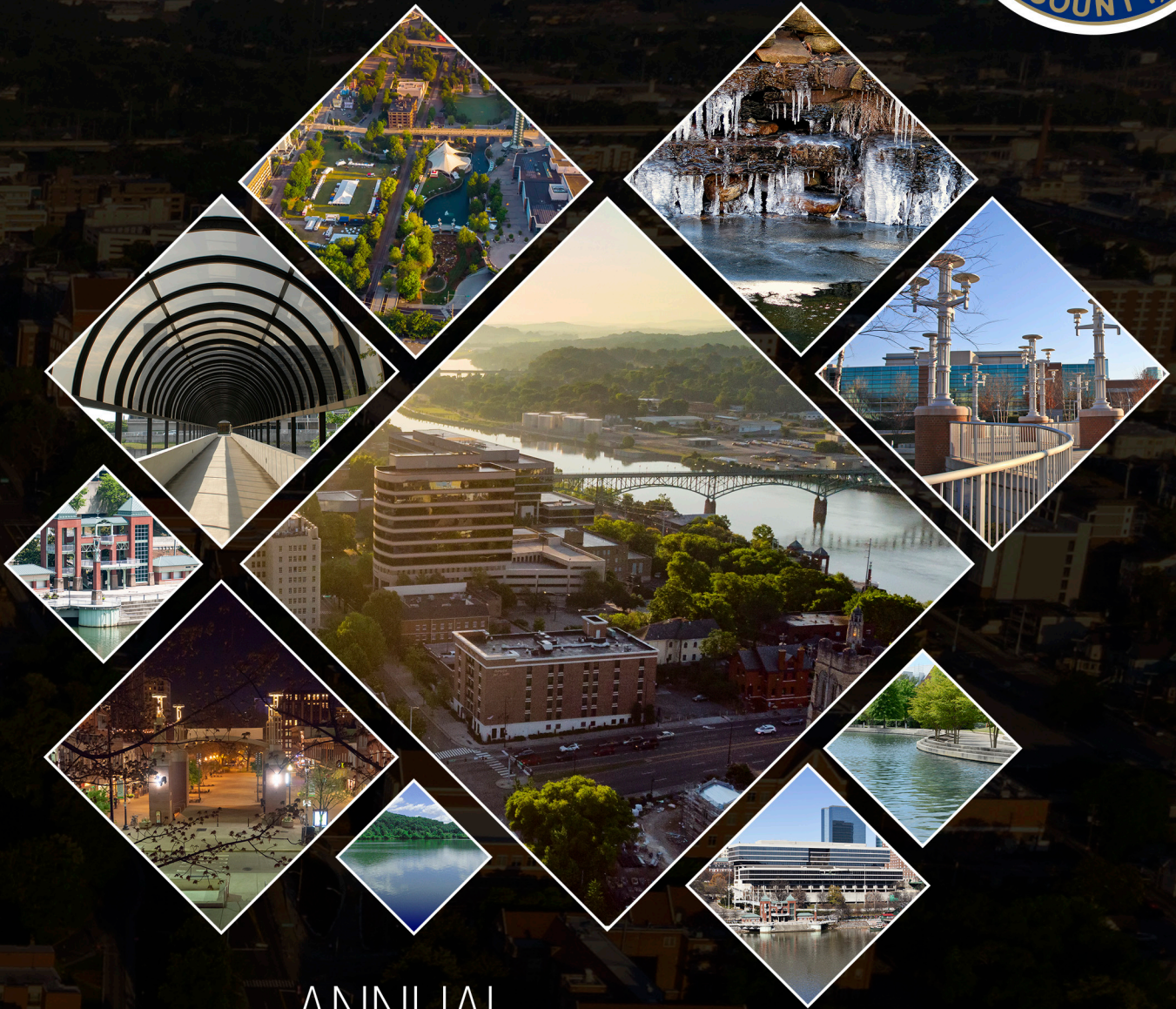


# KNOX COUNTY TENNESSEE



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended June 30, 2022

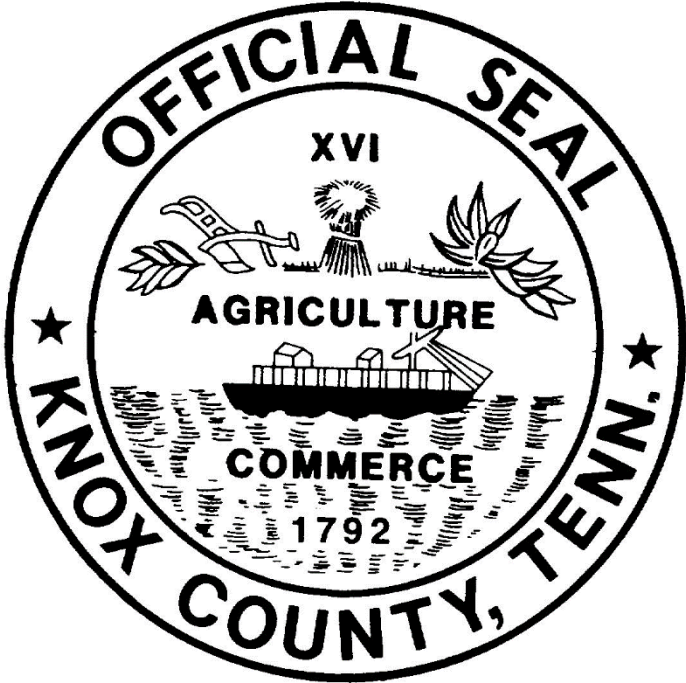
**Glenn Jacobs, County Mayor**



# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

Knox County, Tennessee



**KNOX COUNTY, TENNESSEE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2022**  
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## OFFICE OF COUNTY MAYOR GLENN JACOBS

Department of Finance • 400 Main Street, Suite 630, Knoxville, TN 37902

January 31, 2023

To the Board of Knox County Commissioners and the Citizens of Knox County, Tennessee:

The Annual Comprehensive Financial Report (ACFR) of Knox County, Tennessee (the County) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the County. County management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for that purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the various funds of the County and its component units. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

The introductory section includes this transmittal letter, the County's organization chart, and a list of principal officials. The financial section includes Management's Discussion & Analysis (MD&A), the basic government-wide and fund financial statements, and notes to the financial statements. The Financial Section also includes Required Supplementary Information and other supplemental information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The reader is directed to the MD&A for a narrative introduction, overview and analysis of the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Knox County's MD&A can be found immediately following the report of the independent auditors.

State law requires that the County obtain an annual audit of its books and records. The independent audit performed by Pugh & Company, P. C., Certified Public Accountants, has been obtained to fulfill that requirement. The auditors have issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report. The County is also required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including schedules of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is included in a separately issued report.

**Board of County Commissioners  
and the Citizens of Knox County, Tennessee**

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the County) as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Component units are discretely presented in separate columns in the government-wide financial statements to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Knox County Board of Education (the Board), Knox County Emergency Communications District (the District), The Development Corporation of Knox County (the Corporation), the Knox County Railroad Authority (KCRA), and the Knox Education Foundation (KEF) are reported as discretely presented component units. The County and its component units provide a full range of services including, but not limited to, the construction and maintenance of highways, streets and infrastructure, public health and welfare, police protection, emergency telephone services, elementary and secondary education, community services, sanitation services, and recreational and cultural events. Because of the close relationship between the County and the Board and the fact that the Board does not issue financial statements separate from those of the County, several of the supplemental schedules and other financial information have been consolidated to more properly reflect the joint activities of the County and the Board.

***GOVERNMENTAL STRUCTURE***

The County has operated under a County Mayor/County Commission form of government since September 1, 1980, and has been under a Home Rule Charter (Charter) since September 1, 1990. Policymaking and legislative authority are vested in the County Mayor (the executive branch of the County) and the County Commission (the legislative branch of the County). The County Commission is responsible for, among other things, passing ordinances, adopting the budget and appointing committees. The County Mayor, elected at-large for a four-year term, is responsible for carrying out the policies and ordinances of the County Commission, overseeing the day-to-day operations of the government and appointing the heads of many of the County's departments.

***OFFICE OF THE COUNTY MAYOR***

Knox County Mayor Glenn Jacobs took office in September 2018, shortly after the start of the 2018-2019 fiscal year, and won re-election in 2022. Since his first term, Mayor Jacobs has focused on providing low taxes, yet high-quality and efficient services to our residents. He is committed to creating opportunities for everyone to thrive in an engaged and vibrant community with an emphasis on jobs, education, and recreation.

Some of Mayor Jacobs' achievements to date include:

- Hosts constituent meetings and community lunches in all nine county districts
- Establishing the Knox County Skilled Trades Academy and Regional Training Center (START) that will serve both adults who are continuing education in HVAC, masonry, electrical, and carpentry fields and Knox County high school students who don't currently have access to CTE classes
- Launched the All4Knox program to create a community-wide strategic plan to combat substance abuse

**Board of County Commissioners  
and the Citizens of Knox County, Tennessee**

- Started Read City USA—a collaborative reading initiative designed to help all children, regardless of socioeconomic background, to learn to read early and well
- Renovated and improved the athletic fields at South Doyle Middle School
- Opened two new elementary schools and broken ground on a third
- Helped the Knox County Public Library provide more than 4,000 library cards to community school students
- Created School Mania, which provides school supplies to Knox County students
- Relocated Knox County Schools’ administrative teams to TVA Towers, putting the Andrew Johnson Building back on the tax roll
- Improved safety at dangerous intersections and added walking connectivity throughout the county
- Extended the county’s maternity leave policy
- Committed to working with the state and federal governments on the responsible placement of refugees
- Brought the Schaad Road Project into Phase II
- Coordinated the cleanup of the Beaver Creek Water Trail, a first-of-its-kind 44-mile water trail that connects five Knox County communities.
- Replaced the Powell Boardwalk and opened several new parks, dog parks and a senior center.
- Began work on a new park to recognize and honor veterans
- Updating the county’s comprehensive land-use plan (AdvanceKnox), which hasn’t been done in 20 years
- Working on a 5-year Parks Master Plan
- Established a weekly video series to promote local businesses and community members
- Established the Knox County Mayor’s TCAT Scholarship that supports the children of Knox County employees taking classes at Tennessee College of Applied Technology Knoxville

***Legislative Initiatives***

*Impact of State Funding:* Knox County, like the other 94 county governments in Tennessee, receives significant support from state-shared revenues, mainly in the form of education and highway dollars. Because of this dependence, the legislative activities of the Tennessee General Assembly are carefully monitored. Thanks to the continuing leadership of our Governor, the State again passed a responsible, balanced budget. We at the local level are thankful for the fiscal responsibility demonstrated by the state budget. A healthy state budget means more stable and predictable revenues for all cities and counties.

***Capital Improvement Initiatives***

As evidence of the County’s commitment to build the facilities necessary to serve the citizens of Knox County and promote economic development within the County and region, the County Commission adopted the Knox County Capital Improvement Plan on June 1, 2021. At the recommendation of the County Mayor, the five-year capital plan represents a road map of anticipated major capital projects.



**Board of County Commissioners  
and the Citizens of Knox County, Tennessee**

It does not represent appropriations and is subject to annual revisions or modifications. These individual projects will be primarily funded through general obligation bonded debt.

During the year, the County and the Board expended significant resources in the following major construction/renovation projects in accordance with the County’s Capital Plan:

*General Construction/Renovation:*

- TVA East Tower
- City/County Improvements
- TVA Summerplace
- Video Court - Sheriff

*Road Construction/Improvements:*

- General Road Improvements
- Schaad Road Phase II
- Emory Road & Bishop
- State Road Projects

*School Construction/Renovations:*

- Physical Plant Upgrades
- Northwest Elementary
- Lonsdale Construction
- Adrian Burnett Construction

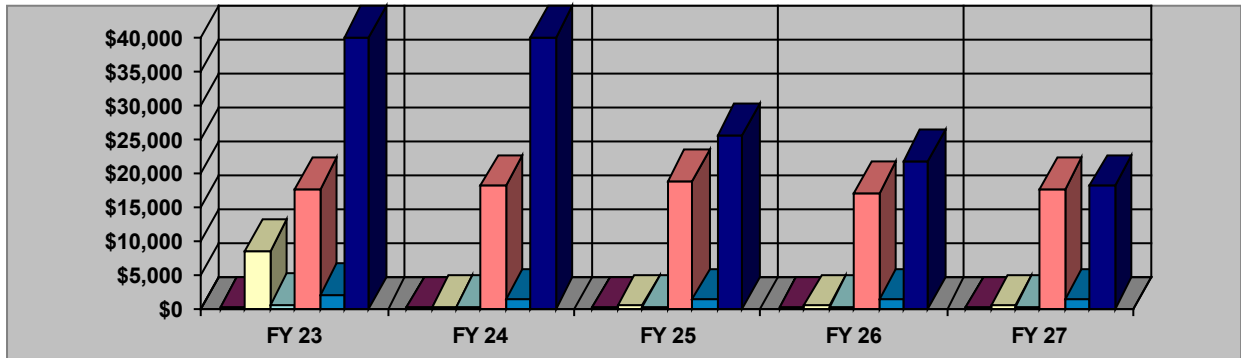
*School Construction/Renovations:*

- HVAC Upgrades
- Gibbs High Stadium
- Security Upgrades
- Trane III

The following summarizes the projected capital improvement plan for the next five years net of estimated allocations for project schedule variances (amounts expressed in thousands):

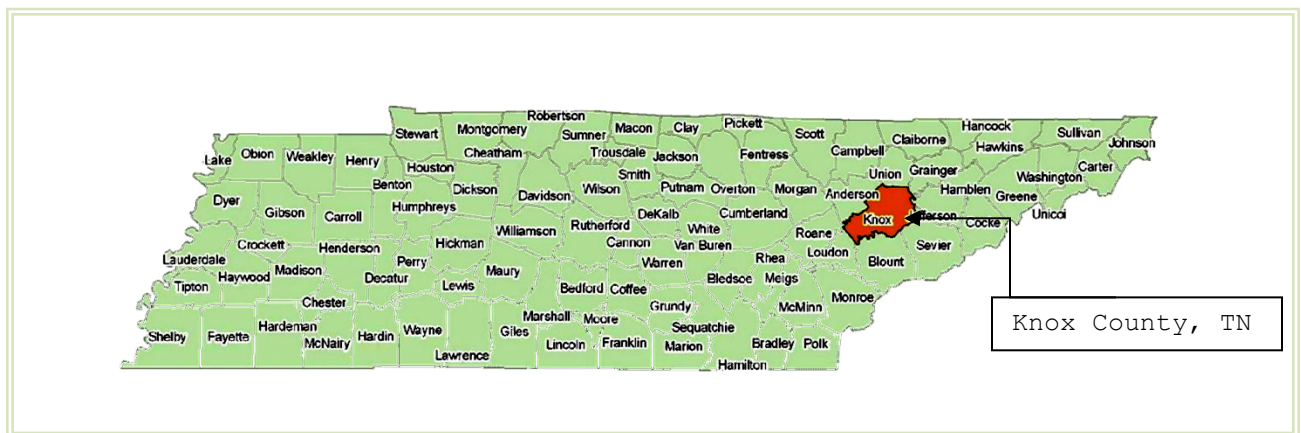
<b>Project Description</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>TOTAL</b>
Public Libraries	\$ 2	\$ 100	\$ 100	\$ 100	\$ 100	\$ 402
Countywide Projects	8,539	200	300	300	300	9,639
Parks & Recreation	400	200	200	200	200	1,200
Engineering & Public Works	17,630	18,080	18,770	16,950	17,700	89,130
Building Improvements & Other	1,929	1,200	1,200	1,200	1,200	6,729
Schools	48,122	57,400	25,625	21,800	18,050	170,997
<b>Total – Approved Projects</b>	<b>\$ 76,622</b>	<b>\$ 77,180</b>	<b>\$ 46,195</b>	<b>\$ 40,550</b>	<b>\$ 37,550</b>	<b>\$ 278,097</b>

**Five Year Capital Plan**  
*(In Thousands of Dollars)*



- Public Libraries
- Countywide Projects
- Parks & Recreation
- Engineering & Public Works
- Building Improvements & Other
- Schools

**ABOUT KNOX COUNTY**



The County is the third most populous county in the State of Tennessee. Located in Eastern Tennessee at the headwaters of the Tennessee River, it is the hub of the areas of East Tennessee, Southeast Kentucky, Southwest Virginia and Western North Carolina. This area encompasses over two million people. The U.S. Census Bureau’s 2021 census demographic population data reported that 486,677 citizens reside within the total land area of approximately 526 square miles that make up Knox County. (See [Knoxville-Knox County Planning Commission](#) for additional information regarding population information,

**Board of County Commissioners  
and the Citizens of Knox County, Tennessee**

demographics, and other information about Knox County.) Knoxville, the County seat, is about 50 miles west of the North Carolina state line.

The City of Knoxville's 2021 population was reported at 192,648. It is the largest incorporated municipality in the County. Farragut, the only other municipality in the County, has an estimated population of 24,422. Knoxville has a land area of approximately 104 square miles within its corporate limits and is located on the Tennessee River near the geographic center of East Tennessee.

***Manufacturing and Commerce***

Located in the northeastern portion of the State, Knox County, along with Anderson, Blount, Campbell, Grainger, Loudon, Morgan, Roane and Union counties, is part of the Knoxville Metropolitan Statistical Area (MSA). Because of its central location in the eastern United States, the County metropolitan area serves thousands of industrial and commercial customers in a concentrated eight-state area. Nearly half of the nation's population is within a day's drive of Knoxville. For many years the County has been known as one of the South's leading wholesale markets. Based on 2021 estimates, there were approximately 1,191 wholesale establishments, 1,865 retail establishments, and 10,504 service industries located in the County.

The area is the trade center for a 42-county region, located in East Tennessee, Kentucky, Virginia and North Carolina, which serves over two million people. It also is the cultural, tourist, and professional center for this region. The MSA includes more than 909 manufacturing firms, which produce a large variety of items including medical devices, electronic components, chemicals, manufactured housing, apparel, and automobile parts.

***Business Climate***

The County has a history of being a regional leader in economic activity. The County offers premier location opportunities for high-technology and precision manufacturing firms. The University of Tennessee, Tennessee Valley Authority and the Oak Ridge National Laboratory help to provide a stable, secure employment base. The Knoxville area is home to many medium-sized manufacturing and distribution operations as well as customer service centers. The Knoxville area boasts a strong and reliable workforce, and low union membership rates. These assets, combined with an excellent location at the intersections of Interstates 40, 75 and 81, make Knox County a great location for any business. The County is also well served by 250 trucking companies, three railroads, five airlines, and three local river terminals that provide direct links to the Great Lakes and to the Gulf of Mexico. The Knoxville area continually receives recognition for high quality of life, combining an attractive natural setting with a moderate four-season climate. In addition, the Knoxville area ranks among the nation's top markets for low cost of living. The Knoxville MSA ranks as one of the top southeastern urban areas with an index of 83.7 compared to the average of all participating cities of 100. The County has over 6,418 acres of park and recreation space, with approximately 198 miles of greenways and walking trails. The arts and culture are well served, with the Knoxville Symphony, Knoxville Opera Company, Knoxville Museum of Art, and several performing arts organizations, including the Clarence Brown Theater, providing numerous cultural opportunities. Live entertainment includes touring Broadway productions and many concerts at numerous venues throughout the area, including the historic, beautifully renovated Tennessee and Bijou theaters.

### ***Industrial Investment***

The Knoxville MSA has been recognized nationally as a leading location to live and do business. The Policom Corporation specializes in studying the dynamics of local economies and has developed the Economic Strength Rankings. Economic Strength is the long-term tendency for an area to consistently grow in both size and quality. Regional Economic Information System (REIS) data is the principal data set used to create the rankings. It is published by the Bureau of Economic Analysis (BEA), US Department of Commerce. In 2022, the Knoxville MSA ranked 26 amongst the top MSAs nationally. The Knoxville MSA ranks comparably to the Nashville MSA which ranked number 4 in the country. Commerce and industry vary from the media success of Discovery, Inc. formerly Scripps Television Networks (HGTV, DIY, Food, Cooking, GAC, and Travel), to Sysco Corporation’s (largest food service marketer and distributor in North America) regional warehouse and distribution center. In addition, many other local companies are recognized as national and global leaders, including Clayton Homes, Brunswick Corporation, Keurig Green Mountain, Bush Brothers, Pilot/Flying J Travel Centers, and Denso Manufacturing.

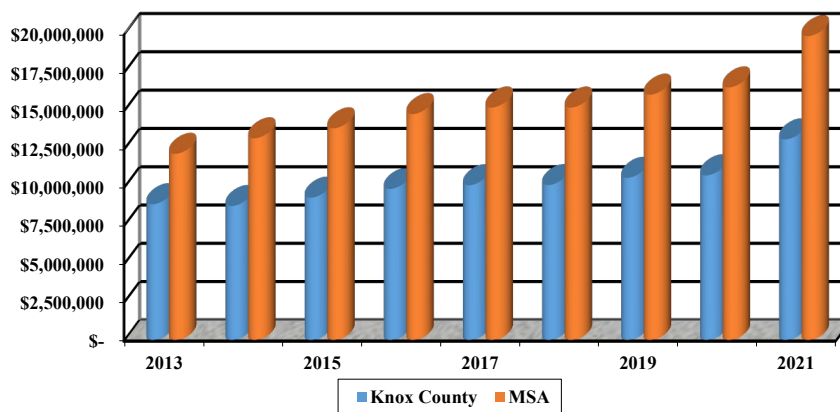
The area is also gaining a reputation as a prime location for corporate headquarters. High profile companies headquartered here in the MSA include the Tennessee Valley Authority, Jewelry Television, AC Entertainment, DeRoyal Industries, PetSafe/Radio Systems Corporation, and Regal Entertainment. Knox County has 8 business parks and a Technology Corridor to meet a wide range of corporate facility needs.

### ***Commercial Development***

Four regional shopping malls and over 200 shopping centers and factory outlets meet the retail needs of Knox County citizens and visitors. Knox County has traditionally been the regional hub of the MSA. The 2021 retail sales in the MSA grossed over \$19.8 billion, with approximately 66% of that total generated in Knox County.

#### **RETAIL SALES**

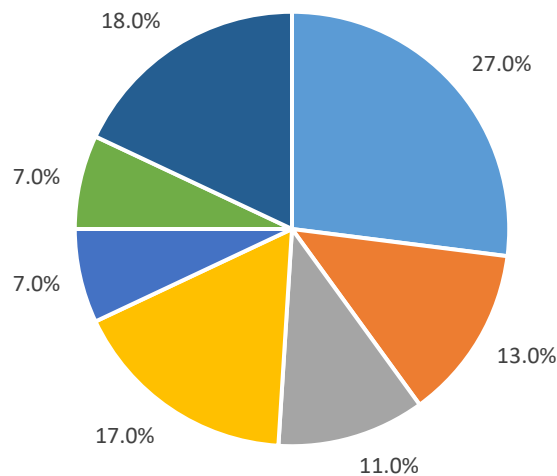
*(in thousands)*



### ***Tourism***

Although industry frequently is considered the core of an economic base, secondary and tertiary activities also make important contributions to economic development. The convention and tourism business contribute to the County's economic base by drawing income into the region, resulting in employment opportunities as well as investment opportunities in tourist-related facilities. The area draws thousands of enthusiasts every year for University of Tennessee sporting events, and minor league hockey and baseball are also available for sports fans. Opportunities for outdoor recreation are plentiful, with parks and recreation activities throughout the County and in the nearby Great Smoky Mountains National Park which had over 14.1 million guests in 2021.

### ***Non-Agricultural Employment***



Knox County has demonstrated a very healthy diversity in employment. Services and trade are the two largest employment sectors in the County metropolitan area, followed by Government and Other.

■ Services ■ Government ■ Finance ■ Trade & Utilities ■ Manufacturing ■ Construction ■ Other

### **Per Capita Income**

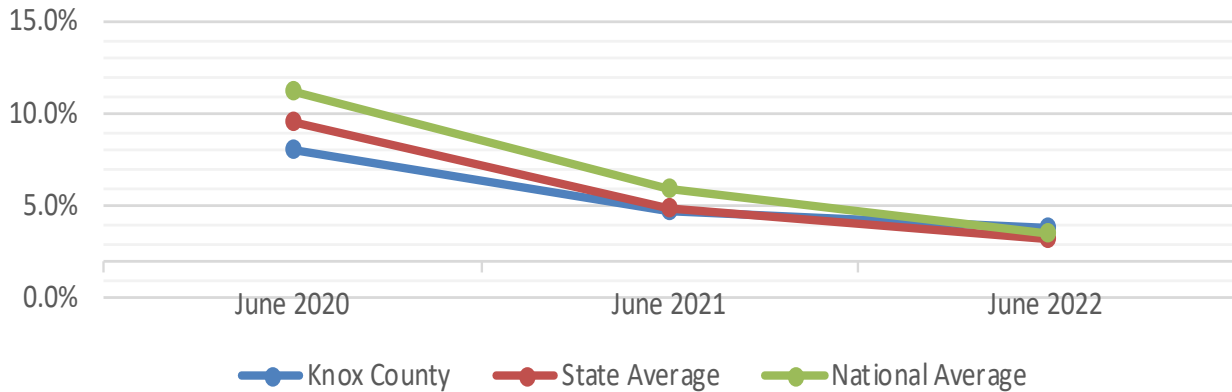
In 2021, Knox County's per capita income was \$59,934. This represents an increase of 6.6 percent compared to 2020.

