

Annual Report

For the Year Ending June 30, 2003

The Metropolitan Government of Nashville and Davidson County (the Government) submits the Annual Report for the year ended June 30, 2003 in compliance with the continuing disclosure requirement of Rule 15c2-12 of the Securities and Exchange Commission. The Government's Annual Report consists of the Comprehensive Annual Financial Report (CAFR), prepared in accordance with generally accepted accounting principles and other operating data as contained in final official statements issued by the Government.

The Government's Annual Report for the year ending June 30, 2003 relates to the following issues:

Water and Sewer Revenue Refunding Bonds, Series 1996	\$	74,725,000
G.O. Multi-Purpose Improvement, Series 1996 (Stadium Project)	\$	74,880,000
Public Improvement Revenue Bonds (Stadium Project), Series 1996	\$	78,970,000
Meharry Medical College Project, Series 1996	\$	55,050,000
G.O. Multi-Purpose Improvement, Series 1996A	\$	96,135,000
G.O. Refunding Bonds of 1996	\$	34,305,000
G.O. Refunding Bonds, Series 1997	\$	110,990,000
G.O. Multi-Purpose Improvement Bonds, Series 1997A	\$	150,000,000
Water and Sewer Revenue Refunding Bonds, Series 1998A	\$	156,315,000
Water and Sewer Revenue Bonds, Series 1998B	\$	55,000,000
Taxable Public Facility Revenue Bonds, Series 1998	\$	20,700,000
G.O. Public Improvement and Refunding Bonds, Series 1999	\$	187,500,000
G.O. Multi-Purpose Improvement Bonds, Series 2001A	\$	262,155,000
G.O. Multi-Purpose Refunding Bonds, Series 2001B	\$	73,745,000
G.O. (Tax Exempt) Thermal Refunding Bonds, 2002A	\$	31,065,000
G.O. (Taxable) Thermal Refunding Bonds, 2002B	\$	27,000,000
SLO Correctional Facility Revenue Refunding Bonds, 2002	\$	16,265,000
G.O. Multi-Purpose Refunding Bonds, Series 2002	\$	108,690,000
Water and Sewer Revenue Refunding Bonds, Series 2002	\$	30,225,000
DES Revenue Bonds, 2002A (Issue Dated: October 1, 2002)	\$	66,700,000
G.O. Commercial Paper	\$	200,000,000

Constellation Energy Group's Annual 10-K Filing is enclosed. Meharry Medical College audited financials will be filed as soon as available. For electronic copies of the 2003 Bond Official Statements, please visit the Investor Relations section on our website at www.nashville.gov/finance/investor_relations.htm. The 2003 CAFR is also available in the What's New section, found in the top right corner, of the Finance home page (www.Nashville.gov/Finance/index.htm).

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PRIORITY CAPITAL PROJECTS PLANNING (1)

	Four Year Total	2004-05	2005-06	2006-07	2007-08
<u>GENERAL SERVICE DISTRICTS</u>					
Codes Administration	496,000	124,000	124,000	124,000	124,000
Convention Center	935,000	619,000	235,000	81,000	-
Finance Department	114,400,000	52,100,000	27,600,000	26,100,000	8,600,000
Fire Department	24,300,000	6,100,000	6,100,000	6,000,000	-
General Hospital	2,000,000	2,000,000	-	-	-
General Services	47,223,000	15,981,000	12,472,000	9,270,000	9,500,000
Information Systems	3,000,000	1,500,000	1,500,000	-	-
Metro Development and Housing Agency	296,886,000	116,636,000	78,800,000	51,450,000	50,000,000
Metro Transit Authority	56,562,000	44,128,000	3,978,000	4,325,000	4,131,000
Municipal Auditorium	1,130,000	930,000	200,000	-	-
Nashville Electric Service	275,950,000	64,950,000	70,000,000	70,000,000	71,000,000
Parks and Recreation	134,509,000	34,482,000	34,482,000	35,482,000	30,063,000
Planning Department	2,000,000	2,000,000	-	-	-
Police Department	12,462,000	2,200,000	10,262,000	-	-
Public Library	24,968,000	5,485,000	11,596,000	4,707,000	3,180,000
Public Works	582,007,000	186,555,000	204,660,000	103,047,000	87,745,000
Sports Authority	80,000	20,000	20,000	20,000	20,000
Social Services	2,101,000	525,000	876,000	600,000	100,000
Stormwater Division	26,690,000	5,945,000	5,895,000	6,675,000	8,175,000
Water & Sewerage Services	434,660,000	113,750,000	106,184,000	110,649,000	104,077,000
Total G.S.D.	\$ 2,036,259,000	\$ 656,030,000	\$ 574,984,000	\$ 428,530,000	\$ 376,715,000
<u>URBAN SERVICE DISTRICTS</u>					
Public Works	\$ 26,334,000	\$ 9,241,000	\$ 9,863,000	\$ 3,705,000	\$ 3,525,000
Stormwater Division	6,000,000	1,000,000	1,500,000	2,000,000	1,500,000
Total U.S.D.	32,334,000	10,241,000	11,363,000	5,705,000	5,025,000
Schools	193,512,000	61,928,000	51,699,000	39,854,000	40,031,000
Grand Total	\$ 2,262,105,000	\$ 728,199,000	\$ 638,046,000	\$ 474,089,000	\$ 421,771,000

(1) The following information identifies capital projects in the Metro Nashville / Davidson County FY 2003 Operating Budget.

Annual Report

For the Year Ending June 30, 2003

The following table references the updated information as contained in the Yearly Information Statement of each issue's final official statement:

Relevant Cusips	Attached Separately
Priority Capital Projects Planning	Attachment 1
Property Taxes:	
Ratios of Tax Levy	CAFR- H4
Assessed Valuation and Estimated Market Value	Attachment 2
Tax Collection	CAFR- B44
Analysis of Tax Levies and Collections	CAFR- H6-7
Schedule of Delinquent Property Taxes Receivable - By Type	CAFR- G-14
Principal Taxpayers	CAFR- H8
Five Year Summary Revenues, Expenditures and Changes in Fund Balances:	
General Fund	Attachment 3
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Debt Service	Attachment 5
Computation of Net General Obligation Debt	Attachment 6
Debt Ratios as of June 30, 2003	Attachment 7
Calculation of Self-Supporting Debt	Attachment 7
Historical Debt Ratios:	
Ratio of Net G.O. Debt to Assessed Value and Net Debt per Capita	CAFR- H18
Total Debt Service as of June 30, 2003 Secured by Ad Valorem Taxes	Attachment 8
Sports Authority Financial Information	CAFR - F2-5
Summary of the Unfunded Pension Benefit Obligation of the City and County Plans and the Board of Education Plans	CAFR- B69-89
Schedule of Historic and Projected Non-Tax Revenues	Attachment 9
State of TN Annual Financial Information- SLO Correctional Facilities Revenue Refunding Bonds, Series 2002, dated February 1, 2002	Attachment 10

In addition to the Government's Annual Report, the Government also submits an annual report prepared by the Department of Water and Sewer for its Revenue Refunding Bonds, Series 1996; its Revenue Refunding Bonds, Series 1998A; and its Revenue Bonds, Series 1998B. Also included, the Continuing Disclosure Updates for Sports Authority, relating to Public Improvement Revenue Bonds, Series 1996 and Taxable Public Facility Revenue Bonds, Series 1998, an overview of the District Energy System (DES) and the State of Tennessee's 2003 CAFR (www.state.tn.us/finance/act/cafr.html).

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
 ANALYSIS of ORIGINAL ASSESSMENT INCLUDING SUPPLEMENTAL (1)
 and ESTIMATED CURRENT VALUE of all TAXABLE PROPERTY (2)

Ten Year Summary

Fiscal Year	Estimated Current Property Value (3)	General Services District				Urban Services District			
		GSD Total	Realty	Personalty	Public Utility	USD Total	Realty	Personalty	Public Utility
1993-94	\$ 24,154,889,503	\$ 7,645,927,094	\$ 6,564,860,490	\$ 588,900,423	\$ 492,166,181	\$ 5,536,342,048	\$ 4,660,546,128	\$ 468,042,087	\$ 407,753,833
1994-95	24,554,554,540	7,809,222,537	6,665,738,964	604,633,877	538,849,696	5,542,872,889	4,604,202,408	487,181,673	451,488,808
1995-96	26,686,385,238	7,949,116,583	6,854,887,568	616,396,850	477,832,165	5,567,272,438	4,695,089,938	472,017,573	400,164,927
1996-97	27,908,069,594	8,192,586,699	7,050,026,895	668,743,347	473,816,457	5,691,540,025	4,784,362,948	515,583,782	391,593,295
1997-98	33,706,470,792	10,647,933,789	9,360,046,370	813,501,653	474,385,766	7,303,138,660	6,280,076,965	634,766,710	388,294,985
1998-99	34,408,511,843	10,895,717,859	9,483,759,205	873,944,396	538,014,258	7,491,537,089	6,372,341,408	681,039,272	438,156,409
1999-00	38,576,009,345	11,087,336,546	9,625,554,203	954,014,066	507,768,277	7,579,090,297	6,420,180,086	747,640,155	411,270,056
2000-01	39,576,025,308	11,390,199,691	9,878,827,579	953,834,854	557,537,258	7,752,879,515	6,544,802,327	745,794,683	462,282,505
2001-02	42,634,022,131	13,373,373,440	11,649,748,674	1,059,163,097	664,461,669	9,029,225,021	7,681,717,993	794,416,879	553,090,149
2002-03	42,988,853,105	13,463,419,440	11,792,547,023	1,025,692,548	645,179,869	9,022,873,427	7,722,115,933	765,147,395	535,610,099

(1) Supplemental assessment of properties include those which were improved, demolished, or damaged between January 1 and September 1.

