the 2022 Bonds Undertaking, the following table presents the Airlines serving the Airport as of June 30, 2023.

Airlines Serving the Airport
(as of June 30, 2023)

Signatory	Regional Affiliates [1]	Non-signatory [7]	Signatory	Non-signatory
Alaska Airlines	Air Wisconsin[3]	Air Canada / Jazz Aviation[6]	Federal Express	Air Transport Int'l.
Allegiant Air	Commutair[3]	Air Georgian		Airborne Express
American Airlines	Endeavor Air[2]	Avelo Airlines		Amazon Prime
Delta Air Lines	Envoy[4]	Boutique Air		Atlas Air
Frontier Airlines	ExpressJet[2]	Breeze Airways		DHL
JetBlue	GoJet Airlines[3]	British Airways[6]		Kalitta Air
Southwest Airlines	Mesa Airlines[3]	Cape Air		Mountain Air Cargo
Spirit Airlines	Republic Airways[5]	Contour Airlines		Silkway West
United Airlines	SkyWest Airlines[5]	Flair Airlines		Southern Air
		Sun Country		
		Swift Air		
		VivaAerobus[6]		
		WestJet		
		WestJet Encore		

(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.
(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, 2021 and 2022.

Source: The Metropolitan Nashville Airport Authority.

Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2022 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.

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Enplaned Passengers and O&D Enplaned Passengers
Fiscal Years 2013 – 2023[(2)]

Fiscal Year	Enplaned Passengers	Year-Over-Year Growth	O&D Enplaned Passengers[(1)]	Year-Over-Year Growth	Percent of O&D Enplaned Passengers
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%	82.4%
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%
2022	9,217,710	78.9%	7,812,956	91.2%	84.8%
2023	10,952,899	18.8%	9,290,487	18.9%	84.8%

(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.

Subordinate Bonds

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

Airlines Serving the Airport

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Airlines Serving the Airport" herein for the table presenting the Airlines serving the Airport as of June 30, 2023.

Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Enplaned Passenger Traffic - Enplaned Passengers and O&D Enplaned Passengers" herein for the table presenting 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 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 2019 through 2023.

Historical Debt Service Coverage

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Historical Debt Service Coverage" herein for a table presenting Senior Bonds and Subordinate Bonds debt service coverage for Fiscal Years 2019 through 2023.

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This section contains the following subsections:

Single Audit Under Uniform Guidance

Passenger Facility Charges

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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, 2023 and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated October 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 11, 2023

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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

Opinion on Each Major Federal Program

We have audited the Metropolitan Nashville Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the 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, 2023. In addition, we have audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63 (collectively, the "Guide") for the year ended June 30, 2023. 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 collections and expenditures of passenger facility charges.

In our opinion, the Authority complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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"); the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration; and the requirements in 14 CFR 158.63. Our responsibilities under those standards, the Uniform Guidance, and the Guide are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and the passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal program and the passenger facility charge program.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or the passenger facility charge 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 or the passenger facility charge 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 or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

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.

Plante & Moran, PLLC

October 11, 2023

Metropolitan Nashville Airport Authority
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Airport	Program Title	Assistance Listing Number	Grantor Agency	Expenditures	Passed Through to Subrecipients
Federal Assistance:					
U.S. Department of Transportation:					
Direct Awards:					
Nashville International	Airport Improvement Program	20.106	Federal Aviation Administration		
	COVID-19 - Airport Coronavirus Relief Grant Program (ACRGP)			$ 8,607,786	$ -
	COVID-19 - Airport Rescue Grant (ARPA)			18,451,394	-
	Taxiway Kilo West Reconstruction and Lighting Installation			9,197,850	-
	Taxiway Bravo South Reconstruction			5,434,709	-
	Taxiway Bravo South - Pavement Reconstruct and Lighting Installation			7,356,024	-
Pass-Through Awards:	Airport Improvement Program	20.106	Tennessee Department of Transportation		
John C. Tune	COVID-19 - Airport Coronavirus Relief Grant Program (ACRGP)			57,000	-
	COVID-19 - Airport Rescue Grant (ARPA)			148,000	-
	New Parking Lot Near Terminal - Design (Federal Portion)			115,210	-
	Subtotal Airport Improvement Program			49,367,973	-
U.S. Department of Justice:					
	Asset Forfeiture Equitable Sharing Program	16.922	Department of Justice	39,641	-
			Total federal assistance	$ 49,407,614	$ -
State Assistance:					
Nashville International	Airport Improvements		Tennessee Department of Transportation		
	Construct Satellite Concourse			$ 33,181,519	$ -
John C. Tune	Hangar Redevelopment			3,671,062	-
	New Parking Lot Near Terminal - Design (State Portion)			6,401	-
	Airport Maintenance			15,000	-
	Equipment - Airfield Mower			20,602	-
	Total Airport Improvements			36,894,583	-
Nashville International	Asset Forfeiture Equitable Sharing Program		State of Tennessee	898,632	
			Total state assistance	$ 37,793,215	$ -
			Grand total	**$ 87,200,829**	**$ -**

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards ("SEFA") 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. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or re 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 will become a liability of the Authority. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

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

Noncompliance material to financial statements noted? ______ Yes __X__ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ 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 __X__ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: $1,482,228

Auditee qualified as low-risk auditee? __X__ Yes ______ No

Passenger Facility Charge Program

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ 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 __X__ No

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
Current Year	None

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Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2023