### ***Unemployment***

Historically, Knox County's unemployment rate has been low relative to the state and national rates. For the month of June 2022, the seasonally adjusted unemployment rates for the County, state and nation stood at 3.8%, 3.3% and 3.6%, respectively, a much-improved average over the prior year pandemic rates. The County's rate remained lower than the State and National average.



Knox County  
Unemployment Rate Comparison



***FINANCIAL INFORMATION***

The County has faced the challenge of maintaining essential services, while reducing the levels of debt. The approach taken has been based on careful budgeting and management of revenues and expenditures in both the annual budgets and the long-term budget for capital planning. For the annual budget process, the FY 2022 adopted budget provided for a moderate increase of 3.19% in General Fund expenditures. The adopted budget for education funding provided for in the General Purpose School Fund (the general fund for the Board of Education component unit) has increased by 6.9%. The increases in budgeted funds for public safety and education reflect the Mayor’s commitment to ensure that adequate funding is provided for these essential functions. By careful budgeting of expenditures in the overall budget, other essential services to Knox County citizens (road maintenance, parks and recreation, library services, etc.) have been maintained at appropriate levels. Revenues have been estimated conservatively, and actual results exceeded the budget. Much of this was due to local taxes, other local revenues and funding from the State that exceeded originally budgeted estimates.

The planned reduction in the County’s bonded debt levels is dependent on both the levels of debt service payments and the amounts of new debt added. Debt service expenditures are provided for in the County’s annual budgets, and the amounts of debt retirement have been provided for based on the required upcoming debt service. The amount of new debt to be added is dependent on the amount needed for projects approved in the County’s adopted Capital Improvement Plan, which covers the upcoming five-year period. This funding mechanism provides for a matching of debt service expenditures with the useful lives of the assets acquired with the bond proceeds. In order to reduce the overall levels of bonded debt, it has been necessary to reduce the approved projects to be funded from debt proceeds. This reduction is being accomplished.

The total bonded debt as of June 30, 2022 is \$701,872,957 after the issuance of \$87,040,000 in new debt, with \$28,715,000 allocated to the County and \$58,325,000 allocated to the Board.

## ***OTHER INFORMATION***

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Knox County Government for its Annual Comprehensive financial report for the fiscal year ended June 30, 2021. This was the twenty-sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our present report continues to meet the program's requirements and we are submitting it to the GFOA to determine eligibility for another certificate.

The County has also received, for the twenty-seventh consecutive time, the GFOA Award for Distinguished Budget Presentation for its 2022 Annual Operating Budget. In qualifying for the award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

The County received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR award) for the fiscal year ended June 30, 2021. The award represents a significant achievement by the County. Each eligible report is reviewed by judges who evaluate the report based on the following categories: reader appeal, understandability, distribution methods, creativity, and other elements. Having now received all three of GFOA's financial awards the County achieved Triple Crown status.

### ***Acknowledgments***

The preparation of the ACFR was made possible by the dedicated service of the Department of Finance. Those involved have our sincere appreciation for the individual and collective contributions made in the preparation of the report. Perry Benshoof, Jennifer Bodie, Jeff Clark, Susan Corlew, Susan Johnson, Amber Knight, Nicholas Wilson, and Melanie Wilck all went above and beyond the call of duty to design and generate this report. Thank you very much for your professional dedication in this effort. Thank you to the entire Department of Finance for your efforts to "get the job done well" every day. You serve the citizens of Knox County very well.

Recognition and appreciation are also extended to the County Commission and the Board of Education for their continued dedication in planning and conducting the operations of the County and the Board in a financially responsible and progressive manner.

Sincerely,



Chris Caldwell  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Knox County  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

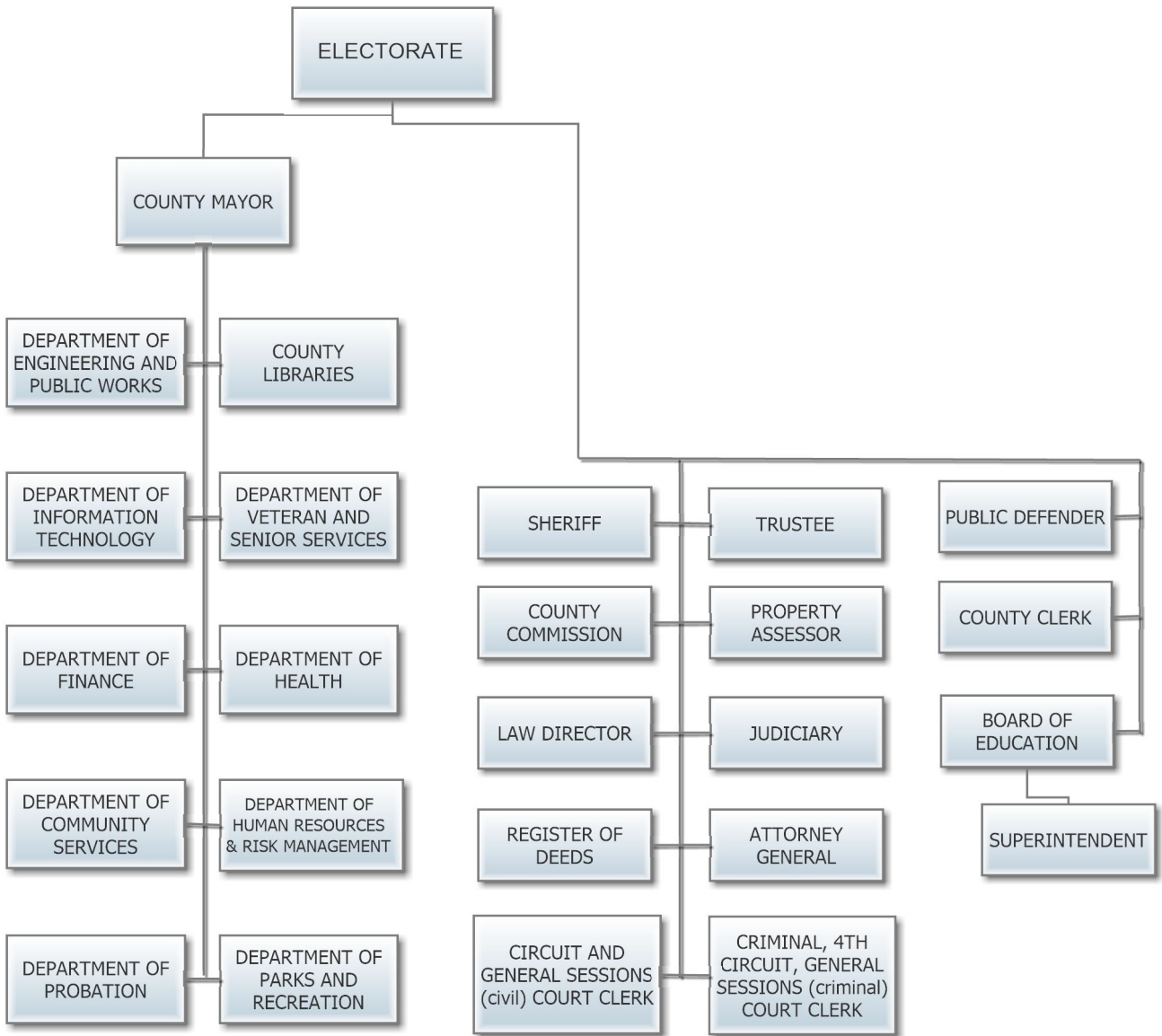
June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



**KNOX COUNTY, TENNESSEE**  
COUNTY ORGANIZATIONAL STRUCTURE  
As of June 30, 2022





**KNOX COUNTY, TENNESSEE**  
ROSTER OF ELECTED OFFICIALS AND OTHERS  
As of June 30, 2022

**Elected Officials:**

Assessor of Property - John Whitehead  
Attorney General - Charne P. Allen  
Circuit/General Sessions (civil) & Juvenile Clerk - Charlie Susano  
County Clerk - Sherry Witt  
County Mayor - Glenn Jacobs  
Criminal/Fourth Circuit/Sessions (criminal) Clerk - Mike Hammond  
Law Director - David L. Buuck  
Public Defender - Mark Stephens  
Register of Deeds - Nick McBride  
Sheriff - Tom Spangler  
Trustee - Ed Shouse

**Board of Commissioners:**

Richie Beeler, Chairman	Larsen Jay
Justin Biggs, Vice Chair	Dr. Dasha Lundy
Charles Busler	John Schoonmaker
Carson Dailey	Randy Smith
Courtney Durrett	Kyle Ward
Terry Hill	

**Board of Education:**

Virginia Babb	Mike McMillan
Patti Lou Bounds	Jennifer Owen
Betsy Henderson	Evetty Satterfield, Vice
Susan Horn	Chair
Kristi Kristy, Chair	Daniel Watson

**Superintendent of Schools:**

Dr. Jon Rysewyk

**Audit Committee:**

Jim Morrison, CPA, Chairman  
Richie Beeler  
Larsen Jay  
John Schoonmaker  
Matt Warren, CPA

**Finance Director:**

Chris Caldwell, MBA, CCFO

**Pension Board:**

Chris Caldwell (Proxy for Glenn Jacobs,  
Chairman)  
Charles Busler  
Larsen Jay, Vice Chairman  
Kevin Clark  
Janet Samar  
Chris Simons  
Randy Smith  
James Snowden  
Kyle Ward

**Retirement Office:**

Jennifer Schroeder, Executive Director





**PUGH & COMPANY, P.C.**  
315 NORTH CEDAR BLUFF ROAD, SUITE 200  
KNOXVILLE, TENNESSEE 37923  
TELEPHONE 865-769-0660  
FAX 865-769-1660  
www.pughcpas.com

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, County Commissioners  
and Audit Committee of  
Knox County, Tennessee  
Knoxville, Tennessee

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, budgetary comparison statement of the general fund, and the aggregate remaining fund information of Knox County, Tennessee (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison statements for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of The Development Corporation of Knox County ("TDC") and the Knox Education Foundation ("KEF"), discretely presented component units reported in the financial statements of the County. TDC and KEF represent 2.0% of total assets and deferred outflows, 6.6% of net position and 0.6% of the revenues of the County as of June 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for TDC and KEF, is based solely on the reports of the other auditors.

#### Basis for Opinions

We conducted our audit 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 Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



An independently owned member  
**RSM US Alliance**

xiv



**TSCPA**  
Members of the Tennessee Society  
Of Certified Public Accountants

## **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 County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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 County's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages xvii through xxxiv and the schedules of changes in net pension and other post-employment benefit ("OPEB") plans liabilities (assets), investment returns, employer contributions, and proportionate share of collective net pension and OPEB plans liabilities (assets) of the various pension and OPEB plans on pages 140 through 160 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose for forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplemental section and Component Unit - Board of Education section, as listed in the table of contents, are presented for purposes 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 financials statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental section and the Component Unit - Board of Education section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section, as listed in the table of contents, 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 audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by *Government Auditing Standards* and *Uniform Guidance*

In accordance with *Government Auditing Standards*, we have also issued, in a separately bound document, our report dated January 31, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of the 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 County'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 County's internal control over financial reporting and compliance. In addition, we have also issued, in the same separately bound document, our report dated January 31, 2023, on the County's compliance for each major federal program, internal control over compliance and the schedules of expenditures of federal awards and state financial assistance as required by 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 Tennessee Comptroller of the Treasury.

*Pugh & Company, P.C.*

Certified Public Accountants  
Knoxville, Tennessee  
January 31, 2023

**Knox County, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
June 30, 2022

As management of the Knox County Government, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report. All amounts, unless otherwise indicated, are expressed in dollars.

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the governmental activities of the Knox County Primary Government were exceeded by its liabilities and deferred inflows at the close of the most recent fiscal year by \$15,941,091 (deficit net position). This amount includes a negative \$293,574,111 of unrestricted net position. The negative unrestricted net position and total net position amounts resulted primarily from the process by which the Primary Government issues debt on behalf of the Board of Education component unit. See footnote on page 1.
- The Primary Government's change in net position for its governmental activities was a decrease of \$804,781. Total net position for the Primary Government (governmental and business-type activities) decreased by \$788,014.
- The Primary Government's governmental funds reported total fund balances of \$174,056,520, an increase of \$17,712,989 for the fiscal year.
- The Knox County Government's total bonded debt at the end of the year totaled \$701,872,957, an increase of 6.6% compared to the prior year total of \$658,137,237. Of the current year total, \$372,492,019 pertains to County general government activities and \$329,380,938 pertains to the Knox County Board of Education component unit. Bond principal paid in the current year totaled \$43,304,280 and debt issued totaled \$87,040,000.
- The County Property Tax Rate was \$2.12 for the fiscal year. There was no change from the prior year rate.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Knox County Government's basic financial statements. The Knox County Government's basic financial statements are composed of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplemental information and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Knox County Government's finances, in a manner similar to a private-sector business.

**Knox County, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
June 30, 2022

The statement of net position presents information on all the Knox County Government's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Knox County Government is either improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Knox County Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Knox County Government include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. Knox County Government reports business-type activities for the operations of the Three Ridges Golf Course enterprise fund.

The government-wide financial statements include the Knox County Government itself (known as the primary government), and legally separate entities for which Knox County Government is financially accountable (component units): the school district – the Board of Education (The Board), a legally separate Emergency Communications District (The District), The Development Corporation (The Corporation), The Knox Education Foundation (The Foundation) and the Knox County Railroad Authority (The Authority). Financial information for these component units is reported separately from the financial information presented for the primary government itself. The District, Corporation and Foundation issue separate financial statements. The Board and the Authority do not issue separate financial statements. The government-wide financial statements can be found on pages 1 and 2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Knox County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Knox County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**Knox County, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
June 30, 2022

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Knox County Government maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Public Improvement Fund, Debt Service Fund, and the Federal, State, and Other Grants Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Knox County Government adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund for information in the Basic Financial Statements section of the report. For a more detailed demonstration of budgetary compliance, the County also issues a separate Budget Report to Citizenry, which is available online at <https://www.knoxcounty.org/finance/budget.php>.

The basic governmental fund financial statements can be found on pages 3-7 of this report.

**Proprietary funds.** There are two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Knox County Government established an enterprise fund to account for the operations of the Three Ridges Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Knox County Government's various functions. Knox County Government uses internal service funds to account for its fleet service operations, mailroom operations, employee benefits activities (including retirement), self-insurance activities, building operations, technical support operations, capital leasing activities, and self-insurance healthcare activities. Because these services benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The eight internal service funds are combined into a single, aggregated presentation in the basic proprietary fund financial statements, along with the presentation of the Three Ridges Golf Course enterprise fund. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 8-10 of this report.

**Knox County, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
June 30, 2022

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Knox County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 11-12 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-139 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Knox County Government's progress in funding its obligation to provide pension and other post-employment benefits to its employees and retirees. Required supplementary information can be found on pages 140-160 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and the individual fund statements are presented on pages 161-198. Combining and individual fund statements for proprietary funds can be found on pages 199-220 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Knox County Primary Government**  
**Condensed Statement of Net Position - Governmental Activities**

**June 30,**

	<b>2022</b>	<b>As Restated 2021</b>	<b>Variance</b>
Current and Other Assets	\$ 567,596,776	\$ 476,378,706	\$ 91,218,070
Capital Assets	631,347,396	593,368,990	37,978,406
Total Assets	1,198,944,172	1,069,747,696	129,196,476
Deferred Outflows of Resources	77,217,943	59,421,931	17,796,012
Other Liabilities	218,738,957	188,383,600	30,355,357
Long-term Liabilities Outstanding	871,857,913	742,654,994	129,202,919
Total Liabilities	1,090,596,870	931,038,594	159,558,276
Deferred Inflows of Resources	201,506,336	213,267,343	(11,761,007)
Net Position:			
Net Investment in Capital Assets	259,092,443	239,891,274	19,201,169
Restricted	18,540,577	14,756,724	3,783,853
Unrestricted (Deficit)	(293,574,111)	(269,784,308)	(23,789,803)
Total Net Position (Deficit)	\$ (15,941,091)	\$ (15,136,310)	\$ (804,781)



**Knox County, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
June 30, 2022

**Governmental net position.** Current and other assets consist primarily of receivables, mostly taxes, and cash and investments. By far the largest portion of the Knox County Government's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any outstanding related debt used to acquire those assets. The Knox County Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Knox County Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The reasons for changes in capital assets are discussed later.

An additional portion of the Knox County Government's governmental activities net position represents resources that are subject to external restriction on how they may be used. As shown below, these restrictions include Debt Service, Public Health and Welfare, Public Safety, Social and Cultural Services and Other Purposes. The remaining balance of unrestricted net position deficit of \$293,574,111 reflects a negative change of (\$23,789,803) compared to the restated prior year unrestricted net position deficit of \$269,784,308.

**Knox County Primary Government**  
**Governmental Activities Net Position Comparison**  
**June 30,**

	<b>2022</b>	<b>As Restated 2021</b>	<b>Variance</b>
Net Investment in Capital Assets	<u>\$ 259,092,443</u>	<u>\$ 239,891,274</u>	<u>\$ 19,201,169</u>
Restricted:			
Debt Service	3,415,615	3,624,154	(208,539)
Public Health and Welfare	1,726,765	2,403,586	(676,821)
Public Safety	4,959,006	4,421,560	537,446
Social and Cultural Services	4,008,830	2,029,911	1,978,919
Pensions	871,639	179,415	692,224
Other Purposes	<u>3,558,722</u>	<u>2,098,098</u>	<u>1,460,624</u>
Total Restricted Net Position	<u>18,540,577</u>	<u>14,756,724</u>	<u>3,783,853</u>
Unrestricted (Deficit)	<u>(293,574,111)</u>	<u>(269,784,308)</u>	<u>(23,789,803)</u>
Total Net Position (Deficit)	<u><u>\$ (15,941,091)</u></u>	<u><u>\$ (15,136,310)</u></u>	<u><u>\$ (804,781)</u></u>

The unrestricted net position balance represents funds that would normally be available to be used to meet the government's ongoing obligations to citizens and creditors. The primary reason for the deficit balance as of June 30, 2022 results from the County's recognition of long-term debt issued on behalf of the Knox County Board of Education. Because the Board cannot by law issue its own debt, the County issues debt on behalf of the Board, and pays the proceeds to the Board. The Board then uses these proceeds for its capital purposes and records the capital assets on its own Statement of Net Position. Therefore, the assets are shown on the Board's Component Unit financial

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statements, whereas the related debt is shown on the County's Primary Government financial statements.

At June 30, 2022, the amount of bonds, leases and loans issued by the County on behalf of the Board still outstanding was \$338,016,990, compared to the prior year amount of \$299,561,432. If these liabilities were shown with the Board's amounts to match the capital assets, the County would have had positive unrestricted net position of its governmental activities of \$44,442,879 in 2022 and a positive unrestricted net position of \$29,777,124 in 2021.

At the end of the current fiscal year, positive balances in total net position are reported for the total reporting unit and for each of the separate component units. The primary government reported a deficit net position during the current fiscal year which was largely attributable to the issuance of bonds allocated to the Board. The total reporting unit's net position increase is primarily attributable to the underlying positive change in net position of the activities of the Board which consisted mainly of the increase in the net pension asset.

**Governmental activities.** Governmental activities decreased the Knox County Primary Government's net position by \$804,781 in 2022. This decrease is mainly due to additional transfers to the Board from debt issuances since the Board can't issue its own debt. The increase in tax revenues helped offset the increase in expenditures with a \$16 million increase.

The following table shows the changes in the Statement of Activities for the Primary Government-Governmental Activities for the fiscal years ended June 30, 2022 and 2021.

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**Knox County Primary Government**  
**Governmental Activities**

Year Ended June 30,

	<u>2022</u>	<u>As Restated 2021</u>	<u>Variance</u>
Program Revenues:			
Charges for Services	\$ 55,369,400	\$ 51,945,674	\$ 3,423,726
Operating Grants and Contributions	69,493,628	34,132,835	35,360,793
Capital Grants and Contributions	21,782,423	8,020,823	13,761,600
General Revenues			
Local Taxes	258,724,496	242,619,253	16,105,243
Payments from Component Units	14,931,933	11,449,356	3,482,577
Intergovernmental Revenues	10,434,713	12,202,850	(1,768,137)
Other General Revenues	8,333,201	8,797,737	(464,536)
Total Revenues	<u>439,069,794</u>	<u>369,168,528</u>	<u>69,901,266</u>
Expenses:			
Finance and Administration	40,650,265	39,808,990	841,275
Administration of Justice	29,594,750	29,053,536	541,214
Public Safety	111,010,280	95,264,684	15,745,596
Public Health and Welfare	38,157,264	37,358,134	799,130
Social and Cultural Services	23,852,168	22,062,342	1,789,826
Agricultural and Natural Resources	487,814	391,064	96,750
Other General Government	72,469,910	31,269,894	41,200,016
Engineering & Public Works	38,602,515	38,100,893	501,622
Debt Service	20,150,879	21,787,904	(1,637,025)
Payments to Component Units	64,783,730	42,295,731	22,487,999
Total Expenses	<u>439,759,575</u>	<u>357,393,172</u>	<u>82,366,403</u>
Excess (Deficiency) of Revenues over (under)			
Expenses before Transfers	(689,781)	11,775,356	(12,465,137)
Transfers to Other Funds	<u>(115,000)</u>	<u>(100,000)</u>	<u>(15,000)</u>
Change in Net Position	(804,781)	11,675,356	(12,480,137)
Net Position, July 1 (Deficit), as restated	<u>(15,136,310)</u>	<u>(26,811,666)</u>	<u>11,675,356</u>
Net Position, June 30 (Deficit)	<u>\$ (15,941,091)</u>	<u>\$ (15,136,310)</u>	<u>\$ (804,781)</u>

**Program revenues** include charges for services, which consist of various items such as fees for services, licenses, and fines. Charges for services relate to numerous and various government functions. These items represent an aggregation of numerous transactions, and there is not a concentration of revenues in any area. These tend, therefore, to be relatively stable from year to year. Program revenues include operating grants, which consist largely of grants received from the federal and state governments. The increase in operating grants and contributions is due mainly to

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new grants from ARPA. Program revenues also include capital grants and contributions. During the current year the County received a substantial portion in this category related to developer contributions. During the current year the County received \$11,676,895 in contributions from developers related to road projects compared to \$983,640 in the prior year.

**General revenues** include local taxes, payments from component units, intergovernmental revenues, and other general revenues. The change in local taxes is mostly related to property and sales taxes and a relatively stable growing overall tax base. Payments from component units primarily consist of the amounts received for the Board's portion of debt service related to the debt obligations that the Primary Government incurred on behalf of the Board. Intergovernmental revenues consist of state shared revenues from various tax collections at the state level. Other general revenues consist primarily of investment revenue and other miscellaneous. In 2022, combined property and sales tax revenue was \$215,682,347. The 2021 corresponding total was \$206,663,805, for a net increase of \$9,018,542. The property tax line item includes current and delinquent taxes. Property tax collections improved in the current year due to growth in the property tax base. Sales tax collections improved over the prior year due to a better than expected growth in retail sales.

**Expenses** for the Primary Government are categorized into functional areas. The change in current year was largely attributable to the increase in the amounts expended on projects related to the ARPA program, mainly in the other general government category. Another increase was in the amounts paid to the Board applicable to debt issued by the Primary Government on behalf of the Board of \$58,325,000. As previously noted, the County issues debt on behalf of the Board for capital purposes because the Board may not incur its own debt obligations. Therefore, the net proceeds of such debt issues are paid to the Board, thus resulting in an expense to the Primary Government. Expenses fluctuate from year to year as expected in the various categories.

**Proprietary Net Position and Business-type Activities.** Proprietary activities included as business-type activities in the government-wide statements consist solely of the operations of the County's Three Ridges Golf Course and related courses, an enterprise fund. The following tables describe the results and changes in the current and prior years. The golf courses are supported by user fees: greens fees, cart fees, pro shop sales and snack bar sales. The County's general fund made a transfer of \$115,000 in the current year to the golf course fund for additional support. The change in net position of \$16,767 for the golf course fund includes the effects of depreciation and amortization, a noncash expense, totaling \$84,840. Of the ending net position, \$429,428 was invested in capital assets, with the remaining deficit amount of \$27,216 unrestricted. These amounts reflect the results of ordinary business operations.