(2) The assessment date for property is January 1 (pickup assessments and cancellations for each year in minor amounts are not reflected.)

(3) Estimated property value is based on amounts in Tax Aggregate Reports from Tennessee State Board of Equalization. These amounts include both the GSD and USD. The State does not provide a breakdown of the estimated property value for the GSD and USD separately.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
GENERAL FUND (1) (2) (3)

FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Years Ended June 30				
	2003	2002	2001	2000	1999
REVENUES:					
Property taxes	\$ 337,920,726	\$ 340,182,082	\$ 266,534,541	\$ 255,958,467	\$ 250,095,609
Local option sales tax	76,182,263	75,486,161	78,323,804	78,072,027	74,452,947
Other taxes, licenses and permits	75,176,573	75,699,531	78,457,620	77,221,770	73,304,945
Fines, forfeits and penalties	10,534,610	9,197,437	9,886,470	11,623,769	11,382,032
Revenue from use of money of property	1,123,885	1,793,043	2,634,827	2,435,785	3,960,366
Revenue from other governmental agencies	94,232,379	93,569,510	93,730,534	96,819,242	98,164,129
Commissions and fees	18,953,278	14,356,454	13,516,675	13,756,439	14,577,828
Charges for current services	21,730,596	20,969,793	19,681,031	18,924,947	18,433,071
Compensation for loss, sale or damage to property	5,493,793	1,303,830	1,313,367	1,301,870	1,800,520
Contributions and gifts	556,455	443,000	844,515	720,840	-
Miscellaneous	613,045	547,519	774,285	1,580,231	1,731,687
Total Revenues	642,517,603	633,548,360	565,697,669	558,415,387	547,903,134
EXPENDITURES					
General Government	32,549,058	27,660,246	23,780,866	23,575,104	24,269,182
Fiscal Administration	20,323,270	19,765,287	17,128,581	15,835,754	18,309,022
Administration of Justice	45,794,670	43,163,240	39,377,240	41,327,826	39,563,106
Law enforcement and care of prisoners	169,148,228	159,551,996	140,935,478	140,897,348	147,489,469
Fire prevention and control	86,043,913	79,073,811	67,145,761	68,744,162	68,780,838
Regulation and inspection	7,006,740	7,177,920	5,890,959	6,211,955	6,849,852
Conservation of natural resources	311,037	319,543	354,787	300,301	292,287
Public welfare	12,709,251	12,554,567	12,758,996	16,941,661	16,519,502
Public health and hospitals	72,191,199	68,431,324	28,794,563	27,810,992	27,388,492
Public library system	17,795,337	16,237,004	11,815,438	10,275,471	9,882,149
Public works, highway, and street	27,117,716	30,688,707	30,886,707	32,731,146	36,271,472
Recreational and cultural	31,793,123	30,305,628	27,826,667	27,751,742	27,709,921
Employee benefits	51,520,203	46,876,942	44,796,706	43,186,268	41,326,087
Miscellaneous	34,573,313	33,791,687	12,533,657	10,979,389	5,821,492
Total Expenditures	608,877,058	575,597,902	464,026,406	466,569,119	470,472,871
Excess (Deficiency) of revenues over expenditures	33,640,545	57,950,458	101,671,263	91,846,268	77,430,263
OTHER FINANCING SOURCES (USES)					
Transfers in	10,379,911	9,884,702	9,164,813	10,961,503	11,682,853
Transfers out	(74,403,443)	(58,397,575)	(98,980,994)	(93,704,718)	(89,539,224)
Total Other Financing Sources (Uses)	(64,023,532)	(48,512,873)	(89,816,181)	(82,743,215)	(77,856,371)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(30,382,987)	9,437,585	11,855,082	9,103,053	(426,108)
FUND BALANCE, beginning of year	109,488,239	100,050,654	88,195,572	57,969,671	58,395,779
FUND BALANCE, end of year	\$ 79,105,252	\$ 109,488,239	\$ 100,050,654	\$ 67,072,724	\$ 57,969,671

(1) For fiscal year 2001, beginning fund balances was restated due to GASB 33, Accounting and Reporting for Non-exchange Transactions.

(2) For fiscal year 2002, funds are stated according to GASB 34.

(3) Certain numbers have been re-classified for comparative purposes.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SPECIAL REVENUE FUNDS (1)

FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Years Ended June 30				
	2003	2002	2001	2000	1999
REVENUES:					
Property taxes	\$ 171,053,586	\$ 165,634,153	\$ 111,206,690	\$ 110,610,784	\$ 109,211,904
Local option sales tax	137,212,657	139,791,405	141,948,976	142,681,260	135,799,771
Other taxes, licenses and permits	18,564,004	18,070,949	19,239,743	34,764,271	26,395,401
Fines and costs	3,656,688	2,426,296	2,859,655	4,289,185	3,370,377
Revenue from the use of money or property	2,507,766	3,062,711	5,113,227	5,486,721	4,801,730
Revenue from other governmental agencies	246,032,628	233,889,778	214,255,669	203,788,422	231,550,400
Charges for current services	22,032,772	27,098,099	27,514,419	30,896,363	28,404,978
Compensation for loss, sale or damage to property	2,007,850	1,185,638	1,507,523	753,891	1,104,051
Grants, contributions and gifts	7,450,419	8,786,548	8,605,279	8,563,416	7,213,169
Miscellaneous	96,994	23,481	79,984	36,895	11,573
Total revenues	610,615,364	599,969,058	532,331,165	541,871,208	547,863,354
EXPENDITURES					
Personal services	458,369,374	433,109,794	400,294,114	394,251,712	373,743,668
Contractual services	86,071,527	67,471,741	51,073,832	72,260,861	73,329,000
Supplies	62,065,751	56,752,972	47,929,718	38,121,002	36,462,793
Other	11,064,983	35,983,659	36,594,898	14,983,548	16,633,134
Capital outlay	15,630,797	6,546,573	6,212,752	15,215,722	68,108,787
Total Expenditures	633,202,432	599,864,739	542,105,314	534,832,845	568,277,382
Excess (deficiency) of revenues over expenditures	(22,587,068)	104,319	(9,774,149)	7,038,363	(20,414,028)
OTHER FINANCING SOURCES (USES)					
Transfers in	67,878,539	53,370,027	46,775,915	50,128,437	39,158,219
Transfers out	(29,405,040)	(23,486,848)	(29,795,569)	(38,188,832)	(39,092,487)
Total Other Financing Sources (Uses)	38,473,499	29,883,179	16,980,346	11,939,605	65,732
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,886,431	29,987,498	7,206,197	18,977,968	(20,348,296)
FUND BALANCE, beginning of year, as restated	147,199,062	117,211,566	109,968,273	100,677,848	121,010,530
FUND BALANCE, end of year	\$ 163,085,493	\$ 147,199,064	\$ 117,174,470	\$ 119,655,816	\$ 100,662,234

(1) Certain numbers have been re-classified for comparative purposes.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT SERVICE FUNDS (1) (2) (3) (4) (5)

FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Years Ended June 30				
	2003	2002	2001	2000	1999
REVENUES:					
Property taxes	\$ 92,149,286	\$ 92,583,740	\$ 93,121,235	\$ 89,467,041	\$ 87,689,394
Local option sales tax	17,184,734	16,429,787	16,930,017	16,439,343	14,745,540
Commissions and fees	-	2,319,945	5,892,842	50,000	-
Revenue from the use of money of property	2,514,827	4,489,644	3,878,324	5,651,070	4,436,985
Revenue from other governmental agencies	6,188,089	17,573,817	897,489	4,171,045	4,113,196
Compensation for loss, sale, or damage to property	-	-	1,500,050	-	-
Total Revenues	118,036,936	133,396,933	122,219,957	115,778,499	110,985,115
EXPENDITURES					
Principal retirement	77,865,000	68,255,000	56,825,000	51,925,000	51,530,000
Interest	58,207,564	63,448,704	49,834,336	59,563,984	53,182,744
Fiscal charges	1,129,294	701,841	457,179	427,424	28,286
Refunding bond issue costs	1,316,019	1,346,732	-	-	-
Bond Issue Costs	829,906	-	-	-	91,252
Total Expenditures	139,347,783	133,752,277	107,116,515	111,916,408	104,832,282
Excess (deficiency) of revenues over expenditures	(21,310,847)	(355,344)	15,103,442	3,862,091	6,152,833
OTHER FINANCING SOURCES (USES)					
Proceeds of refunding bonds, net of discount					
Payments to refunded bond escrow agent	108,690,000	74,193,796	73,745,000	-	7,355,000
Bond issue premium (discount)	(112,805,846)	(87,228,769)	(77,885,410)	-	(7,377,668)
Transfers in	5,608,303	1,323,046	4,620,921	-	56,061
Transfers out	19,601,122	16,788,988	24,333,599	31,038,063	26,296,610
Total Other Financing Sources (Uses)	-	-	(3,567,645)	(10,896,029)	(6,438,404)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(217,268)	4,721,717	36,349,907	24,004,125	26,044,432
FUND BALANCE, beginning of year, restated	166,541,255	161,819,538	125,469,631	111,670,929	85,626,497
FUND BALANCE, end of year	\$ 166,323,987	\$ 166,541,255	\$ 161,819,538	\$ 135,675,054	\$ 111,670,929

(1) Includes the Correctional Facility Revenue Bonds.