	Amended Amount Approved	Cumulative Total June 30, 2022	Quarter Ended September 30, 2022	Quarter Ended December 31, 2022	Quarter Ended March 31, 2023	Quarter Ended June 30, 2023	Total FY 2023	Life-to-date Cumulative
COLLECTIONS:								
PFC Revenue Received	$ 1,551,658,359	$ 461,568,733	$ 10,314,587	$ 8,570,677	$ 11,229,167	$ 10,868,089	$ 40,982,519	$ 502,551,252
Interest Earned/Fees Incurred	N/A	28,514,981	341,982	165,694	557,094	1,446,289	2,511,059	31,026,040
Total Collections	$ 1,551,658,359	$ 490,083,714	$ 10,656,569	$ 8,736,371	$ 11,786,261	$ 12,314,377	$ 43,493,578	$ 533,577,292
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	1,439,174	1,439,174	-	-	-	-	-	1,439,174
Total	1,439,174	1,439,174	-	-	-	-	-	1,439,174
APPLICATION 4 - Curbside Expansion	17,641,859	17,641,859	-	-	-	-	-	17,641,859
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
APPLICATION 7 - Air Cargo Ramp	2,094,000	2,094,000	-	-	-	-	-	2,094,000
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

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2023

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
Taxiway Kilo West and Lima Rehab	352,061	352,061	-	-	-	-	-	352,061
Taxiway Lima between T4 & T6	230,400	230,400	-	-	-	-	-	230,400
Reconstruction Taxiway Tango 6 at Terminal Ramp	188,894	188,894	-	-	-	-	-	188,894
Reconstruction Taxiway Tango 6 at Juliet	428,576	428,576	-	-	-	-	-	428,576
Reconstruction Taxiway Tango 6 at Terminal Ramp	844,829	844,829	-	-	-	-	-	844,829
Reconstruction Taxiway Tango 2	164,855	164,855	-	-	-	-	-	164,855
Rehabilitate Taxiway Alpha North	217,278	217,278	-	-	-	-	-	217,278
Shoulder Replacement Runway 2L-20R	593,673	593,673	-	-	-	-	-	593,673
Upgrade Trench Drain at De-Icing Area	14,673	14,673	-	-	-	-	-	14,673
Runway 2R20L & Taxiway H Add'l Work	798,122	798,122	-	-	-	-	-	798,122
Airfield Pavement Rehab (Ph. 1-5), Runway 2R/20L J & 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

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2023

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
Access Control System Replacement	729,755	729,755	-	-	-	-	-	729,755
Construct 2L-20R Runway Safety Area	407,240	407,240	-	-	-	-	-	407,240
Pavement Management and Modification 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
Terminal Renovations Phase II 2009A Bond	31,483,696	31,483,696					-	31,483,696
Terminal Renovations Phase II 2009A Bond Financing	10,640,404	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	61,415,276	61,415,276	-	-	-	-	-	61,415,276
APPLICATION 15:								
Reconstruct Runway 2L-20R	4,010,198	4,010,198	-	-	-	-	-	4,010,198
Reconstruct Runway 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

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2023

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
APPLICATION 19:								
Improve Stormwater Collection & Treatment System	945,499	945,499	-	-	-	-	-	945,499
Reconstruct Runway 13-31 West	3,479,416	3,479,416	-	-	-	-	-	3,479,416
Total	4,424,915	4,424,915	-	-	-	-	-	4,424,915
		-					-	-
APPLICATION 20:		-					-	-
Reconstruct Taxiway Lima and Juliet East	1,882,125	1,882,125	-	-	-	-	-	1,882,125
Reconstruct Taxiway T3	1,407,796	1,407,796	-	-	-	-	-	1,407,796
Total	3,289,921	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	1,175,372	57,576	57,576	57,578	57,579	230,309	1,405,681
AOA Fence Line Perimeter Road	1,270,000	826,861	-	-	-	-	-	826,861
Terminal Generator Replacement	925,000	831,835	-	-	-	-	-	831,835
Switchgear Replacment, 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	7,103,594	57,576	57,576	57,578	57,579	230,309	7,333,903
APPLICATION 22:								
Reconstruct Taxiway Bravo/Taxiway Lima Intersection-Pay Go	4,900,000	3,763,074	-	-	-	-	-	3,763,074
Rehabilitate Taxiway Lima (2L to L2) including the Lima/Alpha Intersection-Pay Go	6,850,000	5,331,763	-	-	-	-	-	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	1,159,634	-	-	-	-	-	1,159,634
Reconstruct Taxiway Alpha South-Pay Go	13,100,000	10,964,362	-	-	-	-	-	10,964,362
Passenger Terminal Improvements, Phase 2-Jet Bridges-Pay Go	23,980,000	23,825,389	-	-	-	-	-	23,825,389
Passenger Terminal Improvements, Phase 2-Jet Bridges-Bond	8,420,000	-	-	-	-	-	-	-
Passenger Terminal Improvements, Phase 2-Jet Bridges-Financing	7,465,838	2,777,790	114,555	114,555	114,555	114,557	458,222	3,236,012
Passenger Terminal Improvements, Phase 2-Two additional elevators in terminal-Pay Go	1,000,000	865,044	-	-	-	-	-	865,044
Passenger Terminal Improvements, Phase 2-Concourse FIDS & PA/Visual Paging-Pay Go	4,760,000	3,992,022	274	-			274	3,992,295
Total	77,206,501	53,679,077	114,829	114,555	114,555	114,557	458,496	54,137,573
APPLICATION 23:								
Terminal Expansion and Rehabilitation Bond Capital	494,830,515	-	-	-	-	-	-	-
Terminal Expansion and Rehabilitation Financing and Interest	644,180,408	-	-	-	-	-	-	-
Total	1,139,010,923	-	-	-	-	-	-	-
Total Expenditures, net	$ 1,551,658,359	$ 371,010,420	$ 172,405	$ 172,131	$ 172,133	$ 172,136	$ 688,805	$ 371,699,225

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"), and the requirements in 14 CRF 158.63.

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.

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