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**Condensed Statement of Net Position-Primary Government-Business-type Activities**

	<b>June 30,</b>		
	<b>2022</b>	<b>As Restated 2021</b>	<b>Variance</b>
Current and Other Assets	\$ 96,223	\$ 75,644	\$ 20,579
Capital Assets	485,049	415,134	69,915
<b>Total Assets</b>	<b>581,272</b>	<b>490,778</b>	<b>90,494</b>
Current Liabilities	164,776	73,949	90,827
Noncurrent Liabilities	14,284	31,384	(17,100)
<b>Total Liabilities</b>	<b>179,060</b>	<b>105,333</b>	<b>73,727</b>
Net Position:			
Invested in Capital Assets	429,428	415,134	14,294
Unrestricted (Deficit)	(27,216)	(29,689)	2,473
<b>Total Net Position</b>	<b>\$ 402,212</b>	<b>\$ 385,445</b>	<b>\$ 16,767</b>

**Condensed Statement of Primary Government-Business-type Activities**

	<b>Year Ended June 30,</b>		
	<b>2022</b>	<b>As Restated 2021</b>	<b>Variance</b>
Program Revenues:			
Charges for Services	\$ 1,515,263	\$ 1,462,567	\$ 52,696
Expenses:			
Operating Expenses	1,671,032	1,568,841	102,191
Operating Income (Loss)	(155,769)	(106,274)	(49,495)
Nonoperating Income (Loss)	(414)	-	(414)
Capital Contributions and Transfers:			
Capital Contributions	57,950	37,936	20,014
Transfer from Other Funds	115,000	100,000	15,000
<b>Total Capital Contributions and Transfers</b>	<b>172,950</b>	<b>137,936</b>	<b>35,014</b>
Change in Net Position	16,767	31,662	(14,895)
Net Position, July 1	385,445	353,783	31,662
<b>Net Position, June 30</b>	<b>\$ 402,212</b>	<b>\$ 385,445</b>	<b>\$ 16,767</b>

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**FINANCIAL ANALYSIS OF THE FUNDS**

As noted earlier, the Knox County Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Knox County Government’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Knox County Government’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year and to help ensure future stability of governmental operations.

The categories of fund balance are:

**Nonspendable** fund balance relates to amounts that cannot be spent because they are in a form that is not expected to be converted to cash (e.g., inventories and prepaid items), as well as the County’s investment in joint venture.

**Restricted** fund balance includes amounts restricted for specific purposes by parties outside of the County (e.g., grantors, other governments) or imposed by law through constitutional provisions or enabling legislation.

**Committed** fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission.

**Assigned** fund balance consists of amounts constrained by the County’s intent to be used for specific purposes but are not restricted or committed.

**Unassigned** fund balance is the residual balance in the General Fund.

The following table shows the changes in the fund balance categories:

**Primary Government-Governmental Fund Balances**

	<b>June 30,</b>		
	<b>2022</b>	<b>As Restated 2021</b>	<b>Variance</b>
	<hr/>	<hr/>	<hr/>
Nonspendable	\$ 9,073,594	\$ 7,746,243	\$ 1,327,351
Restricted	34,802,866	29,815,434	4,987,432
Committed	39,000,081	31,477,128	7,522,953
Assigned	9,193,647	6,146,179	3,047,468
Unassigned	81,986,332	81,158,547	827,785
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>\$ 174,056,520</u>	<u>\$ 156,343,531</u>	<u>\$ 17,712,989</u>

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As of the end of the current fiscal year, the Knox County Government's governmental funds reported combined ending fund balances of \$174,056,520, an increase of \$17,712,989 in comparison with the restated prior year total of \$156,343,531. Much of the overall increase resulted from operations of the County's general fund. Factors that affected the results of operations of the major Governmental Funds are discussed further in the following sections.

The General Fund is the chief operating fund of the Knox County Government. The results of the fund balances in the General Fund are indicated in the table below. Unassigned fund balance represents 41.4% of actual expenditures compared to 44.2% last year. This decrease is primarily attributed to increased expenditures for grants. The County has adopted a formal fund balance policy calling for the maintenance of a minimum level of unassigned fund balance equivalent to three months (25%) of regular operating expenditures plus transfers out. The County strives to maintain levels exceeding that minimum level in order to provide for unanticipated needs. The actual results reflect the achievement of this goal.

**General Fund - Fund Balances**

	<b>June 30,</b>		
	<b>2022</b>	<b>2021</b>	<b>Variance</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Nonspendable	\$ 8,978,205	\$ 7,676,023	\$ 1,302,182
Restricted	3,716,666	3,241,148	475,518
Committed	3,929,315	7,297,773	(3,368,458)
Assigned	2,581,315	761,483	1,819,832
Unassigned	<u>81,986,332</u>	<u>81,158,547</u>	<u>827,785</u>
 Total Fund Balances	 <u>\$ 101,191,833</u>	 <u>\$ 100,134,974</u>	 <u>\$ 1,056,859</u>

The Debt Service Fund is used to account for the accumulation of resources for, and related payments of, principal and interest on general long-term debt. The results of the fund balances in the Debt Service Fund are indicated in the table below. Most of the fund balance consists of amounts committed for debt service purposes by County Commission. The County had planned for a decrease in the Debt Service Fund Balance, and had budgeted for \$188,735 to be applied to the current year budget. As the current year result of operations was an increase in fund balance of \$7,606,603, the fund experienced a positive variance of \$7,795,338 of actual results compared to the final budget. This resulted from the significant savings from conservatively budgeting for interest expense that the County experienced from its variable rate debt, combined with increased property and local tax revenues. The County plans to continue its conservative financial planning.



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**Debt Service Fund - Fund Balances**

	<b>June 30,</b>		
	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>Variance</b></u>
Restricted	\$ 3,415,615	\$ 3,624,154	\$ (208,539)
Committed	<u>19,667,673</u>	<u>11,852,531</u>	<u>7,815,142</u>
 Total Fund Balances	 <u><u>\$ 23,083,288</u></u>	 <u><u>\$ 15,476,685</u></u>	 <u><u>\$ 7,606,603</u></u>

The Public Improvement Capital Projects Fund experienced a net increase in fund balance in 2022, as seen on the following table. This change results from the timing of the issuance of bonds for capital purposes compared to the expenditures made therefrom. The current year bond issue allocated \$58,325,000 (a \$22.5M increase over the prior year) to the Board's construction fund for new school construction and renovations. The fund also received a \$4.4M transfer from the general fund for capital expenditures. The County's practice is to issue debt for capital purposes generally on an annual basis, with the intent that debt proceeds be received as close as practicable to the timing of the planned expenditures. This is done to help keep interest charges as low as practicable.

**Public Improvement Capital Projects Fund - Fund Balances**

	<b>June 30,</b>		
	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>Variance</b></u>
Nonspendable	\$ 18,307	\$ -	\$ 18,307
Restricted	17,133,928	15,237,375	1,896,553
Committed	<u>100,000</u>	<u>125,000</u>	<u>(25,000)</u>
 Total Fund Balance	 <u><u>\$ 17,252,235</u></u>	 <u><u>\$ 15,362,375</u></u>	 <u><u>\$ 1,889,860</u></u>

The Federal, State and Other Grants Fund accounts for various federal, state and local programs to further benefit the citizens of the County. During FY 2022, the fund received a significant amount of Federal funds. The most significant was related to the U.S. Treasury's American Rescue Plan in the amount of \$45M. The funds were received prior to incurring significant expenditures; therefore, they are reported as unearned revenue, which had little effect on ending fund balance in the current year. The results of fund balance are shown in the following table:

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**Federal, State and Other Grants Fund - Fund Balances**

	June 30,		
	2022	As Restated 2021	Variance
Nonspendable	\$ 69,151	\$ 65,476	\$ 3,675
Restricted	2,732,715	2,246,510	486,205
<b>Total Fund Balances</b>	<b>\$ 2,801,866</b>	<b>\$ 2,311,986</b>	<b>\$ 489,880</b>

**Proprietary funds-Internal Service Funds.** The Knox County Government's proprietary fund statements provide underlying detail information included in the government-wide financial statements.

Net position of all the internal service funds at year-end 2022 is shown in the table below. Most of the variance was due primarily to the new capital leasing fund net position increase of \$1,600,000. This fund was set up to account for leased vehicles. The Internal Service Funds are used to accumulate and distribute costs as a planning tool and are expected to break even over the long run. As the intent of these funds is to "break even," these results are in line with expectations, and reflect the variability and uncertainty in predicting the activity for the year. The total net position at year-end reflects a modest accumulated net position for these funds over time, in line with expectations.

**Net Position-Proprietary Funds-Internal Service Funds**

	June 30,		
	2022	As Restated 2021	Variance
Net Position - All ISF	\$ 31,200,545	\$ 30,198,156	\$ 1,002,389
Charges for Services	\$ 90,506,271	\$ 83,418,093	\$ 7,088,178
Net Position as a % of Charges for Services	34.5%	36.2%	

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The total fund balance of the County's General Fund increased by \$1,056,859 during 2022, compared to last year's \$11,895,519 increase. The General Fund's original budget planned for a net use of fund balance for the year of \$4,126,137. Therefore, the actual total fund balance of \$101,191,833 was \$5,182,996 greater than originally planned. Key elements in the comparison of the final budget to actual results for the General Fund, excluding transfers, are shown in the following table:

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**General Fund - Budget vs. Actual**

	<b>Year Ended June 30, 2022</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Local Taxes	\$ 155,993,091	\$ 159,698,290	\$ 3,705,199
State of Tennessee	10,914,556	9,915,925	(998,631)
Federal Government	2,509,450	2,157,751	(351,699)
Other	18,589,972	20,017,694	1,427,722
Equity Interest in Joint Venture	-	1,270,769	1,270,769
Total Revenues	\$ 188,007,069	\$ 193,060,429	\$ 5,053,360
Finance and Administration	\$ 34,868,704	\$ 33,360,541	\$ 1,508,163
Administration of Justice	21,272,321	20,834,245	438,076
Public Safety	93,762,387	92,458,510	1,303,877
Public Health and Welfare	20,997,147	20,379,310	617,837
Social and Cultural Services	6,704,843	5,883,753	821,090
Agricultural and Natural Resources	577,016	487,814	89,202
Other General Government	24,732,673	24,400,349	332,324
Total Expenditures	\$ 202,915,091	\$ 197,804,522	\$ 5,110,569

The largest item affecting the variance in total revenues was a \$3,705,199 increase over budget in actual revenues from local taxes. This consisted mainly of a decrease of \$251,745 in property taxes, \$714,507 increase in sales taxes and \$3,635,096 increase in business taxes in a better-than-expected economic growth during the year. While the County can raise tax rates, the government has chosen to keep tax rates steady (adjusted only for the effects of reappraisal) to not further burden County taxpayers. Therefore, revenues were budgeted conservatively and in line with the previous year. The General Fund budget was adopted in amounts intended to provide funds for essential services. Actual expenditures were substantially less than the budget in most categories. The expenditure variances were mostly in a reduction in salaries and benefits. The County continues to fill vacant positions.

Differences in expenditures between the original budget and the final amended budget were within the normal course of County business and totaled a net \$7,451,772 increase in the total budget. Included in the increase were normal adjustments to appropriations for category changes in most departments. Also included in the increase was \$3.5M designated for salary and benefits for current employees. Key elements in the comparison of the original budget to final budget for the General Fund are shown in the following table:

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**General Fund - Original Budget vs. Final Amended Budget**

	<b>Year Ended June 30, 2022</b>		
	<b>Original</b>	<b>Final</b>	<b>Variance</b>
Local Taxes	\$ 152,430,195	\$ 155,993,091	\$ 3,562,896
State of Tennessee	10,731,164	10,914,556	183,392
Federal Government	2,509,450	2,509,450	-
Other	18,261,978	18,589,972	327,994
Total Revenues	<u>\$ 183,932,787</u>	<u>\$ 188,007,069</u>	<u>\$ 4,074,282</u>
Finance and Administration	\$ 35,075,982	\$ 34,868,704	\$ 207,278
Administration of Justice	21,602,605	21,272,321	330,284
Public Safety	95,952,151	93,762,387	2,189,764
Public Health and Welfare	22,492,497	20,997,147	1,495,350
Social and Cultural Services	6,311,831	6,704,843	(393,012)
Agricultural and Natural Resources	577,016	577,016	-
Other General Government	13,451,237	24,732,673	(11,281,436)
Total Expenditures	<u>\$ 195,463,319</u>	<u>\$ 202,915,091</u>	<u>\$ (7,451,772)</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The Knox County Government Total Reporting Unit reported a total balance of capital assets (net of accumulated depreciation) as of June 30, 2022, of \$1,133,347,968, which compares to the prior year total of \$1,037,981,217. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges and leases. The net increase in the investment in capital assets for the current fiscal year was \$95,366,751 or 9.19%, which is due to the amount spent on capital additions being greater than depreciation expense for the year.

Spending for major capital asset additions during the current fiscal year included the following: the Adrian Burnett Elementary School construction, Lonsdale School construction and the Trane III project (Board); the County focused mainly on the TVA East Tower and Summerplace renovations, Schaad Road phase II, general road improvements along with other various additions/renovations.

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The County reported capital assets for its governmental activities as of June 30, 2022 as described in the table below. The County's investment in capital assets includes land and land improvements, buildings, equipment, infrastructure, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the County, such as roads and streets, bridges, sidewalks, lighting systems, and similar items. The increase in the current year capital asset additions can be found mainly in new construction projects in process and in the equipment categories. The County maintains a commitment to reduce borrowing for capital purposes. Although a certain level of long-term borrowing for capital purposes is necessary to service the needs of County citizens, the County is committed to carefully managing its debt level to minimize the burden on County taxpayers resulting from additional debt issuances.

**Knox County Primary Government**  
**Governmental Activities Capital Assets**

	<b>2022</b>	<b>2021</b>	<b>Variance</b>
Beginning Balance, July 1	\$ 1,141,916,636	\$ 1,107,299,347	\$ 34,617,289
Current Year Change	66,355,578	34,617,289	31,738,289
Capital Assets	1,208,272,214	1,141,916,636	66,355,578
Less: Accumulated Depreciation and Amortization	576,924,818	548,547,646	28,377,172
Ending Balance, June 30	\$ 631,347,396	\$ 593,368,990	\$ 37,978,406

Additional information on the Knox County Government's capital assets can be found in Note III.C of this report. Significant construction commitments in progress at year-end can be found in Note IV.E of this report.

**Long-term debt.** At the end of the current fiscal year, the Knox County Government had total bonded debt outstanding of \$701,872,957, compared to \$658,137,237 at the end of 2021. All the bonded debt was backed by the full faith and credit of the County government. In the current year \$329,380,938 of the total is outstanding debt which the government issued on behalf of the Board for school purposes. The remaining \$372,492,019 of the Knox County Government's debt represents bonds issued for general government purposes. The following schedule shows the changes in bonded debt allocated to the entity responsible for payment thereof.

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**Knox County Government's**  
**Bonded Debt Changes**

<b>FY 2022:</b>	<b>Primary</b>		
<b>Rollforward of Debt:</b>	<b>Government</b>	<b>Board</b>	<b>Total</b>
Beginning Balance	\$ 367,943,321	\$ 290,193,916	\$ 658,137,237
Principal Paid	(24,166,302)	(19,137,978)	(43,304,280)
Proceeds From Debt Issuances	28,715,000	58,325,000	87,040,000
Ending Balance - Bonds	<u>\$ 372,492,019</u>	<u>\$ 329,380,938</u>	<u>\$ 701,872,957</u>

<b>FY 2021:</b>	<b>Primary</b>		
<b>Rollforward of Debt:</b>	<b>Government</b>	<b>Board</b>	<b>Total</b>
Beginning Balance	\$ 373,155,577	\$ 273,065,941	\$ 646,221,518
Principal Paid	(68,726,942)	(30,617,339)	(99,344,281)
Proceeds From Debt Issuances	63,514,686	47,745,314	111,260,000
Ending Balance - Bonds	<u>\$ 367,943,321</u>	<u>\$ 290,193,916</u>	<u>\$ 658,137,237</u>

Knox County's total bonded debt increased by \$43,735,720 or 6.6% during the current fiscal year. This was due to the bond principal payments were less than debt issuances as shown in the table above. The current year increase in bonded debt was due to planned bond issuances. The County issued new bonds for construction projects.

**Other Debt Changes During**

<b>FY 2022:</b>	<b>Primary</b>		
<b>Rollforward of Debt:</b>	<b>Government</b>	<b>Board</b>	<b>Total</b>
Beginning Balance	\$ 43,785,722	\$ 10,363,062	\$ 54,148,784
Additions	14,176,076	5,629,045	19,805,121
Deductions	(5,359,074)	(8,530,510)	(13,889,584)
Ending Balance	<u>\$ 52,602,724</u>	<u>\$ 7,461,597</u>	<u>\$ 60,064,321</u>

<b>FY 2021:</b>	<b>Primary</b>		
<b>Rollforward of Debt:</b>	<b>Government</b>	<b>Board</b>	<b>Total</b>
Beginning Balance	\$ 40,733,568	\$ 14,151,958	\$ 54,885,526
Additions	8,817,197	-	8,817,197
Deductions	(5,765,043)	(3,788,896)	(9,553,939)
Ending Balance	<u>\$ 43,785,722</u>	<u>\$ 10,363,062</u>	<u>\$ 54,148,784</u>

Knox County's other debt, including the Board, described in the table above consist of unamortized bond premium, lease obligations, and loans payable.

**Knox County, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
June 30, 2022

Knox County's debt is rated "AA+" by Standard & Poor's. In addition, the County's debt is rated "Aa1" by Moody's. These ratings were reaffirmed during the fiscal year ended June 30, 2022.

State statutes set no limit for the amount of general obligation debt a county may issue. Current bonded debt outstanding for the County Government is \$701,872,957. This translates to approximately \$1,442 per capita. This compares to the FY 2021 per capita amount of \$1,384.

Additional information on the Knox County's long-term debt can be found in the Note III.I to the Financial Statements of this report and on pages 243-251.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The unemployment rate for Knox County for June 2022 was 3.8%, compared to the unemployment rate of 4.8% for June 2021. For comparison, the state's average rate was 3.3% for June 2022, and 4.9% for June 2021. The national unemployment averages were 3.6% for June 2022 and 5.9% for June 2021.
- The General Fund budget adopted for 2023 reflects a budget totaling \$204,907,620. The budget anticipates using \$3.5 million from fund balance.
- The property tax rate for FY 2023 is \$2.12. The allocation of the rate is \$0.89 to the general fund, \$0.80 to the general purpose school fund and \$0.43 to the debt service fund.
- Additional information regarding the County's budget may be found at <https://www.knoxcounty.org/finance/budget.php>

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Knox County Government's finances for all those with an interest in the government's finances. The County's ACFR and additional information regarding the County may be located online at [http://www.knoxcounty.org/finance/annual\\_reports.php](http://www.knoxcounty.org/finance/annual_reports.php). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Knox County Government  
Department of Finance  
Suite 630  
City/County Building  
400 Main Street  
Knoxville, TN 37902



KNOX COUNTY, TENNESSEE

Statement of Net Position  
June 30, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Knox County Board of Education	Nonmajor Component Units	Total Reporting Unit
<b>Assets</b>						
Cash and Cash Equivalents	\$ 254,802,663	\$ 22,084	\$ 254,824,747	\$ 40,200,763	\$ 33,689,964	\$ 328,715,474
Investments, at Fair Value	68,565,781	-	68,565,781	87,506,137	271,209	156,343,127
Accounts Receivable	26,184,563	15,276	26,199,839	30,247,279	260,297	56,707,415
Local Taxes Receivable, net	198,021,614	-	198,021,614	155,870,613	-	353,892,227
Lease Receivable	6,857,717	-	6,857,717	20,093	-	6,877,810
Loans Receivable	555,084	-	555,084	-	-	555,084
Contributions Receivable	-	-	-	-	837,731	837,731
Due from Primary Government	-	-	-	204,442	-	204,442
Advances to Other Governments	2,400,000	-	2,400,000	-	-	2,400,000
Inventories	498,970	58,454	557,424	1,724,173	-	2,281,597
Land Held for Resale	-	-	-	-	40,518,004	40,518,004
Prepaid Items	367,917	409	368,326	1,235,170	125,629	1,729,125
Net Pension Asset	871,639	-	871,639	266,048,515	604,850	267,525,004
Equity Interest in Joint Venture	8,470,828	-	8,470,828	-	-	8,470,828
Capital Assets:						
Land and Construction in Process	178,693,937	880	178,694,817	80,200,019	2,228,707	261,123,543
Other Capital Assets, Net of Accumulated Depreciation	452,653,459	484,169	453,137,628	406,931,024	12,155,773	872,224,425
<b>Total Assets</b>	<b>1,198,944,172</b>	<b>581,272</b>	<b>1,199,525,444</b>	<b>1,070,188,228</b>	<b>90,692,164</b>	<b>2,360,405,836</b>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows Related to Pensions	63,504,549	-	63,504,549	101,175,403	1,027,955	165,707,907
Deferred Outflows Related to Other Post-Employment Benefits	1,203,223	-	1,203,223	18,414,946	-	19,618,169
Deferred Outflows of Unamortized Amount on Refundings	3,048,351	-	3,048,351	-	-	3,048,351
Deferred Outflows of Hedging Derivatives	9,461,820	-	9,461,820	-	-	9,461,820
<b>Total Deferred Outflows of Resources</b>	<b>77,217,943</b>	<b>-</b>	<b>77,217,943</b>	<b>119,590,349</b>	<b>1,027,955</b>	<b>197,836,247</b>
<b>Liabilities</b>						
Accounts Payable and Accrued Liabilities	21,827,238	83,946	21,911,184	61,831,777	1,267,337	85,010,298
Due to Component Units	204,442	-	204,442	-	-	204,442
Unearned Revenue	116,068,829	-	116,068,829	464,401	-	116,533,230
Accrued Interest	2,600,538	22	2,600,560	3,629	-	2,604,189
Self-insurance Liability	6,283,747	-	6,283,747	-	-	6,283,747
Fair Value of Interest Rate Swap Derivatives	11,620,984	-	11,620,984	-	-	11,620,984
Noncurrent Liabilities:						
Portion Due in Less than One Year	60,133,179	80,808	60,213,987	8,331,710	422,932	68,968,629
Portion Due in More Than One Year:						
Net Pension Liability	144,567,407	-	144,567,407	16,005,458	-	160,572,865
Net Other Post-Employment Benefits Liability	3,846,419	-	3,846,419	46,555,298	-	50,401,717
Self-insurance Liability	17,266,482	-	17,266,482	2,362,196	-	19,628,678
Other Long-term Obligations	706,177,605	14,284	706,191,889	20,633,025	821,324	727,646,238
<b>Total Liabilities</b>	<b>1,090,596,870</b>	<b>179,060</b>	<b>1,090,775,930</b>	<b>156,187,494</b>	<b>2,511,593</b>	<b>1,249,475,017</b>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows Related to Pensions	3,800,188	-	3,800,188	234,710,815	-	238,511,003
Deferred Inflows Related to Other Post-Employment Benefits	2,886,137	-	2,886,137	7,979,725	-	10,865,862
Deferred Inflows of Unamortized Amount on Refundings	615,908	-	615,908	-	-	615,908
Deferred Inflows of Property Taxes and Other Receivables	194,204,103	-	194,204,103	113,650,528	690,097	308,544,728
<b>Total Deferred Inflows of Resources</b>	<b>201,506,336</b>	<b>-</b>	<b>201,506,336</b>	<b>356,341,068</b>	<b>690,097</b>	<b>558,537,501</b>
<b>Net Position</b>						
Investment in Capital Assets	-	-	-	479,621,974	14,335,979	493,957,953
Net Investment in Capital Assets (see note below)	259,092,443	429,428	259,521,871	47,472	-	(78,447,647)
Restricted for:						
Debt Service	3,415,615	-	3,415,615	-	-	3,415,615
Public Health and Welfare Purposes	1,726,765	-	1,726,765	-	-	1,726,765
Public Safety Purposes	4,959,006	-	4,959,006	-	-	4,959,006
Education Purposes	-	-	-	39,636,927	1,042,505	40,679,432
Capital Purposes-Education	-	-	-	11,077,171	-	11,077,171
Social and Cultural Purposes	4,008,830	-	4,008,830	-	-	4,008,830
Pensions	871,639	-	871,639	132,513,103	604,850	133,989,592
Other Purposes	3,558,722	-	3,558,722	-	135,397	3,694,119
Unrestricted (see note below)	(293,574,111)	(27,216)	(293,601,327)	14,353,368	72,399,698	131,168,729
<b>Total Net Position (Deficit)</b>	<b>\$ (15,941,091)</b>	<b>\$ 402,212</b>	<b>\$ (15,538,879)</b>	<b>\$ 677,250,015</b>	<b>\$ 88,518,429</b>	<b>\$ 750,229,565</b>

The sum of the rows that report the net position categories for Net Investment in Capital Assets and Net Position-Unrestricted applicable to the primary government and the component units do not equal the related amounts shown in the Total Reporting Unit column. The difference of \$338,016,990 results because the debt incurred by the Primary Government on behalf of the Board of Education Component Unit reduces the unrestricted net position of the Primary Government, whereas the related assets are reported in the Board Component Unit totals. For the Total Reporting Unit, the \$338,016,990 is deducted from the amount shown for Net Investment in Capital Assets to show the matching of the total assets with the total debt. In addition, the Board's capital assets acquired with funds provided by the primary government are included in the Investment in Capital Assets category, as the Board incurred no related capital debt.