(2) Also includes the Sports Authority Stadium Revenue Bonds, beginning fiscal year 1997.

(3) Also includes the Sports Authority Arena Revenue Bonds, beginning fiscal year 1998.

(4) Certain numbers have been re-classified for comparative purposes.

(5) Beginning fiscal year 2001, Sports Authority reported as a component unit and not included in this schedule.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
COMPUTATION OF NET GENERAL OBLIGATION DEBT

June 30, 2003

Gross General Obligation Debt		
General Obligation Bonds Payable		
General Services District:		
For School Purposes	\$ 379,575,599	
For General Purposes	637,517,787	
Urban Services District:		
For General Purposes	<u>97,896,614</u>	
Total Gross General Obligation Debt		\$ 1,114,990,000
Less:		
Amounts Available In Debt Service Funds		
General Services District:		
For School Purposes	80,738,228	
For General Purposes	69,768,091	
Urban Services District:		
For General Purposes	<u>13,230,403</u>	
Total Amounts Available In Debt Service Funds (1)		163,736,722
Debt Payable From Other Sources		
Hotel Occupancy Tax (1)		
Convention Center Project:		
G.O. Refunding Bonds of 1993	13,721,195	
G. O. Multi-Purpose Improvement Bonds, Series 1997A	<u>3,841,486</u>	
Total Debt Payable From Other Sources		<u>17,562,681</u>
Net General Obligation Debt		<u>\$ 933,690,597</u>

(1) Excludes the Correction Facility Revenue Bonds.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEBT RATIOS
AS OF JUNE 30, 2003

Total Debt (1)		
Debt to Estimated Market Value		2.59%
Debt to Assessed Value		8.28%
Debt per Capita	\$	1,951.90
Net Debt (1)		
Debt to Estimated Market Value		2.17%
Debt to Assessed Value		6.94%
Debt per Capita	\$	1,634.52

The above table is based upon:

Estimated Market Value \$	42,988,853,105	(2003)
Assessed Value \$	13,463,419,440	(2003)
Population (2)	571,233	(2003)

CALCULATION OF SELF-SUPPORTING DEBT

	As of
	June 30, 2003
Hotel Occupancy Tax:	
Convention Center Project (3)	
G.O. Refunding Bonds of 1993	\$ 13,721,195
G.O. Multi-Purpose Improvement Bonds, Series 1997A	<u>3,841,486</u>
	<u>\$ 17,562,681</u>

(1) Please refer to pages H-3 (Estimated Market Value), H-18 and H-19 in the 2003 CAFR.

(2) Source: projected based on existing population and growth rates.

(3) General improvement bonds represent outstanding general obligation bonds issued for the convention center, the debt service payments which are reimbursed from the hotel-motel

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Total Debt Service as of June 30, 2003
Secured by Ad Valorem Taxes

Year Ending June 30	GSD		USD	Total GSD and USD
	School Purposes	General Purposes	General Purposes	
2004	\$ 42,920,654	\$ 75,102,109	\$ 16,094,063	\$ 134,116,826
2005	41,885,549	74,438,540	15,946,784	132,270,873
2006	40,663,929	74,344,660	15,914,143	130,922,732
2007	38,014,094	62,106,144	12,824,149	112,944,387
2008	35,971,357	59,028,130	12,294,400	107,293,887
2009	33,285,949	52,222,862	8,177,605	93,686,416
2010	30,957,466	50,723,303	8,179,239	89,860,008
2011	29,829,338	49,172,985	7,622,044	86,624,367
2012	28,633,158	42,810,069	6,650,908	78,094,135
2013	27,764,985	41,083,327	5,958,709	74,807,021
2014	26,166,345	40,500,195	4,962,552	71,629,092
2015	24,926,207	40,080,461	4,687,045	69,693,713
2016	29,071,613	43,008,491	1,758,338	73,838,442
2017	25,337,388	39,875,224	1,464,188	66,676,800
2018	18,424,340	27,681,523	-	46,105,863
2019	18,528,056	24,109,776	-	42,637,832
2020	11,656,728	24,199,272	-	35,856,000
2021	10,240,856	23,544,575	-	33,785,431
2022	10,247,538	22,822,003	-	33,069,541
2023	10,255,380	22,821,086	-	33,076,466
2024	10,261,332	22,819,234	-	33,080,566
2025	10,270,352	22,820,104	-	33,090,456
2026	1,957,808	13,092,792	-	15,050,600
2027	1,953,446	7,782,495	-	9,735,941
2028	1,946,936	7,771,311	-	9,718,247
2029	-	5,531,981	-	5,531,981
2031	-	5,526,356	-	5,526,356
	<u>561,170,804</u>	<u>975,019,008</u>	<u>122,534,167</u>	<u>1,658,723,979</u>
Deferred Cost	<u>(1,875,369)</u>	<u>(1,283,848.00)</u>	<u>(3,019,038)</u>	<u>(6,178,255)</u>
	<u>\$ 559,295,435</u>	<u>\$ 973,735,160</u>	<u>\$ 119,515,129</u>	<u>\$ 1,652,545,724</u>

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Non-Tax Revenues (1)
Fiscal Years Ending June 30, 1998 through June 30, 2003
and Projected Fiscal Year Ending June 30, 2004

	2004 PROJECTED	2003	2002	2001	2000	1999
Pilot Payment	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Other Payments in Lieu of Taxes	13,844,300	13,642,436	13,081,213	11,003,176	10,277,572	9,974,085
Licenses	13,573,600	13,786,164	13,544,950	13,473,512	13,618,045	13,001,802
Permits	9,744,100	9,351,267	9,688,017	9,959,722	11,073,840	10,325,983
Franchise Fees	13,020,000	14,553,037	11,607,929	12,351,270	10,175,361	10,664,430
Fines, Forfeitures, and Penalties	9,763,900	10,533,709	9,197,437	9,886,469	11,623,769	11,382,032
Revenue from the Use of Money or Pr	688,300	910,470	1,454,843	2,241,616	2,182,841	3,582,644
Commission and Fees (2)	10,638,100	12,789,077	8,914,178	8,479,129	8,431,510	9,469,465
Charges for Current Services	21,434,300	21,210,288	20,162,929	18,898,392	18,146,223	17,677,881
Compensation from Property	5,573,300	5,485,645	1,274,646	1,301,488	1,301,870	1,780,520
Contributions and Gifts (3)	545,500	556,455	443,000	844,515	720,840	-
Miscellaneous Revenue	474,500	569,153	546,543	759,985	724,067	1,673,078
TOTAL	\$ 103,299,900	\$ 107,387,701	\$ 93,915,684	\$ 93,199,274	\$ 92,275,938	\$ 93,531,920

(1) Includes only collections within the General Services District of the Metropolitan Government.

(2) Adjusted to reflect the elimination of non-cash revenue reported only for financial statement presentation.

(3) Contributions and gifts were included as miscellaneous revenues prior to fiscal year 2000.

**Annual Financial Information
Due January 31, 2003 For
The State Funding Board
State of Tennessee
Office of the Comptroller of the Treasury
Division of Bond Finance
Suite 1600 James K. Polk Bldg.
Nashville, Tennessee 37243-0273
(615) 401-7872
Fax: (615) 741-5986**

Dated: January 30, 2003

Related to the following Issues of the Metropolitan Government of Nashville and Davidson County, TN:
\$16,265,000 Special Limited Obligation Correctional Facilities Revenue Refunding Bonds, Series 2002 dated as if February 1, 2002, maturing serially September 1, 2002 through September 1, 2011, with CUSIP#'s listed on the attached schedule ,

TENNESSEE STATE FUNDING BOARD

Relevant Bond Cusip Numbers

<u>CUSIP NUMBE</u>	<u>AMOUNT</u>	<u>MATURITY DATE</u>
592024AZ6	1,450,000	1-Sep-04
592024BA0	1,505,000	1-Sep-05
592024BB8	1,570,000	1-Sep-06
592024BC6	1,630,000	1-Sep-07
592024BD4	1,710,000	1-Sep-08
592024BE2	1,795,000	1-Sep-09
592024BF9	1,885,000	1-Sep-10
592024BG7	1,985,000	1-Sep-11
	<u>\$13,530,000</u>	

WATER & SEWER SYSTEM

Annual Disclosure

**ANNUAL FINANCIAL INFORMATION
For the Fiscal Year Ending
June 30, 2003**

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES**

**HISTORICAL STATEMENT OF REVENUES, EXPENSES, DEBT, AND DEBT
SERVICE COVERAGE**

For the Fiscal Year Ending June 30

	1999	2000	2001	2002	2003
Operating Revenues	\$158,822,805	\$151,201,562	\$152,171,855	\$151,189,267	\$147,977,245
Operating Expenses	(65,235,054)	(66,263,605)	(66,101,340)	(68,006,243)	(67,049,335)
Operating income before Depreciation and amortization	\$ 93,587,751	\$ 84,937,957	\$ 86,070,515	\$ 83,183,024	\$ 80,927,910
Depreciation Expense	\$ (29,890,254)	\$ (36,342,268)	\$ (41,690,486)	\$ (43,673,925)	\$ (44,113,004)
Amortization Expense	(683,261)	(652,687)	(614,146)	(582,312)	(674,272)
Operating Income	\$ 63,014,236	\$ 47,943,002	\$ 43,765,883	\$ 38,926,787	\$ 36,140,634
Non-Operating Revenues					
Interest Income	\$ 14,554,859	\$ 15,788,900	\$ 19,065,878	\$ 13,492,125	\$ 8,712,562
Interest Expense	(35,684,094)	(35,245,515)	(34,640,036)	(33,742,082)	(31,936,494)
Gain (loss) on sale of property, plant and equipment	(3,357,876)	27,490	1,185	(74,746)	(9,027)
Arbitrage rebate income (expense)	-	-	(1,511,034)	500,000	(785,840)
Other	949,942	383,728	1,205,688	1,253,548	521,468
Subtotal Non-Operating Revenues	\$ (23,537,169)	\$ (19,045,397)	\$ (15,878,319)	\$ (18,571,155)	\$ (23,497,331)
Capital Grants and contributions	-	-	18,431,360	23,580,339	5,535,862
Net Income	\$ 39,477,067	\$ 28,897,605	\$ 46,318,924	\$ 43,935,971	\$ 18,179,165
Calculation for Rate Covenant Requirement					
Operating Revenues	\$158,822,805	\$151,201,562	\$152,171,855	\$151,189,267	\$147,977,245
Plus:					
Interest Income	\$ 14,554,859	\$ 15,788,900	\$ 19,065,878	\$ 13,492,125	\$ 8,712,562
Other Income	949,942	383,728	1,205,688	1,253,548	521,468
Less:					
Interest Income (Debt Service Reserve Fund)	(3,064,000)	(3,290,000)	(3,827,614)	(2,539,385)	(1,686,498)
Interest Income (Construction Fund)	(2,405,000)	(1,406,000)	(90,000)	-	-
Revenues Available for Rate Covenant Requirement	\$168,858,606	\$162,678,190	\$168,525,807	\$163,395,555	\$155,524,777
Operating Expenses	\$ 65,235,054	\$ 66,263,605	\$ 66,101,340	\$ 68,006,243	\$ 67,049,335
Debt Service - Parity Debt					
Principal on Revenue Bonds	\$ 17,020,000	10,630,000	13,480,000	14,050,000	19,680,000
Interest on Revenue Bonds	23,920,722	31,393,965	30,916,020	30,284,920	27,966,030
Les: Debt Service Reserve Fund Interest	(3,064,000)	(3,290,000)	(3,827,614)	(2,539,385)	(1,686,498)
Net Debt Service - Parity Debt	\$ 37,876,722	\$ 38,733,965	\$ 40,568,406	\$ 41,795,535	\$ 45,959,532
Total Operating Expenses and Net Debt Service	\$103,111,776	\$104,997,570	\$106,669,746	\$109,801,778	\$113,008,867
Rate Covenant Requirement (1.10) (1)	1.64	1.55	1.58	1.49	1.38

(1) The rate covenant is calculated by dividing Revenues, as defined in the Resolution, by the total Operating Expenses and Debt Service, as defined in the Resolution. This ratio must be greater than or equal to 1.10.

FORECAST STATEMENT OF REVENUES, EXPENSES, DEBT, AND DEBT SERVICE COVERAGE

For Fiscal Year Ending June 30

	2004	2005	2006	2007	2008
Operating Revenues					
<i>Charges for Service</i>					
Water Revenues	\$ 55,000,000	\$ 55,275,000	\$ 55,551,375	\$ 55,829,132	\$ 56,108,278
Sewer Revenues	96,000,000	96,480,000	96,962,400	97,447,212	97,934,448
Customer Service Fees	2,900,000	3,100,000	3,100,000	3,100,000	3,100,000
<i>Subtotal: Charges for Service</i>	<u>\$ 153,900,000</u>	<u>\$ 154,855,000</u>	<u>\$ 155,613,775</u>	<u>\$ 156,376,344</u>	<u>\$ 157,142,726</u>
Non-Operating Revenues					
Interest Income on Fund Balances	\$ 8,300,000	\$ 6,000,000	\$ 5,400,000	\$ 3,500,000	\$ 3,500,000
Other Revenues	380,000	380,000	380,000	380,000	380,000
<i>Subtotal: Non-Operating Revenues</i>	<u>\$ 8,680,000</u>	<u>\$ 6,380,000</u>	<u>\$ 5,780,000</u>	<u>\$ 3,880,000</u>	<u>\$ 3,880,000</u>
Total Revenues	<u>\$ 162,580,000</u>	<u>\$ 161,235,000</u>	<u>\$ 161,393,775</u>	<u>\$ 160,256,344</u>	<u>\$ 161,022,726</u>
Operating Expenses	<u>(81,000,000)</u>	<u>(85,115,700)</u>	<u>(87,669,171)</u>	<u>(90,299,246)</u>	<u>(93,008,224)</u>
Net Revenues Available for Debt Service	<u>\$ 81,580,000</u>	<u>\$ 76,119,300</u>	<u>\$ 73,724,604</u>	<u>\$ 69,957,098</u>	<u>\$ 68,014,502</u>
Debt Service					
<i>Revenue Bonds</i>					
1986 Revenue Refunding Bonds	\$ (9,542,225)	\$ (9,542,225)	\$ (9,542,225)	\$ (9,542,225)	\$ (9,542,225)
Series 1993 Revenue Refunding Bonds	(13,901,265)	(13,888,405)	(13,864,655)	(13,833,125)	(13,876,605)
Series 1996 Revenue Refunding Bonds	(8,954,525)	(8,949,525)	(8,949,125)	(8,951,825)	(8,951,125)
Series 1998A Revenue Refunding Bonds	(8,091,833)	(11,130,388)	(11,129,888)	(11,120,138)	(11,121,138)
Series 1998B Revenue Bonds	(4,283,603)	(4,274,603)	(7,455,098)	(7,441,098)	(7,433,848)
Series 2002 Revenue Refunding Bonds	(4,037,187)	(1,426,031)	(1,426,031)	(1,426,031)	(1,426,031)
<i>Subtotal: Revenue Bonds</i>	<u>(48,810,638)</u>	<u>(49,211,177)</u>	<u>(52,367,022)</u>	<u>(52,314,442)</u>	<u>(52,350,971)</u>
<i>State Revolving Fund Loans</i>	<u>\$ (7,063,532)</u>	<u>\$ (5,738,300)</u>	<u>\$ (6,737,400)</u>	<u>\$ (10,538,400)</u>	<u>\$ (11,654,100)</u>
Net Revenues after Total Debt	<u>\$ 25,705,830</u>	<u>\$ 21,169,823</u>	<u>\$ 14,620,182</u>	<u>\$ 7,104,256</u>	<u>\$ 4,009,431</u>
Adjustments for Non-cash Expenses					
Allowance for Bad Debts	\$ 1,539,000	\$ 1,548,550	\$ 1,556,138	\$ 1,563,763	\$ 1,571,427
Total Revenues Available for Capital Projects	<u>\$ 27,244,830</u>	<u>\$ 22,718,373</u>	<u>\$ 16,176,320</u>	<u>\$ 8,668,019</u>	<u>\$ 5,580,858</u>
(transferred to E&R Fund)					
Other Budgeted Expenditures					
Total Overflow Abatement Program	\$ (24,966,000)	\$ (24,900,500)	\$ (11,000,000)	\$ (9,000,000)	\$ (5,000,000)
Total Other Capital Projects	(39,595,000)	(56,712,000)	(59,688,000)	(79,249,000)	(35,599,000)
<i>Subtotal: Other Budgeted Expenditures</i>	<u>(64,561,000)</u>	<u>(81,612,500)</u>	<u>(70,688,000)</u>	<u>(88,249,000)</u>	<u>(40,599,000)</u>
Other Transfers In					
Transfer from Extension and Replacement Fund	60,061,000	69,137,500	59,227,000	53,293,000	49,793,000
Grants from Federal Government	-	-	-	-	-
State Revolving Fund Loan	-	5,500,000	29,088,000	56,549,000	16,599,000
Tennessee Local Development Authority Loans	4,500,000	5,000,000	850,000	-	-
<i>Subtotal: Other Transfers In</i>	<u>\$ 64,561,000</u>	<u>\$ 79,637,500</u>	<u>\$ 89,165,000</u>	<u>\$ 109,842,000</u>	<u>\$ 66,392,000</u>
Remaining Available Funds (Revenue Surplus/Deficit)	<u>\$ 27,244,830</u>	<u>\$ 20,743,373</u>	<u>\$ 34,653,320</u>	<u>\$ 30,261,019</u>	<u>\$ 31,373,858</u>
Total Beginning Extension and Replacement Fund	<u>\$ 154,115,557</u>	<u>\$ 121,299,387</u>	<u>\$ 72,905,260</u>	<u>\$ 48,331,580</u>	<u>\$ 25,299,599</u>
Remaining Available Funds (Revenue Surplus/Deficit)	27,244,830	20,743,373	34,653,320	30,261,019	31,373,858
Net Transfers	(60,061,000)	(69,137,500)	(59,227,000)	(53,293,000)	(49,793,000)
Total Ending Extension and Replacement Fund	<u>121,299,387</u>	<u>72,905,260</u>	<u>48,331,580</u>	<u>25,299,599</u>	<u>6,880,457</u>

Calculation for Rate Covenant Requirement					
	2004	2005	2006	2007	2008
Operating Revenues	\$ 153,900,000	\$ 154,855,000	\$ 155,613,775	\$ 156,376,344	\$ 157,142,726
Plus:					
Interest Income	8,300,000	6,000,000	5,400,000	3,500,000	3,500,000
Other Income	380,000	380,000	380,000	380,000	380,000
Less:					
Interest Income (Debt Service Reserve Fund)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Interest Income (Construction Fund)	-	-	-	-	-
Revenues Available for Rate Covenant Requirement	\$ 161,080,000	\$ 159,735,000	\$ 159,893,775	\$ 158,756,344	\$ 159,522,726
Operating Expenses	81,000,000	85,115,700	87,669,171	90,299,246	93,008,224
Debt Service - Parity Debt					
Principal on Revenue Bonds	20,190,000	21,680,000	25,960,000	27,280,000	28,770,000
Interest on Revenue Bonds	28,620,637	27,531,176	26,407,021	25,034,441	23,580,971
Less: Debt Service Reserve Fund Interest	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Net Debt Service - Parity Debt	47,310,637	47,711,176	50,867,021	50,814,441	50,850,971
Total Operating Expenses and Net Debt Service	\$ 128,310,637	\$ 132,826,876	\$ 138,536,192	\$ 141,113,687	\$ 143,859,195
Rate Covenant Requirement (1.10) (1)	1.26	1.20	1.15	1.13	1.11

(1) The rate covenant is calculated by dividing Revenues, as defined in the Resolution, by the total Operating Expenses and Debt Service, as defined in the Resolution. This ratio must be greater of equal to 1.10.