The Notes to the Financial Statements are an integral part of this statement.

KNOX COUNTY, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Primary Government			Net (Expense) Revenue and Changes in Net Position		Total Reporting Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units		
								The Board	Nonmajor Component Units	
<b>Primary government:</b>										
Governmental activities:										
Finance and Administration	\$ 40,650,265	\$ 26,862,209	\$ 1,912,616	\$ 9,350,465	\$ (2,524,975)		\$ (2,524,975)			\$ (2,524,975)
Finance and Administration-Payment to Component Unit	4,432,000	-	-	-	(4,432,000)		(4,432,000)			(4,432,000)
Administration of Justice	29,594,750	11,302,042	592,446	-	(17,700,262)		(17,700,262)			(17,700,262)
Public Safety	111,010,280	7,163,087	3,833,707	-	(100,013,486)		(100,013,486)			(100,013,486)
Public Safety-Payment to Component Unit	1,166,603	-	-	-	(1,166,603)		(1,166,603)			(1,166,603)
Public Health and Welfare	38,157,264	6,075,388	13,806,644	752,194	(17,523,038)		(17,523,038)			(17,523,038)
Public Health and Welfare-Payment to Component Unit	166,628	-	-	-	(166,628)		(166,628)			(166,628)
Social and Cultural Services	23,852,168	616,245	1,438,711	-	(21,797,212)		(21,797,212)			(21,797,212)
Agricultural and Natural Resources	487,814	-	-	-	(487,814)		(487,814)			(487,814)
Other General Government	72,469,910	75,146	37,145,664	-	(35,249,100)		(35,249,100)			(35,249,100)
Other General Government-Payment to Component Unit	693,499	-	-	-	(693,499)		(693,499)			(693,499)
Engineering and Public Works	38,602,515	3,275,283	10,763,840	11,679,764	(12,883,628)		(12,883,628)			(12,883,628)
Education - Payment to Component Unit	58,325,000	-	-	-	(58,325,000)		(58,325,000)			(58,325,000)
Debt Service - Interest and Fees	20,150,879	-	-	-	(20,150,879)		(20,150,879)			(20,150,879)
<b>Total governmental activities</b>	<b>439,759,575</b>	<b>55,369,400</b>	<b>69,493,628</b>	<b>21,782,423</b>	<b>(293,114,124)</b>		<b>(293,114,124)</b>			<b>(293,114,124)</b>
Business-type activities:										
Three Ridges Golf Course	1,671,446	1,515,263	-	57,950	-	\$ (98,233)	(98,233)			(98,233)
<b>Total primary government</b>	<b>\$ 441,431,021</b>	<b>\$ 56,884,663</b>	<b>\$ 69,493,628</b>	<b>\$ 21,840,373</b>	<b>(293,114,124)</b>	<b>(98,233)</b>	<b>(293,212,357)</b>			<b>(293,212,357)</b>
<b>Component units:</b>										
Board of Education	\$ 623,144,333	\$ 22,641,034	\$ 124,289,080	\$ -			\$ (476,214,219)	\$ -		(476,214,219)
Nonmajor Component Units	16,941,766	9,863,126	6,385,553	781,411			-	88,324		88,324
<b>Total component units</b>	<b>\$ 640,086,099</b>	<b>\$ 32,504,160</b>	<b>\$ 130,674,633</b>	<b>\$ 781,411</b>			<b>(476,214,219)</b>	<b>88,324</b>		<b>(476,125,895)</b>
<b>General Revenues:</b>										
Property Taxes					192,451,265	-	192,451,265	109,479,499	-	301,930,764
Sales Taxes					23,231,082	-	23,231,082	215,237,167	-	238,468,249
Lodging Taxes					12,176,694	-	12,176,694	-	-	12,176,694
Business Taxes					13,635,096	-	13,635,096	-	-	13,635,096
Wheel Taxes					13,055,373	-	13,055,373	1,808,993	-	14,864,366
Other Local Taxes					4,174,986	-	4,174,986	709,767	-	4,884,753
Investment Revenue					5,018,160	-	5,018,160	213,051	157,558	5,388,769
Payments from Component Units					14,931,933	-	14,931,933	-	-	14,931,933
Payments from Primary Government					-	-	-	60,257,000	2,026,730	62,283,730
Intergovernmental Revenues					10,434,713	-	10,434,713	3,799,580	-	14,234,293
Other Revenues					2,423,470	-	2,423,470	-	4,858	2,428,328
Other Governments and Citizens Groups					290,606	-	290,606	-	101,300	391,906
Miscellaneous					600,965	-	600,965	82,542	-	683,507
Grants and Contributions Not Restricted for Specific Programs					-	-	-	-	1,919,140	1,919,140
State of Tennessee - Basic Education Program					-	-	-	243,215,659	-	243,215,659
<b>Transfers</b>					<b>(115,000)</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>292,309,343</b>	<b>115,000</b>	<b>292,424,343</b>	<b>634,803,258</b>	<b>4,209,586</b>	<b>931,437,187</b>
Change in Net Position					(804,781)	16,767	(788,014)	158,589,039	4,297,910	162,098,935
Net Position (Deficit), July 1, as restated					(15,136,310)	385,445	(14,750,865)	518,660,976	84,220,519	588,130,630
Net Position (Deficit), June 30					<b>\$ (15,941,091)</b>	<b>\$ 402,212</b>	<b>\$ (15,538,879)</b>	<b>\$ 677,250,015</b>	<b>\$ 88,518,429</b>	<b>\$ 750,229,565</b>

The Notes to the Financial Statements are an integral part of this financial statement.

**KNOX COUNTY, TENNESSEE**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	General	Capital Projects Public Improvement	Debt Service	Federal, State and Other Grants	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 38,452,466	\$ 1,048,209	\$ 18,689,497	\$ 113,888,455	\$ 30,537,659	\$ 202,616,286
Investments, at Fair Value	50,265,200	18,300,581	-	-	-	68,565,781
Receivables, (Net):						
Accounts	5,386,320	3,013,714	1,630,402	5,959,487	6,695,405	22,685,328
Local Taxes	133,132,674	-	63,184,346	-	1,704,594	198,021,614
Leases	1,989,902	-	-	-	-	1,989,902
Notes and Loans	-	100,000	-	455,084	-	555,084
Due from Other Funds	2,877,693	-	-	10,049	-	2,887,742
Advances to Other Entity	-	-	2,400,000	-	-	2,400,000
Inventories	300,847	-	-	66,821	-	367,668
Prepaid Items	206,530	18,307	-	2,330	7,931	235,098
Investments in Joint Venture	8,470,828	-	-	-	-	8,470,828
<b>TOTAL ASSETS</b>	<b>\$ 241,082,460</b>	<b>\$ 22,480,811</b>	<b>\$ 85,904,245</b>	<b>\$ 120,382,226</b>	<b>\$ 38,945,589</b>	<b>\$ 508,795,331</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 3,711,331	\$ 5,228,576	\$ 7,582	\$ 1,443,747	\$ 5,656,656	\$ 16,047,892
Accrued Liabilities	3,570,665	-	-	446,580	730,238	4,747,483
Due to Other Funds	10,049	-	-	46,296	2,831,397	2,887,742
Due to Component Units	204,442	-	-	-	-	204,442
Unearned Revenue	425,092	-	-	115,643,737	-	116,068,829
<b>TOTAL LIABILITIES</b>	<b>7,921,579</b>	<b>5,228,576</b>	<b>7,582</b>	<b>117,580,360</b>	<b>9,218,291</b>	<b>139,956,388</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes and Other Receivables	131,969,048	-	62,813,375	-	-	194,782,423
<b>FUND BALANCES</b>						
Nonspendable	8,978,205	18,307	-	69,151	7,931	9,073,594
Restricted	3,716,666	17,133,928	3,415,615	2,732,715	7,803,942	34,802,866
Committed	3,929,315	100,000	19,667,673	-	15,303,093	39,000,081
Assigned	2,581,315	-	-	-	6,612,332	9,193,647
Unassigned	81,986,332	-	-	-	-	81,986,332
<b>TOTAL FUND BALANCES</b>	<b>101,191,833</b>	<b>17,252,235</b>	<b>23,083,288</b>	<b>2,801,866</b>	<b>29,727,298</b>	<b>174,056,520</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 241,082,460</b>	<b>\$ 22,480,811</b>	<b>\$ 85,904,245</b>	<b>\$ 120,382,226</b>	<b>\$ 38,945,589</b>	<b>\$ 508,795,331</b>

*The Notes to the Financial Statements are an integral part of this statement.*

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## KNOX COUNTY, TENNESSEE

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2022

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Amounts reported for governmental activities in the statement of net position are different because:

Ending Fund Balance - Governmental Funds	\$	174,056,520	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		627,682,800	
The net pension asset is not available to pay for current-period expenditures and, therefore, is not reported as an asset in the fund financial statements.		871,639	
Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use of equipment) to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		31,200,545	
Long-term liabilities, including bonds payable and related unamortized premium, loans payable, lease obligations, other post-employment benefit liability, compensated absences, net pension liability, the fair value of interest rate swaps, and accrued interest are not due and payable in the current period and therefore are not reported in the funds.			
Bonds Payable	\$	701,872,957	
Unamortized Bond Premium		34,491,592	
Fair Value of Interest Rate Swaps, net		2,159,164	
Loans Payable		901,964	
Accrued Interest		2,592,946	
Financed Purchases		10,363,245	
Lease Obligations		3,127,929	
Net Pension Liability		144,567,407	
Net Other Post-Employment Benefits Liability		3,846,419	
Compensated Absences		11,653,175	(915,576,798)
Certain revenues will be collected after year-end but not within the period considered available to pay current period expenditures. Therefore, these amounts are recorded as deferred inflows of resources in the fund financial statements but have been recognized as revenues under the accrual basis in the statement of net position.			5,370,313
Deferred outflows increase the amount of net position reported in the statement of net position, but are not reported as assets in the funds. Similarly, deferred inflows decrease the amount of net position reported in the statement of net position, but are not reported as liabilities in the funds.			
Deferred Outflows Related to Pensions		63,504,549	
Deferred Outflows Related to Other Post-employment Benefits		1,203,223	
Deferred Outflows Related to Unamortized Amount on Refundings		3,048,351	
Deferred Inflows Related to Pensions		(3,800,188)	
Deferred Inflows Related to Other Post-employment Benefits		(2,886,137)	
Deferred Inflows Related to Unamortized Amount on Refundings		(615,908)	60,453,890
Net Position of Governmental Activities	\$		<u>(15,941,091)</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**KNOX COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

For the Year Ended June 30, 2022

	<b>General</b>	<b>Capital Projects Public Improvement</b>	<b>Debt Service</b>	<b>Federal, State and Other Grants</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
County Property Taxes	\$ 132,426,950	\$ -	\$ 58,274,099	\$ -	\$ -	\$ 190,701,049
Local Option Sales Taxes	11,214,507	-	-	-	12,016,575	23,231,082
Lodging Taxes	-	-	-	-	12,176,694	12,176,694
Business Taxes	13,635,096	-	-	-	-	13,635,096
Wheel Taxes	602,007	-	-	-	12,453,366	13,055,373
Other Local Taxes	1,819,730	-	-	-	2,355,256	4,174,986
Licenses and Permits	3,018,879	-	-	-	-	3,018,879
Fines, Forfeitures and Penalties	2,189,472	-	-	29,547	772,462	2,991,481
Charges for Current Services	8,916,204	-	-	416,078	35,440,147	44,772,429
Other Local Revenues	4,188,445	9,350,465	1,679,638	308,191	1,696,896	17,223,635
Investment Revenue	820,582	-	32,851	-	25,452	878,885
State of Tennessee	9,915,925	1,344,903	-	3,762,708	10,647,869	25,671,405
Federal Government	2,157,751	-	-	52,146,816	14,167	54,318,734
Other Governments and Citizen Groups	884,112	-	-	216,096	37,112	1,137,320
Payments from Component Units	-	-	14,931,933	-	-	14,931,933
Increase in Equity Interest in Joint Venture	1,270,769	-	-	-	-	1,270,769
<b>Total Revenues</b>	<b>193,060,429</b>	<b>10,695,368</b>	<b>74,918,521</b>	<b>56,879,436</b>	<b>87,635,996</b>	<b>423,189,750</b>
<b>Expenditures</b>						
<b>Current:</b>						
Finance and Administration	28,928,541	-	-	-	9,347,737	38,276,278
Finance and Administration - Payments to Component Unit	4,432,000	-	-	-	-	4,432,000
Administration of Justice	20,834,245	-	-	567,300	7,191,151	28,592,696
Public Safety	91,291,907	-	-	1,872,672	396,291	93,560,870
Public Safety - Payments to Component Unit	1,166,603	-	-	-	-	1,166,603
Public Health and Welfare	20,212,682	-	-	12,353,243	4,863,184	37,429,109
Public Health and Welfare - Payments to Component Unit	166,628	-	-	-	-	166,628
Social and Cultural Services	5,883,753	-	-	341,779	14,844,947	21,070,479
Agricultural and Natural Resources	487,814	-	-	-	-	487,814
Other General Government	23,197,501	13,445	-	41,359,512	9,150,587	73,721,045
Other General Government - Payments to Component Unit	693,499	-	-	-	-	693,499
Engineering and Public Works	-	-	-	827,947	21,234,679	22,062,626
Education - Payment to Component Unit	-	58,325,000	-	-	-	58,325,000
Debt Issuance Costs	-	847,106	-	-	-	847,106
Capital Projects	-	47,831,370	-	-	609,453	48,440,823
Debt Service	-	-	1,179,174	-	-	1,179,174
Trustee's Commission	-	-	44,138,925	22,623	23,534	44,656,987
Principal	471,905	-	20,636,471	329	6,653	20,680,897
Interest	37,444	-	1,553,732	-	-	1,553,732
Other Debt Service	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>197,804,522</b>	<b>107,016,921</b>	<b>67,508,302</b>	<b>57,345,405</b>	<b>67,668,216</b>	<b>497,343,366</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,744,093)</b>	<b>(96,321,553)</b>	<b>7,410,219</b>	<b>(465,969)</b>	<b>19,967,780</b>	<b>(74,153,616)</b>
<b>Other financing sources (uses)</b>						
Transfers from Other Funds	14,744,180	4,400,000	196,384	895,310	2,762,000	22,997,874
Transfers to Other Funds	(12,154,694)	-	-	-	(16,434,180)	(28,588,874)
Leases Financing	3,211,466	-	-	60,539	374,187	3,646,192
Long-term Bonds Issued	-	87,040,000	-	-	-	87,040,000
Premium on Long-term Debt Issued	-	6,771,413	-	-	-	6,771,413
<b>Total Other Financing Sources (Uses)</b>	<b>5,800,952</b>	<b>98,211,413</b>	<b>196,384</b>	<b>955,849</b>	<b>(13,297,993)</b>	<b>91,866,605</b>
<b>Net Change in Fund Balances</b>	<b>1,056,859</b>	<b>1,889,860</b>	<b>7,606,603</b>	<b>489,880</b>	<b>6,669,787</b>	<b>17,712,989</b>
<b>Fund Balances, July 1, as restated</b>	<b>100,134,974</b>	<b>15,362,375</b>	<b>15,476,685</b>	<b>2,311,986</b>	<b>23,057,511</b>	<b>156,343,531</b>
<b>Fund Balances, June 30</b>	<b>\$ 101,191,833</b>	<b>\$ 17,252,235</b>	<b>\$ 23,083,288</b>	<b>\$ 2,801,866</b>	<b>\$ 29,727,298</b>	<b>\$ 174,056,520</b>

The Notes to the Financial Statements are an integral part of this statement.

**KNOX COUNTY, TENNESSEE**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities**

For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds		\$ 17,712,989
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$55,905,529) exceeded depreciation and amortization (\$29,732,521) in the current period.		26,173,008
Capital assets contributed by developers and others are not recognized as revenues in the fund financial statements, but are recognized as revenues in the statement of activities.		11,676,895
Certain revenues will be collected after year-end but not within the period considered available to pay current period expenditures. Therefore, these amounts were recognized as revenues in the statement of activities but were not reported as revenues in the fund financial statements.		5,370,313
Amounts reported as fund revenues that met the criteria for revenue recognition under the full accrual method of accounting in the preceding fiscal year have been excluded from the current year statement of activities.		(3,620,097)
Debt proceeds and lease financing provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is reflected as an expenditure in the governmental funds, whereas the repayment reduces long-term liabilities in the statement of net position. Debt proceeds and lease financing (\$94,209,520) exceeded debt principal payments (\$44,703,291) by this amount.		(49,506,229)
Expenses reported in the statement of activities include a reduction in expenses applicable to the amortization of bond premium. This amount does not provide current financial resources and, therefore, is not reported as expenditures in governmental funds.		3,965,690
Debt issued at a premium provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position.		(6,771,413)
The increase in the fair value of an interest rate swap accounted for as an investment derivative instrument in the statement of activities did not provide current resources to governmental funds.		2,452,733
Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use of equipment) to individual funds. The net revenue (expense) amounts of the internal service funds are reported with governmental activities.		1,002,389
Certain assets, liabilities, deferred inflows, and deferred outflows accounted for using the economic resources focus and accrual basis of accounting are reported in the Statement of Net Position but are not reported in the fund financial statements, which include only items that are accounted for using current financial resources measurement and modified accrual basis of accounting. These amounts do not provide or require the use of current financial resources and, therefore, are not reflected in the revenues or expenditures of governmental funds:		
Increase (decrease) in assets and deferred outflows:		
Net Pension Asset	\$ 692,224	
Deferred Outflows Related to Deferred Amount on Refundings	(860,504)	
Deferred Outflows Related to Pensions	26,423,318	
Deferred Outflows Related to Other Post-employment Benefits	477,802	26,732,840
(Increase) decrease in liabilities and deferred inflows:		
Accrued Interest	(85,165)	
Net Pension Liability	(62,825,440)	
Deferred Inflows Related to Pensions	24,085,439	
Deferred Inflows Related to Deferred Amount on Refundings	180,455	
Net Other Post-Employment Benefit Liability	904,983	
Deferred Inflows Related to Other Post-employment Benefits	684,293	
Compensated Absences Liability	1,061,536	(35,993,899)
Change in Net Position of Governmental Activities		<u>\$ (804,781)</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**KNOX COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General Fund  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
County Property Taxes	\$ 130,678,695	\$ 132,678,695	\$ 132,426,950	\$ (251,745)
Local Option Sales Taxes	8,986,000	10,500,000	11,214,507	714,507
Business Taxes	10,000,000	10,000,000	13,635,096	3,635,096
Wheel Taxes	575,000	575,000	602,007	27,007
Other Local Taxes	2,190,500	2,239,396	1,819,730	(419,666)
Licenses and Permits	3,193,000	3,193,000	3,018,879	(174,121)
Fines, Forfeitures and Penalties	1,370,200	1,521,593	2,189,472	667,879
Charges for Current Services	7,722,543	7,827,196	8,916,204	1,089,008
Other Local Revenues	4,060,792	4,060,792	4,188,445	127,653
Investment Revenue	1,250,000	1,250,000	820,582	(429,418)
State of Tennessee	10,731,164	10,914,556	9,915,925	(998,631)
Federal Government	2,509,450	2,509,450	2,157,751	(351,699)
Other Governments and Citizen Groups	665,443	737,391	884,112	146,721
Increase in Equity Interest in Joint Venture	-	-	1,270,769	1,270,769
Total Revenues	<u>183,932,787</u>	<u>188,007,069</u>	<u>193,060,429</u>	<u>5,053,360</u>
<b>Expenditures</b>				
Current:				
Finance and Administration	30,743,982	30,436,704	28,928,541	1,508,163
Finance and Administration - Payments to Component Unit	4,332,000	4,432,000	4,432,000	-
Administration of Justice	21,602,605	21,272,321	20,834,245	438,076
Public Safety	94,760,556	92,570,792	91,291,907	1,278,885
Public Safety - Payments to Component Unit	1,191,595	1,191,595	1,166,603	24,992
Public Health and Welfare	22,325,869	20,830,519	20,212,682	617,837
Public Health and Welfare - Payments to Component Unit	166,628	166,628	166,628	-
Social and Cultural Services	6,311,831	6,704,843	5,883,753	821,090
Agricultural and Natural Resources	577,016	577,016	487,814	89,202
Other General Government	12,720,737	24,002,173	23,706,850	295,323
Other General Government - Payments to Component Unit	730,500	730,500	693,499	37,001
Total Expenditures	<u>195,463,319</u>	<u>202,915,091</u>	<u>197,804,522</u>	<u>5,110,569</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(11,530,532)</u>	<u>(14,908,022)</u>	<u>(4,744,093)</u>	<u>10,163,929</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	12,485,000	12,485,000	14,744,180	2,259,180
Transfers to Other Funds	(5,080,605)	(12,181,882)	(12,154,694)	27,188
Lease Financing	-	3,211,466	3,211,466	-
Total Other Financing Sources	<u>7,404,395</u>	<u>3,514,584</u>	<u>5,800,952</u>	<u>2,286,368</u>
<b>Net Change in Fund Balances</b>	<u>\$ (4,126,137)</u>	<u>\$ (11,393,438)</u>	1,056,859	<u>\$ 12,450,297</u>
Fund Balances, July 1			<u>100,134,974</u>	
Fund Balances, June 30			<u>\$ 101,191,833</u>	

The Notes to the Financial Statements are an integral part of this statement.



KNOX COUNTY, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2022

	Enterprise Fund	Internal Service Funds
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 22,084	\$ 52,186,377
Receivables:		
Accounts	15,276	3,499,235
Leases	-	453,595
Inventories	58,454	131,302
Prepaid Items	409	132,819
TOTAL CURRENT ASSETS	<u>96,223</u>	<u>56,403,328</u>
<b>Noncurrent Assets:</b>		
Lease Receivable	-	4,414,220
<b>Capital Assets:</b>		
Land	880	-
Buildings	754,504	-
Machinery and Equipment	611,245	821,279
Computer Software	25,448	-
Land Improvements	66,463	-
Leases	96,806	3,661,665
Accumulated Depreciation	(1,070,297)	(818,348)
Capital Assets (Net of Accumulated Depreciation)	<u>485,049</u>	<u>3,664,596</u>
TOTAL ASSETS	<u>581,272</u>	<u>64,482,144</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	61,667	847,401
Accrued Liabilities	22,279	184,663
Accrued Interest	22	7,592
Claims Liability	-	6,283,747
Compensated Absences Payable	39,076	235,173
Lease Liability	41,732	90,881
TOTAL CURRENT LIABILITIES	<u>164,776</u>	<u>7,649,457</u>
<b>Noncurrent Liabilities:</b>		
Compensated Absences Payable	395	2,376
Claims Liability	-	17,266,482
Leases Liability	13,889	3,571,291
TOTAL NONCURRENT LIABILITIES	<u>14,284</u>	<u>20,840,149</u>
TOTAL LIABILITIES	<u>179,060</u>	<u>28,489,606</u>
DEFERRED INFLOW OF RESOURCES		
Leases	-	4,791,993
<b>NET POSITION</b>		
Net Investment in Capital Assets	429,428	3,664,596
Unrestricted	(27,216)	27,535,949
TOTAL NET POSITION	<u>\$ 402,212</u>	<u>\$ 31,200,545</u>

The Notes to the Financial Statements are an integral part of this statement.