THE WATER AND SEWER SYSTEM

General

With the formation of the Metropolitan Government on April 1, 1963, the water and sewerage systems formerly maintained by the City of Nashville and the sewerage system formerly maintained by the Davidson County Improvement District No. 1, were combined and consolidated and placed under the control and supervision of the Department. The Department, established under the Charter of the Metropolitan Government, is charged with the responsibility for construction, operation and maintenance of all water and sanitary sewer facilities for the Metropolitan Government and for the collection of all charges for the services of such utilities. In addition to the facilities thus combined and consolidated, The Water System (as defined herein) and the Sewer System (as defined herein) have gradually been expanded and include: improvements resulting from capital contributions in aid of construction by private developers; all improvements, additions and extensions financed with the proceeds of outstanding bonds and governmental grants; and facilities acquired from the Nashville Suburban Utility District, the First Suburban Water Utility District of Davidson County, Tennessee, the Parkwood Service Company, the Joelton Water Utility District, the City of Lakewood sewerage system, Rayon City Water Company, the Cumberland Utility District, and the sewerage service of the Nolensville/College Grove Utility District in Williamson County.

Under the Charter and Tennessee Code Annotated § 7-3-302, the Metropolitan Government can assume and take over any water and/or sewer utility district located within its boundaries through ordinances adopted by the Metropolitan County Council. Several such systems currently operate inside Davidson County and if a decision is made to consolidate these operations into the Department, the Metropolitan Government will take subject to or retire all debts and liabilities of the systems. The economic impact of such assumption or takeover would be evaluated prior to the submission of any legislation to the Metropolitan Council. No uncommitted capital contribution toward any other systems' share of capacity, nor rate revenues from any assumption or takeover, is considered in the Forecast Statement. By contract dated February 1996, the Metropolitan Government has agreed not to take over the Harpeth Valley Utility District before February 2026.

The Water System

The water provided by the Department's water system (the "Water System") currently meets all physical, biological, and bacteriological water quality standards established by the United States environmental Protection Agency (the "EPA") under the Safe Drinking Water Act, as amended, and by the Tennessee Department of Environment and Conservation ("TDEC") under the Tennessee Safe Drinking Water Act of 1983, as amended.

The Water System draws water from the Cumberland River and processes it through modern filtration plants for delivery into the distribution system. Raw water is treated by chemical coagulation, clarification, high rate filtration, and disinfection. The existing water treatment plants and pumping facilities have a total delivery capacity of 180 million gallons per day. In Fiscal Year 2003, net sales to retail customers were 22.4 billion gallons. The peak demand for water from the system during Fiscal Year 2003 was 104 million gallons on August 7, 2002.

The Robert L. Lawrence, Jr. Filtration Plant, originally placed in service in 1929, was extensively modernized and expanded in 1953 and 1963 to a capacity of 72 million gallons per day. An upgrade of this plant was completed in 2001 and it now has a treatment capacity of 90 million gallons per day. Control panels located at this plant provide constant monitoring of the status of all water pumping stations and reservoirs.

The K. R. Harrington Water Treatment Plant was completed and placed into operation in 1977. This facility provided additional capacity of 60 million gallons per day to the Metropolitan Government's water treatment capabilities. Expansion of this plant to 90 million gallons per day was completed in 1992 by the Department and will ensure an adequate supply of potable water through the year 2010. In 1999, as a precaution against prolonged power outages caused by ice storms, tornadoes, or other disasters, the Harrington Plant was equipped with four emergency generators with a capacity of 1,750 kW each. These generators allow the Department to operate the plant at a capacity of 72 million gallons per day.

The water from the existing treatment plants is delivered into the water distribution system via six major transmission mains. The distribution system contains approximately 2,718 miles of mains ranging in diameter from 2 to 60 inches. Storage is provided by the 51 million gallon Eighth Avenue Reservoir and various other reservoirs with a combined additional capacity of 34.8 million gallons and by tanks and stand pipes, many of which are utilized to provide water service in areas of higher elevation than the central urbanized area. Fifty-seven booster pumping stations deliver water to the higher regions.

The Water System has experienced continuous growth over the past decade, and as of Fiscal Year 2003, provided direct service to approximately 155,712 customers. In Fiscal Year 2003, 61% of the water provided by the Water System was consumed by commercial and industrial customers (including residential apartment complexes), and 39% by residential customers. The following table illustrates growth of the Water System over the past ten years.

Water System Facts in Brief

	Fiscal Year Ended June 30		
			(1993-2003) Ten Year History
Use of Water	<u>2003</u>	<u>1993</u>	
Water Customers - End of Period ⁽¹⁾ (thousands)	155,712	126,715	22.9%
Average Daily Treatment (millions of gallons)	88.3	81.6	8.2%
Water Sales for Fiscal Year (billions of gallons)	22.4	19.3	15.0%
Maximum Daily Demand (millions of Gallons)	104.0	99.2	4.8%
Growth of System			
Utility Plant Value ⁽²⁾ (millions)	\$ 1,239,629	\$839,884	47.5%
Reservoirs	40	45	(11.1)%
Storage Capacity (millions of gallons)	85.8	80.95	6.0%
Auxiliary Pump Stations	57	57	0%
Total Miles, Distribution Lines	2,718	2,429	11.9%
Fire Hydrants	17,326	16,151	7.3%
	(1) As per billing records (2) Property, Plant & Equipment of the Combined Water and Sewer System, net of depreciation		

The Sewer System

The existing sewerage system (the "Sewer System") comprises 2,625 miles of gravity sewers, 94 pumping stations, 101 miles of force main and five treatment plants, the three most important of which are the Central Wastewater Treatment Plant, the Dry Creek Wastewater Treatment Plant, and the Whites Creek Wastewater Treatment Plant. The Central Wastewater Treatment Plant has a capacity of 100 million gallons per day of tertiary treatment with sustained peak flows of 250 million gallons per day plus an additional 80 million gallons per day stormwater treatment for a total capacity of 330 million gallons per day.

The Dry Creek Wastewater Treatment Plant has a capacity of 24 million gallons per day of secondary treatment. The Whites Creek Wastewater Treatment Plant has a capacity of 47.5 million gallons per day.

The Department properly treats and disposes of sludge produced at its treatment plants consistent with State law. Currently, the sludge is being transported to landfills.

In addition to serving Metropolitan Nashville and Davidson County, the Department has been designated as the lead agency to provide complete regional wastewater treatment for ten municipalities or utility districts surrounding Metropolitan Nashville and Davidson County, with each participant paying its share of the costs for the services under the 201 Plan (defined herein).

The following table provides data on the use and facilities of the Sewer System over the last ten years. The average number of customers served increased 23.2% since Fiscal Year 1993 primarily due to the acquisition of Cumberland Utility District's sewer facilities in 1995. Over the last ten years, there has been a 40.3% increase in the number of sewerage pumping stations and a concurrent 29.4% increase in the miles of sewer lines.

Sewer System Facts in Brief

Fiscal Year Ended June 30

	<u>2003</u>	<u>1993</u>	<u>(1993 - 2003)</u> <u>Ten Year</u> <u>History</u>
Sewer Customers - End of Period	166,417	135,034	23.2%
Annual Sewage Treatment (billions of gallons)	54.9	53.8	2.0%
Average Daily Treatment (millions of gallons)	150.3	146.9	2.3%
Growth of System			
Utility Plant Value ⁽¹⁾ (millions)	\$ 1,239,629	\$ 839,884	47.5%
Total Miles of Sewer Lines	2,726	2,107	29.4%
Number of Treatment Plants	5	5	0%
Number of Pumping Stations	94	67	40.3%

(1) Property, Plant & Equipment of the Combined Water and Sewer System, net of depreciation

Major Customers

The following list shows the largest customers of the Department for water and sewer services for the indicated recent one-year period, ranked according to billings.