**KNOX COUNTY, TENNESSEE**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds**

For the Year Ended June 30, 2022

	<b>Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>Operating Revenues</b>		
State of Tennessee	\$ -	\$ 400,000
Charges for Services	1,515,263	90,506,271
Total Operating Revenues	<u>1,515,263</u>	<u>90,906,271</u>
<b>Operating Expenses</b>		
Cost of Services	1,447,509	25,910,609
Depreciation and Amortization	84,840	119,039
Medical Claims	-	28,977,860
Retirement Contributions	-	32,020,023
OPEB 35% Health Contributions	-	666,000
Other Employee Benefits	-	1,215,065
Worker's Compensation & Other Claims	-	6,266,887
Other Expenses	138,683	267,378
Total Operating Expenses	<u>1,671,032</u>	<u>95,442,861</u>
<b>Operating Income (Loss)</b>	<u>(155,769)</u>	<u>(4,536,590)</u>
<b>Nonoperating Revenue (Expenses)</b>		
Interest Income	-	156,329
Interest Expense	(414)	(93,350)
Total Nonoperating Revenue (Expenses)	<u>(414)</u>	<u>62,979</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>(156,183)</u>	<u>(4,473,611)</u>
<b>Capital Contributions and Transfers</b>		
Capital Contributions	57,950	-
Transfers from Other Funds	115,000	5,476,000
Total Capital Contributions and Transfers	<u>172,950</u>	<u>5,476,000</u>
<b>Change in Net Position</b>	16,767	1,002,389
<b>Total Net Position, July 1, as restated</b>	<u>385,445</u>	<u>30,198,156</u>
<b>Total Net Position, June 30</b>	<u>\$ 402,212</u>	<u>\$ 31,200,545</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**KNOX COUNTY, TENNESSEE**

**Statement of Cash Flows**

**Proprietary Funds**

For the Year Ended June 30, 2022

	<b>Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>Operating Activities</b>		
Cash Received from Customers	\$ 1,505,322	\$ -
Cash Received from Interfund Services Provided	-	88,762,833
Cash Paid to Employees	(570,539)	(2,373,593)
Cash Paid for Goods and Services	(880,774)	(26,634,431)
Cash Paid on Behalf of Employees	(120,507)	(62,571,674)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(66,498)</b>	<b>(2,816,865)</b>
<b>Noncapital Financing Activities</b>		
Transfers from Other Funds	115,000	5,476,000
<b>Capital and Related Financing Activities</b>		
Capital Contributions	57,950	-
Acquisition and Construction of Capital Assets	(57,950)	(77,284)
Principal Paid on Lease Liabilities	(41,185)	507
Interest Paid on Lease Liabilities	(414)	(93,350)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(41,599)</b>	<b>(170,127)</b>
<b>Investing Activities</b>		
Investment Earnings	-	156,329
<b>Net Cash Provided (Used) in Investing Activities</b>	<b>-</b>	<b>156,329</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>6,903</b>	<b>2,645,337</b>
<b>Cash and Cash Equivalents</b>		
<b>Beginning of Year</b>	<b>15,181</b>	<b>49,541,040</b>
<b>End of Year</b>	<b>\$ 22,084</b>	<b>\$ 52,186,377</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating Income (Loss)	\$ (155,769)	\$ (4,536,590)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	84,840	119,039
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(9,942)	(2,067,616)
(Increase) Decrease in Other Receivables	-	(4,867,815)
(Increase) Decrease in Inventories	(3,325)	(14,386)
(Increase) Decrease in Prepaid Items	(409)	(98,519)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	36,754	427,043
Increase (Decrease) in Compensated Absences	(18,647)	(29,909)
Increase (Decrease) in Claims Liabilities	-	3,459,895
Increase (Decrease) in Unearned Revenue	-	4,791,993
Total Adjustments	89,271	1,719,725
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (66,498)</b>	<b>\$ (2,816,865)</b>
<b>Noncash Capital and Related Financing Activities:</b>		
Acquisition of a Lease Asset by Lease	\$ (96,806)	\$ (3,661,665)

*The Notes to the Financial Statements are an integral part of this statement.*

**KNOX COUNTY, TENNESSEE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
June 30, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 487,616	\$ 30,715,601
Investments, at Fair Value:		
Mutual Funds	509,698,450	-
Collective Investment Trusts	25,937,648	-
Investments, at Contract Value:		
Guaranteed Investment Contracts	105,695,284	-
Total Investments	641,331,382	-
Receivables:		
Accounts	-	12,590,922
Notes Receivable from Participants	2,846,777	-
Total Receivables	2,846,777	12,590,922
Total Assets	644,665,775	43,306,523
<b>LIABILITIES</b>		
Accounts Payable	-	109
Accounts Payable - Administrative Expenses	107,838	-
Due to Other Governments	-	11,774,494
Total Liabilities	107,838	11,774,603
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	227,143,903	-
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS</b>	14,012,633	-
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS</b>	403,401,401	-
<b>NET POSITION - RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS</b>	-	31,531,920
<b>TOTAL NET POSITION</b>	<b>\$ 644,557,937</b>	<b>\$ 31,531,920</b>

*The Notes to the Financial Statements are an integral part of this statement.*

**KNOX COUNTY, TENNESSEE**

**Statement of Changes in Fiduciary Net Position  
Pension, Retirement, Other Post-Employment Benefit Trust Funds  
and Custodial Funds  
For the Year Ended June 30, 2022**

	Pension, Retirement, and Other Employee Benefit Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Employer Contributions	\$ 27,814,631	\$ -
Employee Contributions	15,825,979	-
Rollover Contributions	1,257,897	-
Collected for Other Offices/Governments	-	191,009,688
Litigants, Heirs, & Others	-	18,894,104
Charges for Goods/Services	-	2,603,703
Bonds for New Developments	-	653,166
Interest Income	-	3,569
Grant Proceeds/Match	-	43,566,769
Community Contributions/Sponsorships	-	841,006
Other	-	131,061
Investment Income (Loss):		
Interest and Dividend Income	46,605,318	-
Interest on Notes Receivable from Participants	120,303	-
Net Appreciation (Depreciation) in Fair Value of Investments	(137,548,989)	-
Total Investment Income (Loss)	(90,823,368)	-
<b>Total Additions</b>	<b>(45,924,861)</b>	<b>257,703,067</b>
<b>DEDUCTIONS</b>		
Benefits and Refunds	58,611,868	-
Administrative Expenses	3,445,651	-
Distributed to Other Offices/Governments	-	189,289,743
Trustee's Commission	-	4,759,463
Release of Funds upon Completion of New Developments	-	571,900
Salary & Fringe Benefits	-	31,488,900
Purchase Capital Assets	-	501,505
Operating Expenditures	-	16,968,344
Indirect Costs	-	59,579
Jail Commissary Expenditures	-	1,701,532
Litigants, Heirs, and Others	-	16,645,247
Other	-	157,610
<b>Total Deductions</b>	<b>62,057,519</b>	<b>262,143,824</b>
<b>CHANGE IN NET POSITION</b>	<b>(107,982,380)</b>	<b>(4,440,757)</b>
<b>NET POSITION - RESTRICTED, BEGINNING OF YEAR</b>	<b>752,540,317</b>	<b>35,972,677</b>
<b>NET POSITION - RESTRICTED, END OF YEAR</b>	<b>\$ 644,557,937</b>	<b>\$ 31,531,920</b>

*The Notes to Financial Statements are an integral part of this statement.*

**KNOX COUNTY, TENNESSEE**  
**Notes to Financial Statements**  
*June 30, 2022*

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KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Knox County (the County), founded in 1792, is a political subdivision of the State of Tennessee. The County operates under a County Mayor – County Commission form of government pursuant to the Knox County Home Rule Charter (the Charter) established under Tennessee Code Annotated, Section 5-1-208, effective September 1, 1990. The County Mayor serves an elected term of four years. The eleven County Commissioners serve four-year terms and are elected by voters within the County. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its Component Units. The County is considered to be the primary government. Component Units are legally separate entities for which the County is considered to be financially accountable. These Component Units are discretely presented in separate columns in the government-wide financial statements to emphasize they are legally separate from the County.

***Discretely Presented Component Units***

The **Knox County Board of Education** (the Board) consists of nine members elected by voters of the County and one superintendent appointed by members of the Board. The Board is fiscally dependent on the County because the County levies taxes for the Board, issues debt on behalf of the Board and approves the Board's Budget. The Board is responsible for elementary and secondary education within the County's jurisdiction. The Board operates a total of 90 vocational and handicapped centers, primary, intermediate, middle and high schools. The full-time equivalent average daily membership during the 2021 – 2022 school year was 58,433 with a full time equivalent average daily attendance of 53,745. During the previous year, the full time equivalent average daily membership was 57,679 with a full time equivalent average daily attendance of 54,362.

The **Knox County Emergency Communications District** (the District) is an emergency response agency operating a consolidated public safety answering point service and emergency radio dispatch service for the residents of the County. The District is governed by an eleven-member Board of Directors, of whom the majority are appointed by the County. Debt issuances or lease agreements exceeding five years require County approval. All fees are collected and remitted to the District through the State of Tennessee Emergency Communications Board (TECB). Revenues are recognized by the District in the period allocated by the TECB. Complete financial statements for the District may be obtained at the entity's administrative offices:

Knox County Emergency Communications District  
605 Bernard Avenue  
Knoxville, TN 37921

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

***Discretely Presented Component Units (Continued)***

The **Knox County Railroad Authority (KCRA)** was established by Knox County in April 1999, to provide for the continuation of rail service within the County. KCRA is governed by a two-member Board consisting of the County Mayor and a member selected by the County Commission. KCRA is fiscally dependent on the County for approval of all debt issuances.

The **Knox Education Foundation (KEF)**, formerly Project Grad Knoxville, Inc., is a private nonprofit corporation, incorporated to help ensure a quality public school education for Heart of Knoxville students, that equips and encourages youth to graduate from high school and to succeed in college or post-secondary vocational education. KEF was a supporting organization of Great Schools Partnership. During FY 2021 the governing bodies of the supported organization and KEF approved a plan to end the IRS Supporting Organization relationship and create the Knox Education Foundation. The supported organization merged into KEF effective July 1, 2020. On July 1, 2020, KEF assumed a singular 501(c)(3) status, fundraising and fiduciary oversight of Project GRAD Knoxville, Community Schools and Research and Development for both former organizations. There shall be at least ten (10) Directors of the Foundation and no more than twenty-five (25). The incumbent Mayor of the City of Knoxville, Mayor of Knox County, Chair of the Knox County Commission, Chair of the Knox County Board of Education and Superintendent of Knox County Schools shall serve as voting, ex officio members of the Board of Directors. Each elected Director shall hold office for a term of three (3) years. Complete financial statements for KEF may be obtained at their administrative office:

Knox Education Foundation  
400 W. Summit Hill Drive, UTT Suite 385  
Knoxville, TN 37902

The **Development Corporation of Knox County** (the Corporation) is a not-for-profit organization organized for the primary purpose of promoting and encouraging community and economic development within the boundaries of Knox County. The Corporation is governed by an eleven-member board: four members appointed by the County, two members appointed by the City of Knoxville, and five members who are citizens of Knox County. For those five citizen members, terms are staggered so that one member's term ends each year. Appointments are made by nomination from the entire Corporation board and presented to County Commission for approval. The County has agreed to provide a portion of the Corporation's funding, and therefore the Corporation has imposed a financial burden on the County. Complete financial statements for the Corporation may be obtained at the Corporation's administrative office:

The Development Corporation of Knox County  
17 Market Square, # 201  
Knoxville, TN 37902-1405



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

***Discretely Presented Component Units (Continued)***

The Board and KCRA do not issue separate financial statements from those of the County. Fund financial statements for the Board are, therefore, included in these financial statements. The activities of KCRA are accounted for in a single fund, and the information presented in the government-wide financial statements also constitutes the fund financial statements.

**B. Government-wide and Fund Financial Statements**

The accompanying financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

*The government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and pension trust fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental fund financial statements* are reported using the flow of current financial resources measurement focus and employ the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are "measurable and available". "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property tax revenues available if they are collected within 60 days after the fiscal year end. All other revenues are considered available if collected within one year after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting, except for debt and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are considered susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**Fund Accounting:** The accounts of the County are organized, operated and presented on the basis of funds. Funds are independent fiscal and accounting entities with self-balancing sets of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

KNOX COUNTY, TENNESSEE  
Notes to Financial Statements  
June 30, 2022

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Governmental funds** are used to account for the County's general government activities. The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government except those that are required to be accounted for in another fund. The major revenue sources are property taxes and local option sales tax.

The *Public Improvement Fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds, exclusive of construction activity related to the Americans with Disabilities Act. The major revenue source is proceeds from debt issuances.

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary funds. The major revenue source is property tax collections.

The *Federal, State and Other Grants Fund* accounts for the management of grant programs. The major revenue source are grants from the federal and state governments.

**Proprietary funds** are used to account for governmental activities that are similar to activities that may be performed by a commercial enterprise.

*Enterprise funds* account for operations that provide services primarily to the general public on a user charge basis. The Three Ridges Golf Course operations are accounted for as an enterprise fund.

*Internal service funds* account for operations of the County that provide services to other departments, agencies, other governments, component units, and joint ventures on a cost reimbursement basis.

Activities accounted for in the internal service funds include: (1) provision of gasoline and maintenance services for County vehicles, (2) operation of a central mailroom, (3) payment of retiree medical premiums, employee retirement, life insurance and other payroll related expenses, and unemployment claims, (4) accounting for the payment of workers' compensation and general liability claims, (5) provision of central maintenance for County buildings, (6) providing technical support for electronic data processing functions, and (7) accounting for the payment of employee health insurance claims.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

*Fiduciary funds* account for assets held by the County in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds include the following:

The *pension trust and other post-employment employee benefit trust funds* are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension and other post-employment benefit (OPEB) trust funds account for the County's defined benefit pension plan, defined contribution pension plan, defined benefit OPEB and defined contribution OPEB plans. Plan member contributions are recognized in the period when contributions are due and payable in accordance with the terms of the plan. Employer contributions are recognized when due and the County makes a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Pensions* - For purposes of measuring the net pension liability (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Legacy Pension Plan, the Teacher Retirement Plan and the Knox County Executive and Officials participation in the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Plans. Investments are reported at fair value.

Fiduciary funds also include custodial funds used to account for the receipt and disbursement of funds held for various third parties. Custodial funds include transactions related to (1) local sales taxes collected by the State of Tennessee and remitted to the County for distribution to other municipalities, (2) funds held on behalf of subdivision developers pending completion of road and hydrology requirements, (3) cash held by the County on behalf of several external agencies and County joint ventures, and (4) funds held by various elected officials on behalf of state agencies and/or other funds. Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

*Proprietary funds* distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is generally the government's policy to use restricted resources first and then, unrestricted resources as they are needed.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

***Component Units***

The Board of Education uses three major governmental funds (general fund, federal projects fund, and school construction capital projects), three nonmajor governmental (special revenue) funds, and one fiduciary fund (pension trust fund). These fund types use the same measurement focus and basis of accounting as those of the County. KCRA follows the County's governmental funds measurement focus and basis of accounting. The District follows the County's proprietary funds measurement focus and basis of accounting. The Corporation's separately issued financial statements also are accounted for as a proprietary fund. The KEF's separately issued financial statements are prepared in accordance with the requirements of the Financial Accounting Standards Board (FASB). The financial data included for the KEF in this Comprehensive Annual Financial Report has been formatted to comply with the classification and reporting requirements of the Governmental Accounting Standards Board (GASB).

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity**

***Deposits and Investments***

The cash and cash equivalents of the County and its component units are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The County maintains a pooled cash system through the Knox County Trustee. The fair value of purchased investments and investment income at fiscal year-end is allocated to major funds based on the total cash position of that fund at fiscal year-end. In accordance with County directive, the County and Board record investment income where approved and allocated in the annual budget, primarily to the County's General Fund, Debt Service Fund, Public Improvement Fund, School General Fund, and School Construction Fund.

State statutes and local ordinances authorize the County and the Board to invest in certificates of deposit, the State Local Government Investment Pool, U.S. Treasury obligations, U.S. agency issues, corporate bonds, equity funds, short-term bond funds, and guaranteed investment contracts.

Investments are reported at fair value. Realized gains and (losses) from the sale of investments are calculated separately from the change in the fair value. Realized gains or (losses) in the current period include unrealized amounts from prior periods. Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Deposits and Investments (Continued)***

Investments - Fiduciary Fund - The pension trust fund's investments except for guaranteed investment contracts (GIC), are stated at fair value. Guaranteed investment contracts are valued at contract value. Investment income includes realized gains (losses) from the sale of investments, unrealized gains (losses) in the change in fair values, and interest and dividend income earned during the year, net of investment related expenses. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

***Receivables, Payables, and Unearned Revenue***

In the County's and Board's fund financial reporting, transactions between County funds and Board funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Transactions between the County and its component units that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from Component Units." All other outstanding balances between the County and its component units are reported as "due to/from Component Units/Primary Government."

In the fund financial statements governmental funds report unearned revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current accounting period. Governmental funds also defer recognition of revenues in connection with resources that have been received, but not yet earned. The County accrues additional assets (receivables) for certain nonexchange revenues in governmental funds. As governmental funds are subject to the modified accrual basis of accounting, any additional revenues recognized as receivable before the resources are available have been reported as deferred inflows of resources with no resulting effect on fund equity. Unearned revenue in the government-wide financial statements consists of resources received that have not yet been earned.

All trade receivables are shown net of an allowance for doubtful accounts. Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. In Tennessee, this date is January 1<sup>st</sup>, and is referred to as the lien date. Revenues from property taxes, however, are recognized in the period for which the taxes are levied, which for the County is October 1<sup>st</sup> of the ensuing fiscal year. Property tax payments are due by February 28 of the following year. Since the receivable for property taxes is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated amount for uncollectible taxes, is reported as deferred inflows in the fund financial statements and in the government-wide financial statements as of June 30<sup>th</sup>.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Receivables, Payables, and Unearned Revenue (Continued)***

Property taxes receivable are also reported as of June 30<sup>th</sup> for the taxes that are levied and uncollected during the current fiscal year as well as the previous eight fiscal years. These property taxes receivable are presented on the fund balance sheet with offsetting deferred inflows to reflect amounts not available as of June 30<sup>th</sup>. Property taxes collected within 60 days of year-end are considered available and are accrued as revenue. Property taxes collected later than 60 days after year-end are not considered available and are accrued and reported as deferred inflows. An allowance for uncollectible taxes is also recorded representing the estimated amount of delinquent taxes receivable that will be filed with the court for collection. Delinquent taxes filed with the court for collection are considered uncollectible and are written off.

***Inventories and Prepaid Assets***

The County and Board maintain balances of supplies and materials inventories in their proprietary and governmental funds. Inventories in the proprietary funds are stated at the lower of cost or market. Inventories in the governmental funds are stated at cost. Inventories are accounted for under the consumption method. Supplies for resale and the cost of oil and gasoline in the internal service funds use the first-in, first-out (FIFO) flow assumption in determining cost.

The Board values school supplies inventories using the specific identification method. The Board's Central Cafeteria Fund inventories are composed of food supplies. These inventories are stated at cost.

The County's general fund inventory consists of land held for resale. The land is recorded at cost excluding the cost of infrastructure (roads, utilities, etc.).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. The amount of the prepayment is recognized as an expenditure in the period the payment is made (purchase method).

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Derivative Instruments***

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (Statement No. 53) as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, requires the County to recognize all its derivative instruments on the Statement of Net Position at fair value.

The County classifies its derivative instruments into hedging derivative instruments and investment derivative instruments, as defined by Statement No. 53. If a derivative is classified as a hedging derivative instrument, changes in its fair value are deferred on the Statement of Net Position as either deferred inflows or deferred outflows. If the derivative is classified as an investment derivative instrument, changes in its fair value are reported on the Statement of Activities in the period in which they occur. Such changes are included in the County's investment income (loss). See Note III.I. for more detailed analysis. The County formally assesses the effectiveness of its hedging derivative instruments at each year-end.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The County and Board define capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are not capitalized.

All reported capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's and Board's historical records of necessary improvements and replacement. Public domain infrastructure includes long-lived assets, primarily roads; system infrastructure includes street lighting and other assets with shorter expected useful lives.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Capital Assets*** (Continued)

Depreciation is computed using the straight-line method generally over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Land Improvements	10 - 20
Public Domain Infrastructure	40
System Infrastructure	25
Vehicles	5
Machinery and Equipment	5 - 20
Intangibles	5 - 10

It is the County's, Board's, and the District's policy to capitalize the cost of the rights to externally acquired software as an intangible asset.

***Compensated Absences***

It is the policy of the County and its component units to permit employees to accumulate, in varying amounts, earned but unused vacation, compensatory time and sick pay benefits. The County's and Board's policy for retiring employees is that they may be paid for unused sick leave in varying amounts up to a maximum of \$10,000 for the County and one year's salary for the Board. Vacation, compensatory, and sick leave benefit liabilities from the County's and the Board's governmental funds are not reported in their respective fund financial statements because it is not expected that such amounts would be liquidated with expendable available financial resources. For the County and Component Unit governmental activities, compensated absences liabilities are generally liquidated by the respective general fund. The compensated absences liability and the related change in liability are reported in the government-wide and proprietary fund financial statements of the County and its component units.

KNOX COUNTY, TENNESSEE  
Notes to Financial Statements  
June 30, 2022

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Risk Financing Activities***

Knox County and its component units are exposed to various risks of loss associated with general liability claims. The County and Board are self-insured for such risks. The majority of general liability and worker's compensation claims are accounted for in the Self Insurance Fund, an internal service fund. The County and Board's policy is to utilize the Self Insurance Fund to account for claims that meet certain criteria. Claims that meet these criteria include those that are reasonably expected to occur from time to time as the result of normal recurring activities, claims that do not appear to result from gross negligence or intent, that are expected to be settled within a reasonable period of time and that are not expected to be in unusual amounts, and claims that have not resulted in death or catastrophic injury. On occasion, events occur giving rise to claims that do not meet the County's criteria for recording in the Self Insurance Fund. Such claims are accounted for in the appropriate governmental fund.

***Long-Term Obligations***

The County and the Board record long-term debt in the government-wide financial statements. Similarly, long-term debt and other obligations financed by the County's proprietary funds and the District are recorded as liabilities in the appropriate funds.

Bond premiums and discounts, as well as deferred amounts on refundings, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable unamortized bond premium or discount.

Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period incurred.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Fund Equity***

In the governmental fund financial statements of the County and the Board component unit, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the County and Board are bound to honor constraints related to the specific purposes for which amounts in the funds can be spent. The classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are (a) not in spendable form, or (b) legally or contractually required to be maintained intact (e.g., endowments.) Fund balance not in spendable form includes items not expected to be converted to cash (e.g., inventories and prepaid items), as well as the County's investment in joint venture. The County does not have any nonspendable fund balance that is legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that are restricted for specific purposes. These amounts result from constraints placed on the use of resources (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which for the County is the County Commission. Amounts are reported as committed pursuant to resolutions passed by Commission (legislative branch), which have also been approved by the County Mayor (executive branch.)

Assigned fund balance consists of amounts constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The County Mayor is the head of the County executive branch, and the Mayor is the County's chief fiscal officer as set forth in the Knox County Charter. Therefore, assignments may be made upon the authority of the County Mayor or designee.

Unassigned fund balance is the residual balance in the general fund (i.e., fund balance that is not nonspendable, and is not restricted, committed, or assigned.) The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)**

***Fund Equity (Continued)***

The County has adopted a policy requiring that a minimum level of unassigned fund balance in the General Fund equal to three months (25%) of regular, ongoing operating expenditures be maintained. Generally, when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted amounts are expended first, and then unrestricted funds are used. Generally, when expenditures are incurred utilizing unrestricted funds, unassigned amounts are expended first, then assigned amounts, then committed amounts. Net position in government-wide and proprietary fund financial statements are classified as investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by County law.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period(s) and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. GASB No. 87 establishes a deferred inflow of resources 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.

**E. Additional Information**

***Comparative Data/Reclassifications***

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements to provide an understanding of the changes in the financial position and operations of the County and the Board. Comparative totals have not been included on statements where their inclusion would not provide enhanced understanding of the reporting entity's financial position and operations or would cause the statements to be unduly complex and difficult to understand. Certain items have been reclassified from the prior year to conform to current year presentation that has no effect upon prior year results.

***Estimates***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Data**

***Budget Basis/Authority***

Annual budgets, as required by the County Charter and applicable County ordinances, are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except as noted below.

The Constitutional Officers Special Revenue Fund is used to account for the transactions of the fee and commission accounts of the County Trustee, Register of Deeds, County Clerk, Criminal and Fourth Circuit Court Clerk, Circuit and General Sessions Court Clerk, and Clerk and Master. These separately elected officials pay salaries and related expenditures from fees and commissions earned by their offices. This fund does not adopt an annual budget.

Excess fees and commissions are transferred to other funds. In some instances, all fees and commissions earned are transferred to other funds. Transactions related to the Constitutional Officers Special Revenue Fund are not subject to the budgetary control of the County Commission. Therefore, this fund is presented as an unbudgeted special revenue fund.

The Drug Control Special Revenue Fund is established pursuant to Tennessee Code Annotated Section 39-17-420, stipulating drug control activities to be reported in a special revenue fund. The budget for this fund is a separately adopted budget proposed by the Sheriff and approved by the County Commission. Budgetary control is at the total fund level.

The County's Public Improvement and ADA Construction Capital Projects Funds, and the Board's School Construction Capital Projects Fund each adopt project-length budgets for major construction projects rather than annual budgets for these projects.

Budgets for the County's State, Federal and Other Grants Fund (excluding a single program noted below) and the Board's School Federal Projects and General School Projects Funds are generally adopted at the time the grant or program has been approved by the grantor, so that the Commission can fulfill any requirement to appropriate local matching funds at the time of adoption.

The County's State, Federal and Other Grants fund does include one program, an Air Quality grant program, for which the County adopts an annual budget. This grant constitutes a minor portion of the fund, with 2022 revenues comprising 1.7% of the fund totals. As only a certain small portion of the County's State, Federal and Other Grants Fund is subject to a legally adopted budget, the fund's "Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual" includes only that portion as both budget and actual information (budget basis), with a reconciliation to the corresponding totals for the entire fund (GAAP basis).