WATER SERVICES LARGEST CUSTOMERS

One Year Period Ending June 30, 2003

(in 1,000's)

Vanderbilt University	\$ 1,580
Opryland, USA	474
Baptist Hospital	364
Aerostructures Corporation	356
Tennessee State University	286
Bridgestone Tire and Rubber Co.	285
Nashville Thermal Transfer	207
Meharry Medical College	203
Spring Industries	199
Coca-Cola Bottling	188

SEWER SERVICES LARGEST CUSTOMERS

One Year Period Ending June 30, 2003

(in 1,000's)

Vanderbilt University	\$ 2,013
Opryland, USA	871
Purity Dairies, Inc.	764
Baptist Hospital	475
Tennessee State University	453
Level Valley Creamery, Inc.	419
International Diverse Foods	365
Meharry Medical College	326
The Aerostructures Corporation	306
Ford Motor Co. Glass Plant	240

Management and Personnel

SCOTT A. POTTER, P.E., Director, graduated from Vanderbilt University with a Bachelor of Engineering Degree in Electrical Engineering in 1986 and was commissioned as an Ensign in the United States Navy. While serving in the Navy Mr. Potter received a Masters Degree in Mechanical Engineering from the Naval Postgraduate School in Monterey, California, in 1991. Mr. Potter served on two destroyers: USS COCHRANE (DDG 21) and USS CALLAGHAN (DDG 994). While stationed at the United States Naval Academy, he earned the academic rank of Master Instructor, teaching courses in Statics, Materials Science, Applied Fluid Dynamics, Thermodynamics, and Applied Thermodynamics. The Louisville Water Company, in Louisville, Kentucky, employed Mr. Potter as Manager of Distribution Operations from 1998 to 2001. He was also a member of the faculty of the Mechanical Engineering Department in the Speed Scientific School at the University of Louisville.

DAVID M. TUCKER, Assistant Director (Operation of Water and Wastewater Facilities), graduated from Tennessee State University, with a Bachelor of Science Degree in Biological Sciences. He has twelve years experience in water and wastewater treatment plant operations and maintenance. Mr. Tucker holds a State of Tennessee Grade IV Operator's Certification in both water and wastewater treatment. He joined the Department in 1987 as an Assistant Plant Manager and has progressed to his present position. He is a member of the Water Environmental Federation and the American Water Works Association.

ROBERT J. WINGO, Assistant Director (Engineering), graduated from the University of Tennessee, Knoxville, in 1970, with a Bachelor of Science Degree in Engineering Physics. Mr. Wingo held a position in the Roadway Division of the Tennessee Department of Transportation for one year. Mr. Wingo joined the Department in June 1971, as Supervisor/Design Group, Engineering and has advanced to this present position. Mr. Wingo holds a Professional Engineering License for the State of Tennessee.

HAL BALTHROP, Assistant Director (Repair and Maintenance of Distribution and Collection Systems), holds a Bachelor of Science Degree in Civil Engineering from Tennessee Technological University. He is a licensed Professional Engineer and is Vice President of the Middle Tennessee Chapter of the Tennessee Society of Professional Engineers and a member of WEF, AWWA, TWWA, and TAUD.

MARTHA SEGAL, Assistant Director (Customer Service), graduated from Old Dominion University with a Bachelor of Science in Business Administration Degree and a Master of Business Administration Degree. She worked with the Department of Utilities in Norfolk, Virginia for 14 years prior to being recruited to Metro Water Services in 2000. She served for many years on the AWWA Virginia Section Customer Service Committee, and has recently taken over as Chair of the KY/TN Customer Service Committee.

At the end of Fiscal Year 2003, the Department employed 632 persons. Employees of the Department are members of one of four pension plans. Two such plans are of the former City of Nashville and former Davidson County plans. Both are closed to new membership. The third, the Original Metro Plan is now closed to new membership. The fourth plan that has been established is the Modified Metro Plan and is an open plan. The Metropolitan Employee's Benefit Trust Fund was established under provisions of the Charter. The General Fund of the Metropolitan Government, after recognizing contributions from other moneys of the Metropolitan Government, employees and the State, is responsible for funding of the aforementioned plans.

Rate Setting Process

The Charter of the Metropolitan Government provides that the Metropolitan Mayor and the Metropolitan Council have the authority and are directed to establish the rates for water and sewerage services and to provide methods of changes in such rates. Acting in accordance with this authority, the Council adopted Ordinance 99-1502, which, beginning May 1, 1999, established a table of charges for water services that decreased water rates by 25% for residential water customers, 20% for small commercial customers, 15% for intermediate commercial customers, and a 5% for large commercial customers. These charges are presently in effect. No changes in water rates are anticipated for the near future.

At the recommendation of the Department, the Metropolitan Council, pursuant to Ordinance 96-317, adopted on June 11, 1996, rescinded increases scheduled to take effect in January 1997 and January 1998.

Sewerage rates have been constant since 1996. The Department does not anticipate any changes in sewerage rates for the near future.

Any change in the water and sewerage service rates established under the above ordinances must be adopted by the Metropolitan Council by ordinance. As stated in Section 3.05 of The Charter of The Metropolitan Government of Nashville and Davidson County "No ordinance shall become effective unless it shall have passed by a majority vote on three (3) different days, on the final passage of which it shall have received a majority vote of all the members to which the council is entitled and until it shall have been signed by the metropolitan county mayor or become a law without his signature...."

An ordinance will become law without the signature of the Metropolitan Mayor if the Mayor fails to approve or disapprove the ordinance and does not return it to the Council at or prior to the next regular meeting of the Council occurring ten days or more after the ordinance is delivered to the Mayor. If the Mayor disapproves the ordinance, it will become law if subsequently adopted by a two-thirds vote of all the members of the Council to which it is entitled.

Under the Charter of the Metropolitan Government, the Mayor is obligated to submit an operating budget to the Council no later than May 25 of each year. Before the beginning of each Fiscal Year, the Council is obligated to adopt a budget, which must provide for all expenditures required by law or the Charter and for the payment of all debt service requirements for the ensuing year.

Pursuant to the Resolution, before the beginning of each Fiscal Year, the Metropolitan Government is obligated to fix or maintain rates for water and sewerage service so as to produce Revenues at least equal to 110% of the Operating Expenses for the Department budgeted for the ensuing Fiscal Year plus the aggregate of the Debt Service (being the amount of payments due during such ensuing year on the Bonds issued and outstanding pursuant to the Resolution).

Current Rates and Charges

Monthly service charges for water and sewerage services are generally based, in each case, upon a rate schedule consisting of a minimum charge and a quantity charge. The minimum charges vary according to meter size and account class, i.e. residential, small commercial, intermediate commercial and large commercial/industrial. The quantity charge is dependent on account class.

Forecast Period Water Rates

Water revenues from the Department's customers include a fixed minimum charge per customer connection and a quantity charge per 100 cubic feet (cf) based upon the meter size and number of connections. The quantity charge is applied to all consumption in excess of 200 cf per month.

WATER AND SEWERAGE RATE SCHEDULE BY CUSTOMER CLASS

Monthly rates for water sold are based on meter measurement.

Monthly sewerage service charges for the use of the public sanitary sewerage system are set by water consumption as determined by meter measurement.

Minimum charges per month are based on size of meter and customer class.

CLASS DETERMINATION

CLASS	ANTICIPATED OR HISTORICAL USAGE
Residential	Up to two housing units on a common meter
Small Commercial and Industrial	Up to 1,600 cubic feet per month
Intermediate Commercial and Industrial	1,600 to 200,000 cubic feet per month
Large Commercial and Industrial	Over 200,000 cubic feet per month

WATER AND SEWER CHARGES AND RATES

Minimum Charges per Month (Including 200 Cubic Feet Usage)

<u>Meter Size</u>	<u>WATER</u>				<u>SEWER</u>			
	<u>Residential</u>	<u>Small Commercial</u>	<u>Intermediate Commercial</u>	<u>Large Commercial</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Intermediate Commercial</u>	<u>Large Commercial</u>
5/8"	\$ 2.70	\$ 3.44	\$ 11.96	\$ 515.91	\$ 6.05	\$ 6.76	\$ 22.14	\$ 854.53
3/4"	9.17	9.78	16.97	521.49	17.17	19.23	31.40	863.77
1"	11.03	11.77	18.58	523.31	20.68	23.16	34.40	866.77
1 1/2"	16.22	17.30	23.07	528.32	30.40	34.05	42.72	875.08
2"	21.85	23.30	28.19	534.04	40.94	45.85	52.18	884.55
3"	28.84	30.76	35.28	539.07	54.02	60.50	65.31	892.86
4"	47.00	50.13	55.85	562.06	88.03	98.59	103.38	930.97
6"	73.79	78.71	86.22	596.01	138.23	154.82	159.61	987.20
8"	115.40	123.10	134.22	652.55	216.17	242.11	248.46	1,080.84
10"	115.40	123.10	134.22	652.55	216.17	242.11	248.46	1,080.84
	Water usage charges per 100 Cubic Feet (Usage over 200 Cubic Feet)				Sewer usage charges per 100 Cubic Feet (Usage over 200 Cubic Feet)			
Rates	\$ 2.01	\$ 2.14	\$ 1.85	\$ 1.56	\$ 3.76	\$ 4.21	\$ 3.43	\$ 2.59

In addition to the above rates, an additional charge of 10% of the sewerage charge is required to repay state loans.

An 8.25% state and local sales tax is added to all water charges.

Billing and Collection Procedures

With certain limited exceptions, the Department is required to charge for all water and sewerage services provided by it and consumed by, or, in the case of sewerage services, made available to each customer. Charges for water and sewerage services are generally based on metered measurement of water consumption. The Department reads meters monthly and renders bills to customers based on the actual meter measurement.