With the exception of project length budgets and grants, all appropriations lapse at fiscal year-end.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Data (Continued)**

***Budgetary Process***

On or before April 15, heads of all County departments and agencies submit requests for appropriations to the County Department of Finance. The Board prepares a comprehensive budgetary request that is also sent to the Department of Finance. This budget has been approved by the members of the Board of Education and is sent to the County for adoption.

The Department of Finance in conjunction with the Office of the County Mayor compiles the requests, negotiates with the various departments and submits a comprehensive budget to the County Commission. By July 1, the final County and Board budget is adopted by County Commissioners.

The appropriated County budget is prepared at the fund, department, and major category level. For the County, the legal level of budgetary control, that is, the level at which management cannot overspend funds without a budget amendment approved by the County Commission, is the major category level within departments. The major categories are Personal Services, Employee Benefits, Contracted Services, Supplies and Materials, Other Charges, Debt Service and Capital Outlay.

The budget adopted by the County for the Board is recommended by the County Mayor and adopted in total. The County does not exercise control over the Board at the department or major category level. After the budget for the Board is approved, the Board of Education may modify it within the total appropriation granted by the County Commission.

The budget and actual schedules included herein are not intended to demonstrate compliance at the legal level of budgetary control. Such statements and schedules are included in the County's separately issued *Budget Report to Citizenry*. Copies of the report may be obtained from the Knox County Department of Finance or online at: <https://www.knoxcounty.org/finance/budget.php>.

Knox County Department of Finance  
Room 630  
City County Building  
400 Main Avenue  
Knoxville, TN 37902

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Data (Continued)**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes in the governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are included in the balances of assigned, committed, or restricted fund balance based on the purposes for which the resources that will be used to liquidate the encumbrances have been classified. Encumbrances are not treated as expenditures for financial reporting purposes. Outstanding encumbrances are reappropriated in the subsequent year. Significant encumbrances at June 30, 2022 include \$1,526,235 for the County's General Fund and \$1,462,475 for the Board's General Fund. Significant commitments related to the County's Public Improvement Fund and the Board's School Construction Fund are described in Note IV-E.

***Supplemental Appropriations***

The following schedule shows the annual budget originally adopted expenditures and transfers out for the County and the Board, and the revisions to that budget as authorized by the County Commission, for the year ended June 30, 2022:

Fund	Original Budget	Revisions	Final Budget
Governmental Funds:			
General Fund	\$ 200,543,924	\$ 14,553,049	\$ 215,096,973
Special Revenue Funds:			
State, Federal and Other Grants	160,000	1,020,212	1,180,212
Governmental Library	119,794	21,740	141,534
Public Library	14,126,550	1,049,655	15,176,205
Solid Waste	4,397,259	492,060	4,889,319
Hotel/Motel Tax	8,022,000	2,447,620	10,469,620
Drug Control	603,000	2,670	605,670
Engineering & Public Works	22,844,795	2,181,608	25,026,403
Total Special Revenue Funds	50,273,398	7,215,565	57,488,963
Debt Service Fund	74,000,000	-	74,000,000
Total - Governmental Funds	\$ 324,817,322	\$ 21,768,614	\$ 346,585,936

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Data (Continued)**

Fund	Original Budget	Revisions	Revised Budget
Component Unit - the Board:			
General Fund:			
General Purpose School	\$ 542,000,000	\$ 19,563,479	\$ 561,563,479
Special Revenue Fund:			
Central Cafeteria	27,360,000	-	27,360,000
Total - the Board	<u>\$ 569,360,000</u>	<u>\$ 19,563,479</u>	<u>\$ 588,923,479</u>

Remaining supplemental appropriations primarily represent funds designated during the previous fiscal year, encumbrances outstanding at June 30, 2021 reappropriated during fiscal year 2022, and grant awards appropriated at the time the award is received.

A local ordinance requires a two-thirds approval of the County Commission before reducing any County fund balance below an amount equal to five percent of the total amount budgeted in the fund. State law stipulates that the Board's General Purpose School Fund balance in excess of three percent of the budgeted annual operating expenses for the current fiscal year may be budgeted and expended for nonrecurring purposes but shall not be used for recurring annual operating expenses.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County, the Board and the District maintain a cash and investment pool through the County Trustee's office. The County Trustee is the treasurer of the County and in this capacity is responsible for receiving, disbursing, depositing and investing most funds.

The Trustee of Knox County utilizes a negotiated sweep agreement for a portion of funds held by the Trustee. These funds are invested each night in various instruments, but under the County's policy these funds are classified as Cash and Cash Equivalents.

Other investments are held in the State of Tennessee's Local Government Investment Pool ("LGIP") and are not subject to categorization. LGIP investments are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the Pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held in the Pool at the balance sheet date. There are no minimum or maximum dollar limits on the size of withdrawal transactions. In most cases, a withdrawal will be honored the same day it is requested. However, withdrawals of \$5,000,000 or more will be honored the next working day after request.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's governmental activities investments follow their adopted investment policy and are monitored and managed by an Investment Committee, whose objectives are to maximize earnings while reducing the exposure to interest rate risks to a low level by utilizing a mixture of short and long-term maturity investments so that the changing interest rates will cause only minimal deviations in the net asset value. Investment maturities shall not exceed three years without the approval of the Investment Committee or greater than five years without the approval from the Director of State and Local Finance or as otherwise provided by State Statute. Investments of bond proceeds shall not exceed two years without the approval of the Investment Committee.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**Interest Rate Risk (Continued)**

The County's investments are primarily in U.S. Government Securities and securities issued by agencies of the U.S. Government. The County's and Board's Pension Trust fund activities are managed by the Knox County Retirement Board (see separately issued Pension Trust Fund Statements), whose objectives are to maximize earnings while reducing the exposure to interest rate risks to an appropriate level by using a mixture of long-term and short-term investments in various debt and equity securities. The following represents the County's and the Board's governmental activities investments and the activities of the County's and the Board's Pension Trust funds:

	County and Board Governmental Activities		County and Board Fiduciary Activities	
	Fair Value or Carrying Amount	Weighted Average Maturity (Years)	Fair Value or Carrying Amount	Weighted Average Maturity (Years)
Cash Equivalents Classified as Investments	\$ 207,250		\$ 487,616	
Certificates of Deposit held greater than 90 days	250,000		-	
Collective Investment Trusts	-		25,937,648	
Mutual Funds	-		552,784,722	
Fixed Income Securities				
U.S. Treasuries	100,698,793	1.242	-	
Federal Agency Mortgage Backed Securities	2,977,500	0.380	-	
Municipal Bonds	44,851,201	0.597	-	
Total Fixed Income Securities	<u>148,527,494</u>		<u>-</u>	
Investments, at Contract Value				
Guaranteed Investment Contracts	-		105,695,284	
Total Investments	<u>\$ 148,984,744</u>		<u>\$ 684,905,270</u>	

The Fiduciary Activities investments are allocated to the County's and Board's pension trust funds of \$641,818,998 and \$43,086,272, respectively. The Fiduciary Activities investments include the Post-Retirement Incentive Medical Trust (Retiree Healthcare Plan) as described in Note V-A. The Pension Board does not manage the Retirement Incentive Medical Trust. It is managed by the Knox County Finance Department with the direction of USI.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

***Custodial credit risk***

The County's policies limit deposits and investments to those instruments allowed by applicable state laws. Tennessee State Law requires financial institutions to secure a local government's deposits by pledging governmental securities as collateral. The fair value of pledged securities must equal at least 105% of the average daily balance of deposits. Alternatively, financial institutions that hold public deposits may participate in the State's collateral pool.

A portion of the County's, the Board's and the District's deposits at June 30, 2022 were covered by the bank collateral pool administered by the Treasurer of the State of Tennessee (the State). Banks participating in the pool report the aggregate balance of their public fund accounts to the State. Collateral to secure these deposits must equal between 90 – 115 percent of the average daily balance of public deposits held and must be pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in aggregate rather than against each individual account. The members of the pool may be required to pay an assessment to cover any deficiency. At June 30, 2022, no deposits were exposed to custodial credit risk.

***Credit risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's adopted investment policy is designed with the objective of attaining a market rate of return, taking into account investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and preservation of principal and liquidity. The County will limit credit risk, the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the investment policy and as allowed under Title 5, Chapter 8 of the Tennessee Code Annotated and by diversifying the investment portfolio so that potential losses from any type of security or from any individual securities will be minimized and by limiting investments to specified credit ratings.

The County's and Board's Pension Trust funds are managed with long-term objectives that include maximizing total investment earnings. State statutes and County policies allow the Pension Trust funds a broader range of investments than those available to the governmental activities. The credit risk of the investments of the County's and Board's governmental activities and investments in fixed-income securities is as follows:

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

***Credit Risk (Continued)***

	Primary Government Governmental Activities	Standard & Poor's and Moody's Credit Ratings	
	Fair Value		
U.S. Treasuries	\$ 91,163,585	Aaa	Moody's
U.S. Treasuries	9,535,208	NR	
Federal Agency Mortgage Backed Securities	2,977,500	Aaa	Moody's
Municipal Bonds	4,316,473	AAA	S&P
Municipal Bonds	499,565	Aaa	Moody's
Municipal Bonds	1,695,153	Aa2	Moody's
Municipal Bonds	1,819,553	Aa1	Moody's
Municipal Bonds	6,432,381	AA+	S&P
Municipal Bonds	6,236,910	AA-	S&P
Municipal Bonds	15,248,373	AA	S&P
Municipal Bonds	998,800	A2	Moody's
Municipal Bonds	6,206,571	A+	S&P
Municipal Bonds	1,397,422	A	S&P
Total Fixed Income Securities	<u>\$ 148,527,494</u>		

***Concentration of Credit Risk***

The County's governmental investment activities will diversify the overall portfolio to eliminate the risk of loss from an over concentration of assets in a specific class of security, a specific maturity, and/or a specific issuer. According to the County's investment policies, the maximum percentage of the portfolio (book value at the date of acquisition) permitted in each eligible security is as follows:

U.S. Treasury	100% maximum
Federal Agency/Instrumentalities	100% maximum
Tennessee LGIP	50% maximum
Repurchase Agreements	20% maximum
Commercial Paper	30% maximum
Bankers' Acceptances	10% maximum
Insured/Collateralized Certificates of Deposit	100% maximum
State, County and Municipal Obligations	50% maximum

The combined amount of bankers' acceptances and commercial paper shall not exceed forty percent (40%) of the total book value of the portfolio at the date of acquisition.

The County's and Board's Portfolio will be further diversified to limit the exposure to any one issuer. No more than three (3%) or five million dollars, whichever is less, of the County's portfolio will be invested in the securities of any single issuer.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

***Investments Measured at Fair Value***

GASB Statement No. 72 generally requires that investments be measured at fair value and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, primarily include certain U.S. Government obligations, common stock and preferred stock equities. These investments are traded daily in public markets in the United States and other foreign countries. The fair value of these investments is based on the last reported sales price on the last day of the fiscal year.

Investments that trade in markets that are not considered to be actively traded on a daily basis, but are valued based on quoted market prices, dealer and broker quotations, bid prices, or alternative pricing sources using observable inputs, are classified within Level 2. These include certain U.S. Government and foreign obligations, interest-earning investment contracts – certificates of deposit (participating), investment grade corporate bonds and bank loans, certain mortgage and asset backed securities, less-liquid listed securities, certain government agency securities, and foreign currency exchange purchase and sales contracts.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 investments include private equity funds, real estate investment, limited partnerships, certain mortgage and asset backed and common and collective trust funds that are primarily invested in real estate. The fair value of these investments is determined by estimates provided by independent pricing sources in asset classes, non-binding bid prices from industry vendors and managers, and the net asset value on the last day of plan year.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

***Investments Measured at Fair Value (Continued)***

The fair value measurements of the County and the Board's investments at June 30, 2022 are as follows:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Primary Government - Governmental Activities</u>				
Investments by Fair Value Level				
Debt Securities:				
US Treasuries	\$ 100,698,793	\$ 100,698,793	\$ -	\$ -
Fixed Government Agency	2,977,500	-	2,977,500	-
Municipal Bonds	44,851,201	-	44,851,201	-
Total Debt Securities by Fair Value Level	148,527,494	100,698,793	47,828,701	-
Interest-earning Investment Contracts - Certificates of Deposit	250,000	-	250,000	-
Total Investment by Fair Value Level	<u>\$ 148,777,494</u>	<u>\$ 100,698,793</u>	<u>\$ 48,078,701</u>	<u>\$ -</u>

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. The certificates of deposit are participating as defined by GASB and meet the criteria for fair value reporting. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Fiduciary Activities - Primary Government and Board</u>				
Equity Investments:				
Mutual Funds at Fair Value	\$ 552,784,722	\$ 552,784,722	\$ -	\$ -
Investments Measured at NAV	25,937,648			
Total Investments Measured at Fair Value	<u>\$ 578,722,370</u>			

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

***Investments Measured at Fair Value (Continued)***

The following is a description of the valuation techniques used to measure investments at fair value for the Fiduciary Activities:

*Interest-Bearing Deposits and Money Market Funds:* Valued at purchase price, which approximates fair value.

*Debt Securities:* Typically this category includes corporate bonds, U.S. Treasuries, Federal agency debt securities, Federal agency mortgage backed securities and municipal bonds. Values are based upon quotes obtained from national or international exchanges and other observable inputs from market data and are classified as level 1 or 2 of the fair value hierarchy.

*Mutual Funds:* Valued at quoted market prices which represent the net asset value of shares held by the plans at year end and classified as level 1 of the fair value hierarchy.

*Collective Investment Trusts (Investments Measured at the NAV):* As a practical expedient, fair value is determined based on the Net Asset Value (NAV) per share. Fair value is determined based on the collective trust's share price multiplied by the number of shares owned, as based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end. Investments measured at the NAV are excluded from the fair value hierarchy. These collective investment trusts are external investment pools not registered with the SEC and are, instead, regulated primarily by the Office of the Comptroller of the Currency (OCC) as well as various, DOL, FDIC and state banking laws.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the plan administrator believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the valuation techniques used in the fair value measurements from the prior year.

<u>Investments Measured at the Net Asset Value (NAV)</u>	<u>Total</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective Investment Trusts:			
Stable Value Funds	<u>\$ 25,937,648</u>	Daily	12 Months

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

***Investments Measured at Fair Value (Continued)***

The following is a description of the valuation technique used to measure investments at the net asset value (NAV) per share:

1. *Stable Value Funds:* This type primarily includes investments in high quality stable value investment contracts such as guaranteed investment contracts (GICs), synthetic GICs, and separate account contracts. Fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

The GICs are group annuity contracts that offer full guarantees on principal and interest by the insurance company (issuer). The contracts are fully benefit-responsive. GICs are recorded at their contract value and are a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contracts. Contract value represents deposits made to the contracts, plus earnings at guaranteed crediting rates, less withdrawals and fees.

***TCRS Stabilization Reserve Trust***

*Legal Provisions* - The Board is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The Board has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the Board.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Board may not impose any restrictions on investments placed by the trust on their behalf.

*Investment Balances* - Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**TCRS Stabilization Reserve Trust (Continued)**

Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2022, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies are excluded from the fair value hierarchy.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at amortized cost plus accrued interest.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**TCRS Stabilization Reserve Trust (Continued)**

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**TCRS Stabilization Reserve Trust (Continued)**

At June 30, 2022, the Board had the following investments held by the TCRS Stabilization Reserve Trust on its behalf.

Investment by Fair Value Level	Fair Value 6-30-22	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Investments:				
U.S. Equity	\$ 2,248,770	\$ 2,248,770	\$ -	\$ -
Canadian Equity	145,082	145,082	-	-
Developed Market				
International Equity	870,492	870,492	-	-
Emerging Market				
International Equity	290,164	290,164	-	-
U.S. Fixed Income	1,450,819	-	1,450,819	-
Real Estate	725,409	-	-	725,409
Short-term Securities	72,541	-	72,541	-
Total Investments by Fair Value Level	5,803,277	\$ 3,554,508	\$ 1,523,360	\$ 725,409
Investments Measured at NAV	1,450,820			
Total Investments Measured at Fair Value	\$ 7,254,097			

KNOX COUNTY, TENNESSEE  
Notes to Financial Statements  
June 30, 2022

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**TCRS Stabilization Reserve Trust (Continued)**

**Risks and Uncertainties.** The TCRS Stabilization Reserve Trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board does not have the ability to limit the credit ratings of individual investments made by the trust.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. The Board places no limit on the amount the Trust may invest in one issuer.

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the Trust for the benefit of the Board to pay retirement benefits of the Board's employees.

For further information concerning the Board's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://treasury.tn.gov/Retirement/Retire-Ready-Tennessee/Discover-RetireReadyTN>.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables for the County's individual major funds and nonmajor governmental, internal service, and fiduciary funds in the aggregate, as of year-end, including allowances for uncollectible accounts are:

**Primary Government**

	Major Governmental Funds								
	General	Debt Service	Capital Projects Public Improvement	Federal State and Other Grants Fund	Nonmajor Governmental Funds	Internal Service	Enterprise Fund	Total Primary Government	Trust and Custodial
Receivables:									
Taxes	\$ 135,059,242	\$ 64,115,156	\$ -	\$ -	\$ 1,704,594	\$ -	\$ -	\$ 200,878,992	\$ -
Accounts and Other	5,386,320	1,630,402	3,013,714	5,959,487	6,695,405	3,499,235	15,276	26,199,839	12,590,922
Notes and Loans	-	-	100,000	455,084	-	-	-	555,084	2,846,777
Leases	1,989,902	-	-	-	-	4,867,815	-	6,857,717	-
Gross Receivables	142,435,464	65,745,558	3,113,714	6,414,571	8,399,999	8,367,050	15,276	234,491,632	15,437,699
Less: Allowances for Uncollectibles	(1,926,568)	(930,810)	-	-	-	-	-	(2,857,378)	-
Net Total Receivables	\$ 140,508,896	\$ 64,814,748	\$ 3,113,714	\$ 6,414,571	\$ 8,399,999	\$ 8,367,050	\$ 15,276	\$ 231,634,254	\$ 15,437,699

Receivables for the County's component units as of year-end, including the allowances for uncollectible accounts are:

<b>Component Units:</b>	Government-wide Totals		
	The Board	KEF	The Corporation
Receivables:			
Taxes	\$ 157,602,338	\$ -	\$ -
Accounts	30,247,279	867,218	257,210
Leases	20,093	-	-
Gross Receivables	187,869,710	867,218	257,210
Less: Allowances for Uncollectibles	(1,731,725)	(26,400)	-
Net Total Receivables	\$ 186,137,985	\$ 840,818	\$ 257,210

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables (Continued)**

The General Fund has the following note receivable at June 30, 2022:

- (1) A note receivable from the Knoxville-Knox County Community Action Committee (CAC) with an initial balance of \$2,300,000 was originated during the fiscal year ended June 30, 2004. The note resulted from an arrangement between the County and CAC whereby certain proceeds from debt issued by the County were used to construct a facility on CAC's behalf. CAC agreed to reimburse the County by repaying the annual amounts of the County's related debt service requirements. The resulting note receivable is due in varying principal installments, plus interest, through 2022. As of June 30, 2022, \$0 remained outstanding.

The County's Public Improvement Fund has the following loan receivable at June 30, 2022:

- (1) Loan receivable from Helen Ross McNabb Center with an initial balance of \$250,000 was originated during the fiscal year ended June 30, 2017. The non-interest bearing loan is for the purpose of providing funding for improvements to a facility that the County owns and McNabb occupies. The County and McNabb are splitting the cost of the improvements. Repayment of the loan will be made in 10 annual installments of \$25,000 through 2026, contingent on McNabb continuing to occupy the space and continuing to provide certain services to the County. As of June 30, 2022, \$100,000 remained outstanding.

The State, Federal and Other Grants Special Revenue Fund had \$455,084 of notes receivable at June 30, 2022. These note agreements are from eligible County citizens participating in various state and federal low-income housing projects. These notes are executed with a range of below market interest rates and varying repayment terms.

***Advances to Other Entity***

During the fiscal year ended June 30, 2006, the County advanced \$2,500,000 to the Knoxville-Knox County Community Action Committee (CAC). An additional advance during the fiscal year ended June 30, 2009 for \$3,500,000 was made to CAC from Knox County. These advances were made to provide funding for operations related to the timing of grant receipts and are to be repaid as revenues are received by CAC. Of the \$6,000,000 total advanced, CAC has repaid \$3,600,000, leaving an outstanding balance of \$2,400,000 as of June 30, 2022.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Activity in the County's and the Component Unit's capital assets for the fiscal year ended June 30, 2022 was the following:

**Primary Government**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 110,664,530	\$ 4,785,920	\$ -	\$ 115,450,450
Construction in Progress	34,184,736	39,654,950	10,596,199	63,243,487
<b>Total Capital Assets, not being depreciated</b>	<b>144,849,266</b>	<b>44,440,870</b>	<b>10,596,199</b>	<b>178,693,937</b>
Capital Assets being depreciated:				
Buildings	245,278,814	2,248,813	-	247,527,627
Land Improvements	30,377,400	1,455,683	-	31,833,083
Machinery and Equipment	83,043,257	5,152,838	1,382,777	86,813,318
Intangible Assets	11,388,504	4,988,879	79,212	16,298,171
Infrastructure	626,979,395	12,818,826	-	639,798,221
<b>Total Capital Assets being depreciated</b>	<b>997,067,370</b>	<b>26,665,039</b>	<b>1,461,989</b>	<b>1,022,270,420</b>
Less Accumulated Depreciation for:				
Buildings	136,342,419	5,504,003	-	141,846,422
Land Improvements	21,268,625	1,134,517	-	22,403,142
Machinery and Equipment	56,819,519	5,882,487	1,375,593	61,326,413
Intangible Assets	10,846,039	769,267	70,696	11,544,610
Infrastructure	323,271,044	15,878,369	-	339,149,413
<b>Total Accumulated Depreciation</b>	<b>548,547,646</b>	<b>29,168,643</b>	<b>1,446,289</b>	<b>576,270,000</b>
<b>Total Capital Assets being depreciated, net</b>	<b>448,519,724</b>	<b>(2,503,604)</b>	<b>15,700</b>	<b>446,000,420</b>
Lease Assets*				
Buildings	-	5,352,507	-	5,352,507
Land	-	464,469	-	464,469
Equipment	-	1,490,881	-	1,490,881
<b>Total Lease Assets being amortized</b>	<b>-</b>	<b>7,307,857</b>	<b>-</b>	<b>7,307,857</b>
Less Accumulated Amortization for:				
Buildings	-	374,861	-	374,861
Land	-	32,524	-	32,524
Equipment	-	247,433	-	247,433
<b>Total Accumulated Amortization</b>	<b>-</b>	<b>654,818</b>	<b>-</b>	<b>654,818</b>
<b>Total Lease Assets being amortized, net</b>	<b>-</b>	<b>6,653,039</b>	<b>-</b>	<b>6,653,039</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 593,368,990</b>	<b>\$ 48,590,305</b>	<b>\$ 10,611,899</b>	<b>\$ 631,347,396</b>

\* New categories for the County's leased assets, and the related accumulated amortization, have been added due to the implementation of GASB Statement No. 87, Leases.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
<b>Three Ridges Golf Course:</b>				
Capital Assets, not being depreciated:				
Land	\$ 880	\$ -	\$ -	\$ 880
Total Capital Assets, not being depreciated	880	-	-	880
Capital Assets being depreciated:				
Buildings	754,504	-	-	754,504
Land Improvements	66,463	-	-	66,463
Machinery and Equipment	553,296	57,949	-	611,245
Intangible Assets	25,448	-	-	25,448
Total Capital Assets being depreciated	1,399,711	57,949	-	1,457,660
Less Accumulated Depreciation for:				
Buildings	531,982	14,828	-	546,810
Land Improvements	66,463	-	-	66,463
Machinery and Equipment	361,564	27,844	-	389,408
Intangible Assets	25,448	-	-	25,448
Total Accumulated Depreciation	985,457	42,672	-	1,028,129
Total Capital Assets being depreciated, net	414,254	15,277	-	429,531
Lease Assets				
Equipment	-	96,806	-	96,806
Less Accumulated Amortization for:				
Equipment	-	42,168	-	42,168
Total Lease Assets being amortized, net	-	54,638	-	54,638
Business-type Activities Capital Assets, net	\$ 415,134	\$ 69,915	\$ -	\$ 485,049

Depreciation expense was charged to primary government governmental activities functions as follows:

Finance and Administration	\$ 2,373,987
Administration of Justice	1,008,338
Public Safety	4,457,255
Public Health and Welfare	1,019,824
Social and Cultural Services	2,824,113
Other General Government	630,529
Engineering & Public Works	16,854,597
Total Depreciation Expense - Governmental Activities	<u>\$ 29,168,643</u>