The charges for water and sewerage services are included in a single, combined bill in terms of a "net billing," which is the charge calculated at established rates, and a "gross billing," which is the current net billing increased by 5%. The 5% addition to the net billing is a form of penalty for the customer's failure to promptly pay the monthly bill for services, and the gross billing amount becomes applicable 15 days after the billing is mailed to the customer. If a customer fails to pay a bill, a delinquency notice is included in the subsequent month's bill. If the customer fails to pay the bill for a second time, a representative of the department notifies the customer, pursuant to Tennessee Code Annotated § 65-32-104, that service will be discontinued if payment is not received in five days. If the customer does not pay the delinquent account within five days following the visit, the account is subject to immediate discontinuation of water and sewer

service. The customer must then pay at least one-half of the amount due and the reconnection fee to have service restored. If the Department is unable to collect the amount owed, the account is then turned over to a commercial collection agency. To upgrade its customer billing system, the Department installed a new Customer Information System in Fiscal Year 1999.

The foregoing billing and collection procedures have resulted in the collection of approximately 98.88% of all amounts billed during the past five Fiscal Years.

Operations and Maintenance

The Department has implemented operation and maintenance procedures with respect to the System and has undertaken several programs to upgrade performance, including a water quality testing program. Water quality within the water treatment facilities is tested on site on an hourly basis. Additional testing is conducted at a central laboratory maintained by the Department and certified by the State. Water discharged from the plants into the distribution system is monitored in accordance with the Federal Safe Drinking Water Act (42 U. S. C. 300f et seq.). Water discharged from all five wastewater treatment plants is tested to ensure compliance with the National Pollutant Discharge Elimination System as administered by the United States Environmental Protection Agency and the Tennessee Department of Environment and Conservation.

The Department performs regular maintenance and repair of equipment with outside contractors performing major repairs. To facilitate maintenance and repairs, the Department has established several inspection programs for the different areas of operation. Inspection programs include pumping station inspection, cross-connection protection testing, smoke testing for collection system integrity, water leak detection, fire hydrant testing and valve testing programs. Vans are equipped with closed circuit television cameras that can be maneuvered through the sewer mains to inspect the sewer system.

Comprehensive training programs have been developed for employees, from unskilled to supervisory and management positions, covering many aspects of the operation and maintenance of the System. Although participation in the programs is not mandatory, employees who wish to be promoted to a higher job classification must demonstrate that they have the knowledge and skills that such programs provide.

Payments in Lieu of Taxes

Tennessee law provides that a municipality may require a public works to make payments in lieu of ad valorem property taxes, to which the public works is exempt as a governmental entity, in an amount not to exceed the taxes payable on privately owned property of a similar nature. This payment is intended to help reimburse the municipality for the municipal services and support provided to the public works. In 1996, the Metropolitan Council adopted Substitute Resolution No. R96-177, which requires the Department to make an annual payment to the Metropolitan Government of \$4,000,000, representing a payment in lieu of ad valorem taxes. This payment, made in monthly installments, is to be paid out of the Department's Operating and Maintenance Fund. Since the Department must make payments to the Debt Service Fund before any payments to the Operating and Maintenance Fund, payments to the Bondholders will have priority over the payments in lieu of taxes. These payments have been included in the historical and forecasted Expenses of the Department in the Forecast Statement.

THE WATER AND SEWER SYSTEM IMPROVEMENT PLAN

The Water System

Beginning in 2002, the Metropolitan Government updated its Master Water Improvement Plan (the "Water Plan") which sets out projected water needs for the service area through the year 2025. The last update was in 1987. All improvements projected in the Water Plan through 2004 are currently scheduled to be made. The main reservoir is scheduled for cleaning and a new cover in 2005 at an estimated cost of \$2.0 million. The Metropolitan Government expects to acquire the Cumberland Utility District's Davidson County water system in July 2003.

Over the next five years, the Department has committed over \$37.2 million to the Water Infrastructure Rehabilitation Program, which will ensure the integrity of our water transmission/distribution system for the future. These improvements include \$11.5 million for the upgrade of 29 thousand feet of water main in Powell Avenue, scheduled for completion in 2006.

The Sewer System

The Federal Water Pollution Control Act of 1972 (Public Law 92-500), as amended by the Clean Water Act of 1977 (Public Law 95-217) (collectively, the "FWPCA"), provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's waters. To achieve that end, the FWPCA established the National Pollution Discharge Elimination System ("NPDES"), a permit system administered by the US Environmental Protection Agency ("EPA") in conjunction with the states. The EPA has delegated the NPDES program for Tennessee to the Tennessee Department of Environment and Conservation ("TDEC"). The Tennessee General Assembly enacted the Tennessee Water Quality Control Act of 1977 to obtain the primary objectives of the FWPCA and to qualify for full participation in the NPDES program established under Section 402 of the FWPCA. Pursuant to the authority granted to it, the Tennessee Water Quality Control Board has enacted regulations consistent with the FWPCA.

Until 1990, Section 201 of the FWPCA authorized grants for the construction of wastewater treatment facilities. The purpose of Section 201 is to require and assist in the development and implementation of wastewater treatment management plans and practices which will achieve the goals of the FWPCA (the "201 Plan"). The FWPCA requires that the publicly owned treatment works, such as the treatment portions of the wastewater system, achieve levels of secondary treatment as defined in the FWPCA or, where applicable, more stringent levels of treatment required to meet water quality standards established pursuant to applicable state and federal laws and regulations. In 1976, the Metropolitan Government completed its 201 Plan (the "Nashville 201 Plan") for the Nashville area and surrounding communities (the "201 Plan Area"). The Nashville 201 plan, approved by the TDEC and the EPA, provided for the most cost-effective methods of treating and transporting sanitary waste in the 201 Plan Area and for an infrastructure for wastewater treatment through the year 2000. An update of this plan was completed and approved in 1987, extending the 201 Plan period through the year 2035. A more detailed update is currently being developed and is scheduled for completion in 2004.

The TDEC makes loans available to the Metropolitan Government and other local governments to pay the cost of constructing projects such as those described above. The Department repays the Tennessee Local Development Loans from a 10% sewer surcharge, imposed pursuant to State law. This fee appears as a charge on sewer bills and, upon collection, the Department remits sewer user fees to the State in the same manner as certain sales tax collections. The State sewer surcharges are not included in Revenues. In 1990, the grants program was converted to a State Revolving Loan Program under which debt service is paid from the Department's Extension and Replacement Fund as provided in the General Resolution.

Many of the capital improvements (set forth in the following table) are required to be completed pursuant to Order 88-3364, issued by the TDEC in 1990 (the "1990 Order"). The 1990 Order resulted from violations by the Metropolitan Government of the Tennessee Water Quality Control Act of 1977 (Tenn. Code Ann. § 69-3-101 et seq., as amended) from January 1987 through June 1989. This was a result of the Metropolitan Government's various wastewater treatment plants, among other things, discharging improperly treated wastewater into the waterways causing pollution in violation of the act. The 1990 Order also acknowledged that the Metropolitan Government's failure to comply with certain agreed upon orders entered by the Tennessee Water Quality Control Board in 1985 and 1987 was also a basis for the 1990 Order.

The 1990 Order identified certain problems regarding the Metropolitan Government's wastewater treatment and required the Metropolitan Government to correct these problems. In response, the Department developed a detailed program, referred to as the "Overflow Abatement Program" ("OAP"), for making system improvements to correct the problems identified in the 1990 Order, which program was approved the TDEC. With exceptions for structures under construction, or those in which a legally binding commitment existed, the 1990 Order originally prevented the Metropolitan Government from making further line extensions or connections to its wastewater system, until TDEC approved a plan. TDEC removed the prohibition after the

Metropolitan Government prepared an approved growth control plan. The 1990 Order provided for specific monetary penalties should the Metropolitan Government not meet certain scheduled deadlines for the completion of various system improvements.

Under the Overflow Abatement Program, the Metropolitan Government continued its extensive program with the construction of additional facilities and the rehabilitation of existing facilities. These have included the construction or rehabilitation of approximately 1,120,124 linear feet of sewer lines, with plans to construct or rehabilitate over 350,000 additional feet. Twenty-two wastewater pumping stations have been constructed or refurbished. The Metropolitan Government has also constructed or upgraded nine wastewater force mains comprising approximately 129,000 feet.

On September 17, 1999, the TDEC issued Order 99-0390 (the "1999 Order") citing the Metropolitan Government in violation of state law; "By causing or allowing discharges from its sewage system to waters of the state in a manner not authorized by its permit the Respondent has violated T. C. A. §69-3-108(b) and T. C. A. §69-3-114(b)...." This new order superseded the provisions of Order 88-3364, and required payment of a fine of \$600,000. Effective July 1, 2001, the Metropolitan Government was to immediately not permit or allow any overflows or bypassing from its combined sewer system during dry weather to any waters of the state. Nor was it to allow any discharge from the sanitary sewerage system to any tributary of the Cumberland River. The current flow limits at the tie-in points from all contributing satellite sewage systems were to be maintained.

The Metropolitan Government prepared a detailed response to each noted violation. The TDEC approved the Metropolitan Government proposed commitment to bring its treatment and collection into compliance by December 31, 2007. If the Metropolitan Government continues to violate the requirement that all CSO controls and elimination be in place and operational, the 1999 Order provides for a payment of \$500,000 on December 31, 2007.