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

**Component Unit – the Board**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 25,939,244	\$ 25,000	\$ -	\$ 25,964,244
Construction in Progress	14,308,021	70,477,435	30,549,681	54,235,775
Total Capital Assets, not being depreciated	40,247,265	70,502,435	30,549,681	80,200,019
Capital Assets being depreciated:				
Buildings	637,536,657	7,380,511	-	644,917,168
Land Improvements	17,380,843	1,375,793	-	18,756,636
Machinery and Equipment	128,342,546	28,251,258	-	156,593,804
Intangible Assets	2,419,370	200,000	-	2,619,370
Infrastructure	6,945,776	8,600	-	6,954,376
Total Capital Assets being depreciated	792,625,192	37,216,162	-	829,841,354
Less Accumulated Depreciation for:				
Buildings	297,323,093	15,317,346	-	312,640,439
Land Improvements	6,560,855	1,234,464	-	7,795,319
Machinery and Equipment	97,984,184	5,775,976	-	103,760,160
Intangible Assets	2,333,305	111,729	-	2,445,034
Infrastructure	466,664	183,303	-	649,967
Total Accumulated Depreciation	404,668,101	22,622,818	-	427,290,919
Total Capital Assets being depreciated, net	387,957,091	14,593,344	-	402,550,435
Lease Assets				
Land	-	323,652	-	323,652
Equipment	-	4,967,179	-	4,967,179
Vehicles	-	338,214	-	338,214
Total Lease Assets being amortized	-	5,629,045	-	5,629,045
Less Accumulated Amortization for:				
Land	-	52,484	-	52,484
Equipment	-	1,093,672	-	1,093,672
Vehicles	-	102,300	-	102,300
Total Accumulated Amortization	-	1,248,456	-	1,248,456
Total Lease Assets being amortized, net	-	4,380,589	-	4,380,589
Governmental Activities Capital Assets, net	\$ 428,204,356	\$ 89,476,368	\$ 30,549,681	\$ 487,131,043

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Interfund and Component Unit Receivables and Payables**

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The composition of the County and component unit interfund receivables and payables as of June 30, 2022, is as follows:

***Due to/from Other Funds - Primary Government:***

Receivable Fund	Payable Fund	Amount
<u>Major Funds:</u>		
General	Constitutional Officers' Special Revenue Fund	\$ 2,831,397
	State, Federal and Other Grants	46,296
		2,877,693
State, Federal and Other Grants	General	10,049
Total Major Governmental Funds		2,887,742
Total Governmental Funds		\$ 2,887,742

***Due to/from Other Funds - The Board:***

Receivable Fund	Payable Fund	Amount
<u>Major Funds:</u>		
General Purpose Schools	Central Cafeteria	\$ 291,876
School	School Federal Projects	12,730,767
	School General Projects	3,716,324
	General Fund - Primary Government	204,442
		16,943,409
<u>Nonmajor Special Revenue Funds:</u>		
Central Cafeteria	General Purpose School	60,020
Total Board of Education		\$ 17,003,429

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Transfers and Similar Transactions**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The composition of primary government transfers for the year ended June 30, 2022, is as follows:

***Primary Government:***

Transfers - In	Transfers - Out	Amount
<u>Major Funds:</u>		
General	Constitutional Officers - Special Revenue	\$ 14,744,180
Debt Service	General	196,384
Federal, State and Other Grants	General	670,310
	Engineering & Public Works	225,000
		<u>895,310</u>
Public Improvement	General	4,400,000
Total Major Governmental Funds		<u>20,235,874</u>
<u>Nonmajor Governmental Funds:</u>		
Special Revenue Funds:		
Governmental Library	General	62,000
Public Library	General	200,000
	Hotel/Motel	1,100,000
		<u>1,300,000</u>
Solid Waste	Engineering & Public Works	275,000
Engineering & Public Works	General	1,125,000
Total Nonmajor Special Revenue Funds		<u>2,762,000</u>
Total Governmental Funds		<u>\$ 22,997,874</u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Transfers and Similar Transactions (Continued)**

Transfers - In	Transfers - Out	Amount
<u>Internal Service Funds:</u>		
Vehicle Service Center	Engineering & Public Works	\$ 90,000
Mailroom	General	120,000
Employee Benefits	General	1,566,000
Building Operations	General	1,500,000
Technical Support	General	600,000
Capital Lease	General	1,600,000
Total Internal Service Funds		<u>\$ 5,476,000</u>
<u>Enterprise Fund:</u>		
Three Ridges Golf Course	General	<u>\$ 115,000</u>

In addition, payments of \$849,561 were made from the Pension Trust – Defined Benefit and Disability Plans to the General Fund for the County Retirement Board administrative expenses. Transfers into the Self Insurance fund were needed to provide additional funding to support the fund’s operations related to increased claims costs.

***Transfers Within Component Unit – the Board:***

Transfers - In	Transfers - Out	Amount
<u>Major Funds:</u>		
School Construction	General Purpose School	\$ 2,700,000
School Federal Projects	General Purpose School	20,006
Total Major Funds		<u>2,720,006</u>
<u>Special Revenue Funds (Nonmajor):</u>		
School General Projects	General Purpose School	1,868,552
	School Federal Projects	2,245,913
		<u>4,114,465</u>
Internal School Funds	General Purpose School	2,909,408
	School General Projects	50,000
		<u>2,959,408</u>
Total Nonmajor Special Revenue Funds		<u>7,073,873</u>
Total Board of Education		<u>\$ 9,793,879</u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Transfers and Similar Transactions (Continued)**

***Transactions between Primary Government and Component Units:***

Revenues and Other Sources	Expenses/Expenditures and Other Uses	Amount
Primary Government - Debt Service (Major Fund)	Component Unit - the Board, General Purpose School	\$ 14,931,933
Total Primary Government		\$ 14,931,933
Component Unit - General Purpose School	Primary Government - General	\$ 1,932,000
Component Unit - School Construction	Primary Government - Public Improvement	58,325,000
Total Component Unit - BOE		60,257,000
Component Unit - KEF	Primary Government - General	2,500,000
Total Component Unit - KEF	General Purpose School	700,000
		3,200,000
Component Unit - The District	Primary Government - General	1,333,231
Component Unit - The Corporation	Primary Government - General	693,499
Total Component Units		\$ 65,483,730

***Transactions between the Board and Other Component Units:***

Revenues and Other Sources	Expenses/Expenditures and Other Uses	Amount
The Board, General Purpose School	Component Unit, KEF	\$ 146,203
The Board, School General Projects	Component Unit, KEF	89,610
Total Board		\$ 235,813

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Unearned Revenues**

Amounts reported as unearned revenue in the fund financial statements consist of the following:

	Fund Financial Statements
Primary Government - Major Funds:	
<u>General Fund:</u>	
Unearned revenue	\$ 425,092
<u>Federal, State, and Other Grant Funds:</u>	
Unexpended grant funds	115,643,737
Total - Primary Government	\$ 116,068,829
<u>School General Projects:</u>	
Unexpended grant funds	\$ 31,600
<u>Central Cafeteria:</u>	
Unearned revenue	432,801
Total Component Unit - the Board	\$ 464,401

**G. Deferred Inflows**

Amounts reported as deferred inflows in the fund financial statements and the government-wide financial statements consist of the following:

	Fund Financial Statements	Government-wide Financial Statements
Primary Government		
<u>General Fund - Major Fund</u>		
Taxes receivable, delinquent	\$ 3,620,894	\$ -
Taxes receivable, applicable to subsequent fiscal year	126,389,990	126,389,990
Leases	1,958,164	1,958,164
	131,969,048	128,348,154
<u>Debt Service Fund - Major Fund</u>		
Taxes receivable, delinquent	1,749,419	-
Taxes receivable, applicable to subsequent fiscal year	61,063,956	61,063,956
	62,813,375	61,063,956
<u>Building Operations Fund - Nonmajor Fund</u>		
Leases	4,791,993	4,791,993
Total - Primary Government	\$ 199,574,416	\$ 194,204,103
Component Unit - the Board - Major Fund		
<u>General Purpose School:</u>		
STEM Salaries	\$ 26,849	\$ 26,849
Taxes receivable, delinquent	3,254,737	-
Taxes receivable, applicable to subsequent fiscal year	113,603,755	113,603,755
Leases	19,924	19,924
Total - Component Unit - the Board	\$ 116,905,265	\$ 113,650,528

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Leases**

For the year ended June 30, 2022, the County’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 governments' 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. The following lease schedules related to GASB No. 87 include both the County and the Board.

*County as Lessee:*

The County, as a lessee, has entered into various lease agreements involving office space, sports facilities, marinas, copier equipment, golf equipment, land, and vehicles. The total of the County’s and Board’s lease assets is recorded at a cost of \$13,033,708, less accumulated amortization of \$1,945,442.

The future lease payments under lease agreements for the County and Board are as follows:

**Principal and Interest Requirements to Maturity**

Fiscal Year	Total Lease Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 1,797,888	\$ 177,170	\$ 1,975,058
2024	1,639,200	159,353	1,798,553
2025	1,364,990	142,757	1,507,747
2026	1,388,939	126,617	1,515,556
2027	457,849	114,471	572,320
2028-2032	826,220	512,939	1,339,159
2033-2037	737,244	422,254	1,159,498
2038-2042	431,762	360,839	792,601
2043-2047	531,125	300,887	832,012
2048-2052	646,258	227,175	873,433
2053-2057	759,234	137,733	896,967
2058-2061	668,619	33,828	702,447
<b>Total</b>	<b>\$ 11,249,328</b>	<b>\$ 2,716,023</b>	<b>\$ 13,965,351</b>

The County’s leases related to the lease liability have interest rates ranging from 0.514% to 2.773%. The rates vary due to the length of the lease term. The maturity dates of the leases range from 2023 to 2061.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Leases (Continued)**

*County as Lessor:*

The County, as a lessor, has entered into various lease agreements involving sports facilities, office space, and buildings. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$670,868.

The future lease receipts under lease agreements for the County and Board are as follows:

**Principal and Interest Expected to Maturity**

Fiscal Year	Total Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 587,789	\$ 135,010	\$ 722,800
2024	571,916	127,033	698,948
2025	554,912	119,428	674,340
2026	502,469	111,701	614,170
2027	307,981	105,705	413,686
2028 - 2032	1,054,817	458,685	1,513,502
2033 - 2037	446,919	389,803	836,722
2038 - 2042	448,598	337,419	786,017
2043 - 2047	505,356	275,654	781,011
2048 - 2052	547,852	209,937	757,789
2053 - 2057	663,042	133,402	796,444
2058 - 2061	625,208	41,099	666,307
<b>Total</b>	<b>\$ 6,816,861</b>	<b>\$ 2,444,875</b>	<b>\$ 9,261,736</b>



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities**

***Financed Purchases***

All financed purchases pertain to governmental activities.

The Primary Government and the Board financed various land, buildings and equipment through financed purchase arrangements. The Primary Government's financed purchases are direct borrowings with financial institutions. The financed purchase agreements contain provisions that, in the event of a default, the lenders may take action to collect the entire remaining principal amount and/or to repossess equipment financed. The Primary Government's and the Board's financed purchases are reflected as liabilities in the Statement of Net Position.

The future minimum financed purchases are as follows:

<u>Year Ending June 30,</u>	<u>Primary Government</u>	<u>Component Unit - The Board</u>
2023	\$ 903,967	\$ 425,004
2024	916,859	425,004
2025	929,873	425,004
2026	943,011	425,004
2027	956,270	425,004
2028-2032	4,984,544	1,487,514
2033-2037	4,778,343	-
	14,412,867	3,612,534
Total Minimum Payments	14,412,867	3,612,534
Less: Amounts Representing Interest	(4,049,622)	(554,342)
Present Value of Minimum Payments	\$ 10,363,245	\$ 3,058,192

As of June 30, 2022, assets recorded under financed purchases totaled \$18,307,010 (\$879,609 land, and \$17,427,401 buildings and improvements). Related accumulated depreciation totaled \$6,364,774.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

*Loans Payable*

All loans payable pertain to governmental activities.

In November 2011, the County entered into a direct borrowing loan agreement with the State of Tennessee whereby the County borrowed funds for Knox County Board of Education capital purposes. The original proceeds of \$5 million, plus \$7,192 accrued interest added to principal, are payable in monthly payments including interest at .75% through July 1, 2024. Debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 431,167	\$ 5,285	\$ 436,452
2024	434,413	2,039	436,452
2025	36,384	23	36,407
Total	<u>\$ 901,964</u>	<u>\$ 7,347</u>	<u>\$ 909,311</u>

In addition, in May 2020, the Schools entered into a direct borrowing loan agreement with a vendor for the purchase of computer equipment for instructional purposes. The loan is collateralized by a security interest in the equipment, including the right to use the licensed software and to receive services, credits and refunds from the vendor. The total borrowed of \$10,512,924 was originally to be repaid in three equal annual installments of \$3,504,273 ending in FY 2023. During FY 2022, the total amount of the loan was paid leaving a balance of \$0 as of June 30, 2022.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

***General Obligation and Public Improvement Bonds***

The County issues general obligation and public improvement bonds to provide funds for the acquisition and construction of major capital facilities. Except for the existing debt issued pursuant to the establishment of the Uniformed Officers Pension Plan, all County bonded debt was issued for capital purposes. All bonded debt pertains to governmental activities.

For financial reporting purposes, the portion of those bond issues related to the Board are recorded as payments from the primary government in the Board's Capital Projects Fund. The County issues all the debt on behalf of the Board, in the County's name and with a full faith and credit pledge from the County. Therefore, from a legal perspective, the debt is County debt. In practice, the County's Five-Year Capital Plan, its Debt Service Fund and its Operating Budget are all developed with the Board providing funds from its operations to make the debt payments related to County debt issued on behalf of the Board. However, as all bonded indebtedness is County debt, the entire balance is recorded as a liability of the primary government in the government-wide financial statements.

The portion issued on behalf of the Board is not considered capital-related debt in the primary government's statement of net position. However, the total amount of the County's bonded indebtedness is considered capital-related in the total reporting entity column of the statement of net position.

Bond indebtedness for the County is backed by the full faith and credit of the County.

Bonds payable to be repaid from resources of the County and the Board currently outstanding are as follows:

**KNOX COUNTY, TENNESSEE**  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

	Interest Rate	Last Maturity Date	Principal Balance
<b>Governmental Activities:</b>			
General Obligation - Series 2003 (C-1-A)	Variable Rate Swap to 3.95%	6/1/2029	\$ 16,269,566
General Obligation - Series 2004 (VI-A-1)	Variable Rate Swap to 3.40%	6/1/2029	24,445,713
General Obligation - Series 2005 (D-3-A)	Variable Rate Swap to 3.89%	6/1/2034	32,418,833
General Obligation - Series 2007 (VI-K-1)	Variable Rate (0.65% at 6/30/22)	6/1/2034	50,450,000
General Obligation - Series 2008 (C-3-A)	Variable Rate (1.03% at 6/30/22)	6/1/2029	12,070,500
General Obligation - Series 2016	1.0 - 5.0%	6/1/2036	10,595,000
General Obligation - Series 2017	3.0 - 5.0%	6/1/2037	26,295,000
General Obligation - Refunding Series 2017B	2.0 - 5.0%	6/1/2035	39,000,000
General Obligation - Series 2018	4.0 - 5.0%	6/1/2038	19,340,290
General Obligation - Series 2019	2.75 - 5.0%	4/1/2038	20,790,000
General Obligation - Series 2019B	2.375 - 5.0%	6/1/2040	20,015,000
General Obligation - Refunding Series 2020B	1.875 - 5.0%	6/1/2035	18,142,966
General Obligation - Series 2020C	3.0 - 5.0%	6/1/2040	18,442,579
General Obligation - Refunding Series 2020D	0.35 - 1.0%	6/1/2026	26,045,000
General Obligation - Refunding Series 2020E	1.5 - 2.1%	6/1/2036	9,456,572
General Obligation - Series 2022	3.0 - 5.0%	6/1/2042	28,715,000
Total Bonded Debt to be repaid by Governmental Activities			<u>372,492,019</u>
<b>The Board:</b>			
General Obligation - Series 2003 (C-1-A)	Variable Rate Swap to 3.95%	6/1/2029	17,380,434
General Obligation - Series 2004 (VI-A-1)	Variable Rate Swap to 3.40%	6/1/2029	12,754,287
General Obligation - Series 2005 (D-3-A)	Variable Rate Swap to 3.89%	6/1/2034	17,506,167
General Obligation - Series 2007 (VI-K-1)	Variable Rate (0.65% at 6/30/22)	6/1/2034	18,550,000
General Obligation - Series 2008 (C-3-A)	Variable Rate (1.03% at 6/30/22)	6/1/2029	6,499,500
General Obligation - Qualified School Construction Bonds - Series 2010	.0% (1)	7/1/2027	9,472,957
General Obligation - Series 2016	1.0 - 5.0%	6/1/2036	15,430,000
General Obligation - Series 2017	3.0 - 5.0%	6/1/2037	48,625,000
General Obligation - Refunding Series 2017B	2.0 - 5.0%	6/1/2035	13,775,000
General Obligation - Series 2018	4.0 - 5.0%	6/1/2038	7,189,710
General Obligation - Series 2019	2.75 - 5.0%	4/1/2038	13,325,000
General Obligation - Series 2019B	2.375 - 5.0%	6/1/2040	14,755,000
General Obligation - Refunding Series 2020A	1.5 - 5.0%	8/1/2030	14,605,000
General Obligation - Refunding Series 2020B	1.875 - 5.0%	6/1/2035	17,247,034
General Obligation - Series 2020C	3.0 - 5.0%	6/1/2040	32,317,421
General Obligation - Refunding Series 2020E	1.5 - 2.1%	6/1/2036	11,623,428
General Obligation - Series 2022	3.0 - 5.0%	6/1/2042	58,325,000
Total Bonded Debt to be repaid by the Board			<u>329,380,938</u>
Total Bonded Debt			<u>\$ 701,872,957</u>

(1) Stated interest rate is net of the interest rate subsidy to be received from the federal government pursuant to the federal Qualified School Construction Bonds program.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

Annual debt service requirements to maturity for bonds to be repaid by the County and the Board are as follows:

Fiscal Year Ending June 30,	Primary Government Debt			To be Repaid By:		Total
	Principal	Interest	Total	County	Board	
2023	\$ 44,484,281	\$ 28,131,362	\$ 72,615,643	\$ 38,788,102	\$ 33,827,541	\$ 72,615,643
2024	44,054,281	25,990,432	70,044,713	38,147,686	31,897,027	70,044,713
2025	43,054,281	24,279,745	67,334,026	36,873,203	30,460,823	67,334,026
2026	44,714,281	22,594,470	67,308,751	36,874,460	30,434,291	67,308,751
2027	45,908,856	20,917,982	66,826,838	34,809,938	32,016,900	66,826,838
2028 - 2032	244,236,977	67,755,069	311,992,046	170,040,185	141,951,861	311,992,046
2033 - 2037	184,210,000	22,807,671	207,017,671	105,221,762	101,795,909	207,017,671
2038 - 2042	51,210,000	3,825,902	55,035,902	21,893,681	33,142,221	55,035,902
<b>Total</b>	<b>\$ 701,872,957</b>	<b>\$ 216,302,633</b>	<b>\$ 918,175,590</b>	<b>\$ 482,649,017</b>	<b>\$ 435,526,573</b>	<b>\$ 918,175,590</b>

The total bonded debt service requirements to be repaid by the County and the Board include interest of \$110,156,998 and \$106,145,635, respectively, for a total of \$216,302,633.

***Changes in General Long-Term Liabilities***

The following represents the changes in long-term liabilities for the County, the Board, and the District for the year ended June 30, 2022:

	Balance July 1	Additions	Deductions	Balance June 30	Current Portion
<b><u>Primary Government</u></b>					
Bonded Debt	\$ 658,137,237	\$ 87,040,000	\$ (43,304,280)	\$ 701,872,957	\$ 44,484,281
Unamortized Bond Premium	31,685,869	6,771,413	(3,965,690)	34,491,592	4,280,760
Loans Payable	1,329,911	-	(427,947)	901,964	431,167
Financed Purchases	10,769,942	-	(406,697)	10,363,245	438,281
Lease Obligations	-	7,404,663	(558,740)	6,845,923	656,935
Compensated Absences	13,040,288	11,473,735	(12,583,828)	11,930,195	9,922,563
<b>Total - Primary Government</b>	<b>\$ 714,963,247</b>	<b>\$ 112,689,811</b>	<b>\$ (61,247,182)</b>	<b>\$ 766,405,876</b>	<b>\$ 60,213,987</b>
<b><u>Component Unit - the Board</u></b>					
Compensated Absences	\$ 19,592,464	\$ 5,852,248	\$ (6,549,207)	\$ 18,895,505	\$ 6,073,490
Loans Payable	7,008,651	-	(7,008,651)	-	-
Termination Benefits	3,284,220	-	(676,587)	2,607,633	572,280
Financed Purchases	3,354,411	-	(296,219)	3,058,192	308,288
Lease Obligations	-	5,629,045	(1,225,640)	4,403,405	1,377,652
<b>Total Component Unit - the Board</b>	<b>\$ 33,239,746</b>	<b>\$ 11,481,293</b>	<b>\$ (15,756,304)</b>	<b>\$ 28,964,735</b>	<b>\$ 8,331,710</b>
<b><u>Component Unit - the District</u></b>					
Compensated Absences	\$ 628,084	\$ 455,151	\$ (430,674)	\$ 652,561	\$ 422,932
Lease Obligations	-	94,342	(45,841)	48,501	48,501
<b>Total - the District</b>	<b>\$ 628,084</b>	<b>\$ 549,493</b>	<b>\$ (476,515)</b>	<b>\$ 701,062</b>	<b>\$ 471,433</b>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

***Changes in General Long-Term Liabilities (Continued)***

For the primary government, compensated absences totaling \$39,471 and lease obligations totaling \$55,621 pertain to the non-major enterprise fund, with the remaining long-term liabilities related to governmental activities.

***Advance Refunding Issue***

During the prior year, the County issued \$33,200,000 in general obligation Series 2020D refunding bonds with a par value of \$33,200,000 to advance refund general obligation issue Series 2014B. The issuance proceeds were placed in an irrevocable trust, which will provide resources for all future debt service payments on the refunded debt. The refunded debts are considered defeased and \$32,210,000 of liabilities has been removed from the statement of net position. The advance refunding reduced cash flows required for future debt service to be repaid by the County by \$2,004,246 over the next 6 years. The refunding resulted in a combined economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$1,961,221.

***Advance Refunding Issue***

During the prior year, the County issued \$22,905,000 in general obligation Series 2020E refunding bonds with a par value of \$22,905,000 to advance refund general obligation issue Series 2014A. The issuance proceeds were placed in an irrevocable trust, which will provide resources for all future debt service payments on the refunded debt. The refunded debts are considered defeased and \$22,470,000 of liabilities has been removed from the statement of net position. The advance refunding reduced cash flows required for future debt service to be repaid by the County and the Board by \$1,281,979 and \$1,573,896 respectively, over the next 15 years. The refunding resulted in a combined economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$2,532,163.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

***Interest Rate Swaps***

The County’s Statement of Net Position includes interest rate swap derivatives with a negative fair value totaling (\$11,620,984). The fair value of these derivatives was measured using Level 2 inputs, which were valued using a market approach that considers benchmark interest rates and foreign exchange rates.

***Series C-1-A***

Under its loan agreement, the Public Building Authority of Blount County, TN (the “Authority”), at the request of the County, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series C-1-A.

*Objective of the interest rate swap.* In order to protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the County requested the Authority, on its behalf, to enter into an interest rate swap in connection with its \$72 million Series C-1-A variable-rate bonds. The intention of the swap was to effectively change the County’s variable interest rate on the bonds to a synthetic fixed rate. The swap agreement has been determined to be an effective hedge, and is therefore accounted for as a hedging derivative instrument. The fair value of the hedging derivative instrument is reported in the Statement of Net Position as a long-term obligation. Accumulated changes in fair values are reported as deferred outflows in the Statement of Net Position.

*Terms.* Under the swap, the Authority pays the counterparty a fixed payment of 3.95 percent and receives a variable payment computed as 63.2 percent of the five-year London Interbank Offered Rate (LIBOR). At inception, the swap had a notional amount of \$72 million and the associated variable-rate bond had a \$72 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series C-1-A Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (the “SIFMA”). The bonds and the related swap agreement mature on June 1, 2029. As of June 30, 2022, rates were as follows:

	Terms	Rates
Interest rate swap:		
Fixed payment by Authority	Fixed	3.95%
Variable payment to Authority	% of LIBOR	-1.94%
Net interest rate swap payments		2.01%
Variable-rate bond coupon payments		1.03%
Synthetic interest rate on bonds		3.04%

KNOX COUNTY, TENNESSEE  
Notes to Financial Statements  
June 30, 2022

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

*Fair value.* As of June 30, 2022, the swap had a negative fair value of (\$2,503,512), a change of \$2,520,233 compared to the June 30, 2021 balance of (\$5,023,745). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

*Credit risk.* As of June 30, 2022, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, Raymond James Financial Products ("RJFP", formerly Morgan Keegan Financial Products) was rated "A3/BBB+/A-" by Moody's and Standard and Poor's as of June 30, 2022, with its Credit Support Provider, Deutsche Bank, rated "A2/A-/A-" by Moody's, Standard & Poor's and Fitch, respectively.