The Metropolitan Government considers its relationship with TDEC to be good, and that the current OAP has addressed, and continues to address, the concerns expressed by the State of Tennessee about its wastewater treatment and collection system. On March 17, 2000, the TDEC recognized the tremendous commitment of effort and expense made by the Department toward safer, cleaner water by the Department's commitment of an additional \$453 million for capital projects, including specific OAP projects. This brings the Metropolitan Government's total capital commitment between 1990 and 2007 to \$1.1 billion to comply with water quality enforcement actions. All compliance dates in the 1999 Order have been met. TDEC has not assessed monetary penalties against the Metropolitan Government for failing to meet a schedule compliance date, and the Metropolitan Government is in compliance with the requirements approved in settling the 1999 Order.

Specific OAP projects include the Lower Mill Creek Parallel Sewer Project, which will increase capacity for flows from the southern part of Davidson County and portions of Williamson County at a total cost of \$11.5 million, will be completed in Fiscal Year 2004. The City of Brentwood and the City of LaVergne are participating in this project. The Nolensville Trunk Extension into Williamson County was completed in early Fiscal Year 2004 at an expense of \$3.4 million. This project replaces the Stonebrook Wastewater Treatment plant and allows further growth in the Nolensville area.

Additional improvements to the Central Wastewater Treatment Plant are needed to address the handling of biosolids, and odor issues. The costs of these improvements are estimated at \$108 million over the next five years, funded by state revolving fund loans. An additional \$3.6 million in improvements to the Dry Creek Wastewater Treatment Plant is scheduled for completion in 2005.

The following table depicts the proposed commitments for capital improvements to be undertaken by the Department during the Fiscal Years Ending June 30, 2003 through 2007. Capital projects during the forecast period may be funded from the Extension and Replacement Fund, and from State loan programs. The Metropolitan Government has received approximately \$218 million in Tennessee Local Development Authority loans to finance projects under the OAP, and anticipates additional approvals for funding for this program of approximately \$20 million.

The Water and Sewer Capital Improvement Plan

	2004	2005	2006	2007	2008	TOTAL
Overflow Abatement Program:						
Wastewater Plant Improvement	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Wastewater Pump Station Improvements	990,000	3,088,000	2,000,000	1,000,000	-	7,078,000
Sanitary Sewer Rehabilitation	16,176,000	13,465,000	3,000,000	2,000,000	1,000,000	35,641,000
Combined Sewer Improvements	1,900,000	850,000	4,000,000	4,000,000	2,000,000	12,750,000
Program Management & Water Quality	4,900,000	7,497,500	2,000,000	2,000,000	2,000,000	18,397,500
Total Overflow Abatement Program	\$ 24,966,000	\$ 24,900,500	\$ 11,000,000	\$ 9,000,000	\$ 5,000,000	\$ 74,866,500
Other:						
Biosolids and Odor Control	-	5,500,000	29,088,000	56,549,000	16,599,000	107,736,000
Trunk Sewer Additions	300,000	300,000	300,000	300,000	300,000	1,500,000
Wastewater Plant Improvement	3,350,000	8,890,000	1,500,000	1,000,000	500,000	15,240,000
Wastewater Pump Station Improvements	658,000	1,472,000	500,000	400,000	300,000	3,330,000
Water Plant Improvements	1,735,000	1,535,000	1,000,000	500,000	500,000	5,270,000
Water Reservoir & Pump Station Improvements	845,000	4,335,000	1,000,000	500,000	400,000	7,080,000
Water Distribution System Improvements	10,940,000	12,000,000	6,300,000	4,000,000	4,000,000	37,240,000
Utility Relocation Projects	3,000,000	3,500,000	3,000,000	2,500,000	2,000,000	14,000,000
Information Systems Improvements	2,502,000	515,000	2,000,000	1,500,000	1,500,000	8,017,000
Vehicles and Equipment	2,200,000	2,250,000	2,000,000	1,500,000	1,000,000	8,950,000
Meter Change-out Program	2,600,000	3,060,000	3,000,000	2,000,000	1,500,000	12,160,000
Stormwater Improvements	5,110,000	7,665,000	8,000,000	7,000,000	6,000,000	33,775,000
Miscellaneous	6,355,000	5,690,000	2,000,000	1,500,000	1,000,000	16,545,000
Total Other Capital Projects	\$ 39,595,000	\$ 56,712,000	\$ 59,688,000	\$ 79,249,000	\$ 35,599,000	\$ 270,843,000
TOTAL	\$ 64,561,000	\$ 81,612,500	\$ 70,688,000	\$ 88,249,000	\$ 40,599,000	\$ 345,709,500
Sources of Funds						
Extension and Replacement Fund	60,061,000	71,112,500	40,750,000	31,700,000	24,000,000	227,623,500
State Revolving Fund Sewer Loan	-	5,500,000	29,088,000	56,549,000	16,599,000	107,736,000
Tennessee Local Development Authority Loans	4,500,000	5,000,000	850,000	-	-	10,350,000
Other (Grants)	-	-	-	-	-	-
TOTAL	\$ 64,561,000	\$ 81,612,500	\$ 70,688,000	\$ 88,249,000	\$ 40,599,000	\$ 345,709,500

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**SPORTS AUTHORITY CONTINUING DISCLOSURE UPDATES
FOR SERIES 1996 STADIUM BONDS & SERIES 1998 ARENA BONDS**

**Fiscal Years Ending June 30, 1999 through June 30, 2003
and Projected for Fiscal Year Ending June 30, 2004**

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**Schedule of Debt Service Coverage
Fiscal Years Ending June 30, 1999 through June 30, 2003
and Projected Fiscal Year Ending June 30, 2004**

<u>Fiscal Year Ended June 30</u>	<u>Series 1996 Stadium Bonds Debt Service</u>	<u>Series 1998 Arena Bonds Debt Service</u>	<u>Non-Tax Revenues Available for Debt Service</u>	<u>Debt Service Coverage</u>
1999	\$ 5,526,065	\$ 776,054 (1)	\$ 89,531,920	14.207
2000	5,522,049	1,762,228	88,275,938	12.119
2001	5,518,175	1,871,909	89,199,274	12.070
2002	5,514,985	1,866,381	89,915,684	12.181
2003	5,512,433	1,868,046	103,387,701	14.008
2004	5,510,145	1,866,593	99,299,900 (2)	13.461

(1) January 1, 1999 interest only

(2) Projected

The above table sets forth the annual debt service requirements of the Series 1996 (Stadium) Bonds and the 1998 (Arena) Bonds, together with the debt service coverage for both series of bonds provided by the Non-Tax Revenues. Non-Tax Revenues for purposes of this table do not include Water & Sewer PILOT Payments or Ticket Surcharge Revenues.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**Schedule of Historic and Projected Non-Tax Revenues (1)(2)
Fiscal Years Ending June 30, 1999 through June 30, 2003
and Projected Fiscal Year Ending June 30, 2004**

	Projected 2004	2003	2002	2001	2000	1999
Other Payments in Lieu of Taxes	\$ 13,844,300	\$ 13,642,436	\$ 13,081,213	\$ 11,003,176	\$ 10,277,572	\$ 9,974,085
Licenses	13,573,600	13,786,164	13,544,950	13,473,512	13,618,045	13,001,802
Permits	9,744,100	9,351,267	9,688,017	9,959,722	11,073,840	10,325,983
Franchise Fees	13,020,000	14,553,037	11,607,929	12,351,270	10,175,361	10,664,430
Fines, Forfeitures and Penalties	9,763,900	10,533,709	9,197,437	9,886,469	11,623,769	11,382,032
Revenue from the use of money or property	688,300	910,470	1,454,843	2,241,616	2,182,841	3,582,644
Commission and fees (3)	10,638,100	12,789,077	8,914,178	8,479,129	8,431,510	9,469,465
Charges for current services	21,434,300	21,210,288	20,162,929	18,898,392	18,146,223	17,677,881
Compensation from property	5,573,300	5,485,645	1,274,646	1,301,488	1,301,870	1,780,520
Contributions and gifts (4)	545,500	556,455	443,000	844,515	720,840	-
Miscellaneous revenue	474,500	569,153	546,543	759,985	724,067	1,673,078
TOTAL	\$ <u>99,299,900</u>	\$ <u>103,387,701</u>	\$ <u>89,915,684</u>	\$ <u>89,199,274</u>	\$ <u>88,275,938</u>	\$ <u>89,531,920</u>

(1) Includes only collections within the General Services District of the Metropolitan Government.

(2) Non-Tax Revenues for purposes of this table do not include Water & Sewer PILOT Payments or Ticket Surcharge Revenues.

(3) Adjusted to reflect the elimination of non-cash revenue reported only for financial statement presentation.

(4) Contributions and gifts were included as miscellaneous revenues prior to fiscal year 2000.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**Schedule of Historic Ticket Surcharge Revenues
Fiscal Years Ending June 30, 1999 through June 30, 2003
and Projected Fiscal Year Ending June 30, 2004**

	<u>Projected 2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Ticket Surcharge Revenues	\$ 1,200,000	\$ 1,157,137	\$ 1,054,701	\$ 1,202,460	\$ 1,328,642	\$ 1,207,898

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Schedule of Historic Stadium Project Revenues
Fiscal Years Ending June 30, 1999 through June 30, 2003
and Projected Fiscal Year Ending June 30, 2004

	<u>Projected 2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
PILOT Payments	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Project Parking Revenues	75,000	63,665	71,524	103,584	10,508	-
Basic Rent	493,841	493,841	493,841	493,841	493,841	-