*Basis risk.* As noted above, the swap exposes the County to basis risk should the variable-rate bond coupon payment increase to above the net interest rate swap payments, thereby increasing the synthetic rate on the bonds. If a change occurs that results in the variable-rate bond coupon payment to be below net interest rate swap payments, then the synthetic rate on the bonds will decrease.

*Termination risk.* The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the Authority for a payment equal to the swap's fair value.

*Swap payments and associated debt.* As of June 30, 2022, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

Fiscal Year Ending June 30	<u>Variable Rate Bonds</u>			Total
	Principal	Interest	Net Interest Rate Swap Payment	
2023	\$ 3,975,000	\$ 346,595	\$ 673,790	\$ 4,995,385
2024	4,225,000	305,653	594,197	5,124,850
2025	4,500,000	262,135	509,597	5,271,732
2026	4,775,000	215,785	419,492	5,410,277
2027	5,075,000	166,603	323,880	5,565,483
2028-2029	11,100,000	173,298	336,895	11,610,193
	\$ 33,650,000	\$ 1,470,069	\$ 2,857,851	\$ 37,977,920

***Series VI-A-1***

Under its loan agreement, the Public Building Authority of Sevier County, TN (the “Authority”), at the request of the County, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series VI-A-1.

*Objective of the interest rate swap.* In order to protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the County requested the Authority, on its behalf, to enter into an interest rate swap in connection with its \$70 million Series VI-A-1 variable-rate bonds. The intention of the swap was to effectively change the County’s variable interest rate on the bonds to a synthetic fixed rate. The swap agreement has been determined to be an ineffective hedge, and is therefore accounted for as an investment derivative instrument. The fair value of the investment derivative instrument is reported in the Statement of Net Position as a long-term obligation. Changes in the fair value of the derivative instrument are reported within the investment revenue classifications in the Statement of Activities.

*Terms.* Under the swap, the Authority pays a fixed payment of 3.40 percent and receives a variable payment computed as 59 percent of the five-year London Interbank Offered Rate (LIBOR). At inception, the swap had a notional amount of \$70 million and the associated variable-rate bond had a \$70 million original principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series VI-A-1 Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (the “SIFMA”). The bonds and the related swap agreement mature on June 1, 2029. As of June 30, 2022, rates were as follows:

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

	Terms	Rates
Interest rate swap:		
Fixed payment by Authority	Fixed	3.40%
Variable payment to Authority	% of LIBOR	-1.81%
Net interest rate swap payments		1.59%
Variable-rate bond coupon payments		1.03%
Synthetic interest rate on bonds		2.62%

*Fair value.* As of June 30, 2022, the swap had a negative fair value of (\$2,159,164), a change of \$2,452,733 compared to the June 30, 2021 balance of (\$4,611,897). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

*Credit risk.* As of June 30, 2022, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to credit risk in the amount of the swap’s fair value. The swap counterparty, Raymond James Financial Products (“RJFP”, formerly Morgan Keegan Financial Products) was rated “A3/BBB+/A” by Moody’s and Standard and Poor’s as of June 30, 2022, with its Credit Support Provider, Deutsche Bank, rated A2/A-/A- by Moody’s, Standard & Poor’s and Fitch, respectively.

*Basis risk.* As noted above, the swap exposes the County to basis risk should the variable-rate bond coupon payment increase to above the net interest rate swap payments, thereby increasing the synthetic rate on the bonds. If a change occurs that results in the variable-rate bond coupon payment to be below net interest rate swap payments, then the synthetic rate on the bonds will decrease.

*Termination risk.* The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the Authority for a payment equal to the swap’s fair value.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

*Swap payments and associated debt.* As of June 30, 2022, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	<u>Variable Rate Bonds</u>		Net Interest Rate		Total
	Principal	Interest	Swap Payment		
2023	\$ 4,500,000	\$ 383,160	\$ 587,951	\$ 5,471,111	
2024	4,760,000	336,810	516,828	5,613,638	
2025	5,020,000	287,782	441,596	5,749,378	
2026	5,300,000	236,076	362,254	5,898,330	
2027	5,580,000	181,486	278,487	6,039,973	
2028-2029	12,040,000	187,563	287,812	12,515,375	
	\$ 37,200,000	\$ 1,612,877	\$ 2,474,928	\$ 41,287,805	

***Series D-3-A***

Under its loan agreement, the Public Building Authority of Blount County, TN (the “Authority”), at the request of the County, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series D-3-A.

*Objective of the interest rate swap.* In order to protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the County requested the Authority, on its behalf, to enter into an interest rate swap in connection with its \$77 million Series D-3-A variable-rate bonds. The intention of the swap was to effectively change the County’s variable interest rate on the bonds to a synthetic fixed rate. The swap agreement has been determined to be an effective hedge, and is therefore accounted for as a hedging derivative instrument. The fair value of the hedging derivative instrument is reported in the Statement of Net Position as a long-term obligation. Accumulated changes in fair values are reported as deferred outflows in the Statement of Net Position.

*Terms.* Under the swap, the Authority pays the counterparty a fixed payment of 3.89 percent and receives a variable payment computed as 63.2 percent of the five-year London Interbank Offered Rate (LIBOR). At inception, the swap had a notional amount of \$77 million and the associated variable-rate bond had a \$77 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series D-3-A Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index (the “SIFMA”). The bonds and the related swap agreement mature on June 1, 2034. As of June 30, 2022, rates were as follows:

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

	Terms	Rates
Interest rate swap:		
Fixed payment by Authority	Fixed	3.89%
Variable payment to Authority	% of LIBOR	-1.94%
Net interest rate swap payments		1.95%
Variable-rate bond coupon payments		0.65%
Synthetic interest rate on bonds		2.60%

*Fair value.* As of June 30, 2022, the swap had a negative fair value of (\$6,958,308), a change of \$5,724,120 compared to the June 30, 2021 balance of (\$12,682,428). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

*Credit risk.* As of June 30, 2022, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to credit risk in the amount of the swap’s fair value. The swap counterparty, Raymond James Financial Products (“RJFP”, formerly Morgan Keegan Financial Products) was rated “A3/BBB+/A-” by Moody’s and Standard and Poor’s as of June 30, 2022, with its Credit Support Provider, Deutsche Bank, rated “A2/A-/A-“ by Moody’s, Standard & Poor’s and Fitch, respectively.

*Basis risk.* As noted above, the swap exposes the County to basis risk should the variable-rate bond coupon payment increase to above the net interest rate swap payments, thereby increasing the synthetic rate on the bonds. If a change occurs that results in the variable-rate bond coupon payment to be below net interest rate swap payments, then the synthetic rate on the bonds will decrease.

*Termination risk.* The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the Authority for a payment equal to the swap’s fair value.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Long-Term Liabilities (Continued)**

*Swap payments and associated debt.* As of June 30, 2022, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	<u>Variable Rate Bonds</u>			Net Interest Rate Swap Payment	Total
	Principal	Interest			
2023	\$ 1,000,000	\$ 324,513	\$ 971,714	\$ 2,296,227	
2024	1,050,000	318,013	952,250	2,320,263	
2025	1,100,000	311,188	931,814	2,343,002	
2026	1,150,000	304,038	910,404	2,364,442	
2027	1,175,000	296,563	888,021	2,359,584	
2028-2032	26,675,000	1,234,838	3,697,573	31,607,411	
2033-2034	17,775,000	174,525	522,594	18,472,119	
	\$ 49,925,000	\$ 2,963,678	\$ 8,874,370	\$ 61,763,048	

**J. Termination Benefits**

During the fiscal year ended June 30, 2019, the Board established the Certified Retirement Incentive Plan. The Plan provides benefits for eligible employees who meet certain criteria regarding employment status and length of service and who choose to participate in the Plan. Benefits for employees who elected to participate in the Plan and retired from active employment during the fiscal year ended June 30, 2019, consist of monthly stipends, which will be adjusted annually. 222 Plan participants will receive these stipends over various periods, based on age and years of service, but not to exceed 14 years. As of June 30, 2022, the Board recorded an estimated liability of \$2,607,633 to be paid in varying annual amounts through 2033.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**K. Fund Equity**

The amounts reported on the balance sheets as fund balances for the County are comprised of the following:

Major Funds

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Federal, State and Other Grants</u>	<u>Total</u>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Inventories	\$ 300,847	\$ -	\$ -	\$ 66,821	\$ 367,668
Prepays	206,530	18,307	-	2,330	227,167
Investment in Joint Venture	8,470,828	-	-	-	8,470,828
	<u>8,978,205</u>	<u>18,307</u>	<u>-</u>	<u>69,151</u>	<u>9,065,663</u>
<b>Restricted for:</b>					
Finance and Administration	822,854	-	-	-	822,854
Administration of Justice	653,960	-	-	26,556	680,516
Public Safety	927,049	-	-	96,701	1,023,750
Public Health & Welfare	1,189,376	-	-	537,390	1,726,766
Social and Cultural	123,427	-	-	16,717	140,144
Other General Government	-	-	-	2,019,962	2,019,962
Engineering & Public Works	-	-	-	35,389	35,389
Debt Service	-	-	3,415,615	-	3,415,615
Capital Projects	-	17,133,928	-	-	17,133,928
	<u>3,716,666</u>	<u>17,133,928</u>	<u>3,415,615</u>	<u>2,732,715</u>	<u>26,998,924</u>
<b>Committed to:</b>					
Finance and Administration	110,000	-	-	-	110,000
Administration of Justice	407,100	-	-	-	407,100
Public Safety	1,465,000	-	-	-	1,465,000
Public Health & Welfare	360,768	-	-	-	360,768
Social and Cultural	33,547	-	-	-	33,547
Other General Government	1,552,900	-	-	-	1,552,900
Debt Service	-	-	19,667,673	-	19,667,673
Capital Projects	-	100,000	-	-	100,000
	<u>3,929,315</u>	<u>100,000</u>	<u>19,667,673</u>	<u>-</u>	<u>23,696,988</u>
<b>Assigned to:</b>					
Finance and Administration	855,618	-	-	-	855,618
Administration of Justice	68,106	-	-	-	68,106
Public Safety	589,793	-	-	-	589,793
Public Health & Welfare	41,725	-	-	-	41,725
Social and Cultural	740,236	-	-	-	740,236
Other General Government	285,837	-	-	-	285,837
	<u>2,581,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,581,315</u>
<b>Unassigned:</b>	<u>81,986,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,986,332</u>
Total fund balances	<u>\$ 101,191,833</u>	<u>\$ 17,252,235</u>	<u>\$ 23,083,288</u>	<u>\$ 2,801,866</u>	<u>\$ 144,329,222</u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**K. Fund Equity (Continued)**

Nonmajor Governmental Funds

	<u>Constitutional Officers</u>	<u>Governmental Library</u>	<u>Public Library</u>	<u>Solid Waste</u>	<u>Hotel/Motel Tax</u>	<u>Drug Control</u>	<u>Engineering &amp; Public Works</u>	<u>ADA Construction</u>	<u>Total</u>
<b>Fund balances:</b>									
<b>Nonspendable:</b>									
Prepays	\$ -	\$ -	\$ 7,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,931
<b>Restricted for:</b>									
Public Safety	-	-	-	-	-	3,935,256	-	-	3,935,256
Social and Cultural	-	-	-	-	3,868,686	-	-	-	3,868,686
	-	-	-	-	3,868,686	3,935,256	-	-	7,803,942
<b>Committed to:</b>									
Public Health & Welfare	-	-	-	1,132,970	-	-	-	-	1,132,970
Social and Cultural	-	45,149	2,190,642	-	-	-	-	-	2,235,791
Engineering & Public Works	-	-	-	-	-	-	10,294,502	-	10,294,502
Capital Projects	-	-	-	-	-	-	-	1,639,830	1,639,830
	-	45,149	2,190,642	1,132,970	-	-	10,294,502	1,639,830	15,303,093
<b>Assigned to:</b>									
Finance and Administration	1,636,781	-	-	-	-	-	-	-	1,636,781
Administration of Justice	4,975,551	-	-	-	-	-	-	-	4,975,551
	6,612,332	-	-	-	-	-	-	-	6,612,332
<b>Total fund balances</b>	<b>\$ 6,612,332</b>	<b>\$ 45,149</b>	<b>\$ 2,198,573</b>	<b>\$ 1,132,970</b>	<b>\$ 3,868,686</b>	<b>\$ 3,935,256</b>	<b>\$ 10,294,502</b>	<b>\$ 1,639,830</b>	<b>\$ 29,727,298</b>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**K. Fund Equity (Continued)**

The amounts reported on the balance sheets as fund balances for the Board are comprised of the following:

	<u>Major Funds</u>			<u>Nonmajor Special Revenue Funds</u>			<u>Total</u>
	<u>General Purpose Schools</u>	<u>School Construction Capital Projects</u>	<u>School Federal Projects</u>	<u>School General Projects</u>	<u>Central Cafeteria</u>	<u>Internal School Funds</u>	
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Inventories	\$ 1,089,779	\$ -	\$ -	\$ 157,803	\$ 476,591	\$ -	\$ 1,724,173
Prepays	<u>1,176,927</u>	<u>-</u>	<u>25,237</u>	<u>33,006</u>	<u>-</u>	<u>-</u>	<u>1,235,170</u>
	<u>2,266,706</u>	<u>-</u>	<u>25,237</u>	<u>190,809</u>	<u>476,591</u>	<u>-</u>	<u>2,959,343</u>
<b>Restricted for:</b>							
Education	<u>7,106,092 (a)</u>	<u>11,077,171 (b)</u>	<u>-</u>	<u>-</u>	<u>18,976,846 (e)</u>	<u>13,553,989 (g)</u>	<u>50,714,098</u>
<b>Committed to:</b>							
Education	<u>6,876,760 (c)</u>	<u>-</u>	<u>-</u>	<u>1,238,311 (f)</u>	<u>-</u>	<u>-</u>	<u>8,115,071</u>
<b>Assigned to:</b>							
Education	<u>1,462,475 (d)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,462,475</u>
<b>Unassigned:</b>	<u>74,658,132</u>	<u>-</u>	<u>(201,788)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,456,344</u>
Total fund balances	<u>\$ 92,370,165</u>	<u>\$ 11,077,171</u>	<u>\$ (176,551)</u>	<u>\$ 1,429,120</u>	<u>\$ 19,453,437</u>	<u>\$ 13,553,989</u>	<u>\$ 137,707,331</u>

(a) Investment in Stabilization Reserve Trust

(b) School Construction Projects

(c) Technology, textbooks, and maintenance Projects

(d) Assigned Encumbrance Reserve

(e) Restricted for grants from the USDA for school children feeding programs

(f) Committed from local revenues and various state grants

(g) Restricted for use at the individual school level



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**L. Property Taxes**

Property taxes levied by the County Commission are the primary source of revenue for the County and the Board. Assessed values are established by the State of Tennessee at the following rates of assumed market value:

Personal Property	30 %
Railroads, Industrial and Commercial Property	40 %
Public Utility	55 %
Residential and Farm Real Property	25 %

Taxes were levied at a rate of \$2.12 per \$100 of assessed values. Tax collections of \$279,595,082 for fiscal year 2022 were approximately 97.28 percent of the total tax levy.

The 2021 fiscal year property tax rate of \$2.12 was divided between the County and the Board as follows:

	Amount	Percent of Total
<u>Primary Government:</u>		
General Fund	\$ 0.89	41.98%
Debt Service Fund	0.43	20.28%
Total - Primary Government	1.32	62.26%
<u>Component Unit - the Board:</u>		
General Fund - General		
Purpose School Fund	0.80	37.74%
Total Tax Levy	\$ 2.12	100.00%

The 2022 fiscal year property tax rate of \$2.12 as approved in the 2022 budget is divided between the County and the Board as follows:

	Amount	Percent of Total
<u>Primary Government:</u>		
General Fund	\$ 0.89	41.98%
Debt Service Fund	0.43	20.28%
Total - Primary Government	1.32	62.26%
<u>Component Unit - the Board:</u>		
General Fund - General		
Purpose School Fund	0.80	37.74%
Total Tax Levy	\$ 2.12	100.00%

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**M. Tax Abatements**

Knox County, Tennessee is committed to enhancing the development and improvement of its local business environment and economy, especially in areas that will ultimately improve the quality of life enjoyed by its citizens. In furtherance of this objective, Knox County has established a program using economic incentives based on tax abatement tools to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement and financial impact sought by Knox County and its citizens. Knox County established two incentive programs, the first being the Payment in Lieu of Taxes (PILOT). This program considers and evaluates on a case-by-case basis certain economic and business development opportunities. The PILOT's are administered for Knox County by The Industrial Development Board of the County of Knox (the "IDB"), a nonprofit quasi-governmental corporation that was established in 1966 pursuant to the Tennessee Industrial Development Corporation Act (the "Act"), Tenn. Code Ann. §§7-53-101. The IDB is authorized to negotiate and accept payments in lieu of ad valorem taxes in furtherance of the IDB's public purposes of economic welfare to maintain and increase employment opportunities and household income. As such, the IDB acts as a conduit organization for property tax abatements through PILOT agreements. Consideration is given on a case-by-case basis and includes analyses of job creation, economic impact, capital investment and wage rates. Housing authorities are also permitted by state law to undertake payment in lieu of tax programs and tax increment financing programs. State law permits these types of financing by housing authorities only in designated redevelopment areas approved by the City and County. Applicants for tax increment financing for projects located in redevelopment areas are referred to the Knoxville Community Development Corporation (KCDC).

Many of the tax abatement agreements entered into by the County also involve the City of Knoxville if they are located within the city limits. All of the tax abatement agreements entered into by the City will involve a County portion. The abatements are determined by a base appraisal of the property when the agreement is made.

During the fiscal year ended June 30, 2022, there were 76 PILOT agreements in force with net tax abatements totaling \$6,637,853. With the significant number of abatements in place the County chose to describe herein only those abatements that were greater than \$500,000 and those tax abatement agreements are described below with the terms in effect for the fiscal year reported. The agreements include a provision for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**

**M. Tax Abatements (Continued)**

Green Mountain Coffee Roasters – The PILOT abatement commenced on August 1, 2008 with Green Mountain’s commitment for construction, development, renovation, improvement, equipping, and installation of equipment for a coffee roasting and distribution facility located in the Forks of the River Industrial Park. This project will result in the creation of at least 360 jobs paying wages on average of \$29,167 per year. Green Mountain will make a capital investment in the project of at least \$30,000,000. The project will take measures in purchasing equipment and making improvements necessary to reduce air pollutants to a level not exceeding 50% of the maximum allowable level permitted under a minor source permit for particulate matter as issued by the Knox County Air Quality Department. The abatement period is 15 years for real and personal property taxes. The abatement for June 30, 2022 was \$1,407,434.

The remaining 75 PILOT agreements totaling \$5,230,419 in tax abatements at June 30, 2022 are all similar in nature incorporating the requirements mentioned above which include renovating buildings for the betterment and welfare of the citizens of the communities where they are located.

The second incentive program is the Tax Increment Financing (TIF) which is an economic development tool used by the County to allocate all or a portion of the new, additional taxes generated by a project over a limited period of time to pay for public infrastructure and other improvements related to that project. Tax increment is the difference in tax revenues generated by the project in the plan area after the project has been completed, compared with the tax revenues generated in the plan area before the development plan was adopted. The difference in these tax revenues pays the costs of improvements to the public infrastructure serving the plan area.

In the County (typically for those areas outside qualified redevelopment and urban renewal project areas), the IDB has established policies and procedures for the facilitation of Tax Increment Financing. The County IDB’s TIF Program is primarily for economic development projects that provide improvement to public infrastructure in blighted and under-utilized areas of Knox County and in other properties designated by Knox County Commission and Knoxville City Council. TIF notes are not included in the County’s general debt obligations. The structure of these transactions allows the County, through agreements with private developers, to utilize the new incremental revenue streams to accelerate funding of improvements.

During the fiscal year ended June 30, 2022, there were 28 TIF agreements in force with net tax abatements totaling \$2,508,542. These abatements are used to make payments on the TIF notes for the benefit of the developers.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION**

**A. Joint Ventures**

The County is a participant in a joint venture with the City of Knoxville and the Knoxville Utilities Board in the operation of the Geographic Information Systems (GIS). GIS was established to create and maintain a digitized mapping system of Knox County. Each of the participants appoints one of the three board members who oversee the operations. In March 1987, the County issued public improvement bonds, which included \$5,500,000 used to install the geographic information system. In accordance with the terms of the joint venture agreement, payments are shared between the County, the City of Knoxville and the Knoxville Utilities Board. In the 2022 fiscal year, the joint venture received 92 percent of its operating revenues from the participants in the joint venture. GIS charged the County \$448,590 for the year ended June 30, 2022. The County does not retain an equity interest in the joint venture. The financial results of GIS have maintained adequate equity levels. Since the support for GIS is shared with two other entities, the County considers its involvement to be of minimal risk. Complete separate financial statements for GIS may be obtained at 606 Main Street, Suite 150, Main Place, Knoxville, TN 37902.

The County is a participant in a joint venture with the City of Knoxville in the operation of the Public Building Authority of the County of Knox and the City of Knoxville, Tennessee (PBA). The Authority was created to purchase, construct, refurbish, maintain and operate certain public building complexes to house the governments of the County and the City of Knoxville. The County appoints six of an eleven-member board of directors, which oversee the operations of PBA. The fact that the County appoints a majority of the board is negated by the participants' agreements calling for joint control of PBA. The County retains an equity interest in the joint venture. The County contributed \$11,131,360 to the PBA for development, management, and maintenance of County projects during 2022. Complete separate financial statements for PBA may be obtained at Room M-22, City County Building, and 400 Main Street, Knoxville, TN 37902.

The County is a participant in a joint venture with the City of Knoxville in the operation of the Sports Authority of the County of Knox and the City of Knoxville, Tennessee (Sports Authority). The Sports Authority was created (i) to plan, promote, finance, construct, acquire, renovate, equip and enlarge and operate sports complexes, stadiums, arenas, structures and facilities for public participation and enjoyment of professional and amateur sports, fitness, health and recreational activities, and (ii) to do what is reasonable and necessary to attract professional sports franchises to the City of Knoxville and Knox County thereby promoting economic development and prosperity. Permission to organize this Sports Authority has been granted by a resolution duly adopted by the Council of the City of Knoxville, Tennessee on the 15<sup>th</sup> day of December 2020 and by a resolution duly adopted by the Commission of Knox County, Tennessee on the 21<sup>st</sup> day of December 2020. The Sports Authority shall be governed by a board of directors, having seven (7) directors, all of whom shall be duly qualified voters and taxpayers in the City of Knoxville and/or Knox County, Tennessee. Each director will be jointly appointed by the Commission of Knox County, Tennessee and the Council of the City of Knoxville, Tennessee. The County does not retain an equity interest in the joint venture. Complete separate financial statements for the Sports Authority may be obtained at their principal office located at 900 South Gay Street, Suite 1700, Knoxville, Tennessee 37902.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**A. Joint Ventures (Continued)**

Condensed financial information for GIS, PBA and the Sports Authority as of June 30, 2022 and for the year then ended, is as follows:

ASSETS	<u>GIS</u>	<u>PBA</u>	<u>Sports Authority</u>
Cash and Cash Equivalents	\$ 1,589,726	\$ 10,658,488	\$ 13,510,256
Receivables	1,816	3,103,193	-
Due from Knox County Government	3,569	-	-
Inventory	-	14,515	-
Prepays	5,883	101,120	-
Capital Assets - Net	383,773	5,568,492	-
Total Assets	<u>1,984,767</u>	<u>19,445,808</u>	<u>13,510,256</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities			
Accounts Payable and Accrued Liabilities	304,295	3,492,289	-
Due To Others	-	2,870,616	-
Customer Deposits	-	33,096	-
Compensated Absences	76,354	692,847	-
Lease Liabilities	70,404	-	-
Unearned Revenue	-	1,942	-
Total Liabilities	<u>451,053</u>	<u>7,090,790</u>	<u>-</u>
Net Position			
Investment in Capital Assets	313,369	5,568,492	-
Unrestricted	1,220,345	6,786,526	13,510,256
Total Net Position	<u>\$ 1,533,714</u>	<u>\$ 12,355,018</u>	<u>\$ 13,510,256</u>
<b>SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>			
Total Operating Revenues	\$ 2,101,905	\$ 21,735,938	\$ -
Total Operating Expenses	(1,661,915)	(18,338,080)	-
Operating Income (Loss)	439,990	3,397,858	-
Non-Operating Revenues	3,569	18,643	-
Non-Operating Expenses	(548)	(3,799,289)	-
Capital Contributions	-	2,230,000	13,510,256
Increase (Decrease) in Net Position	443,011	1,847,212	13,510,256
Net Position, Beginning of Year	1,090,703	10,507,806	-
Net Position, End of Year	<u>\$ 1,533,714</u>	<u>\$ 12,355,018</u>	<u>\$ 13,510,256</u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**B. Related Organizations**

The County is responsible for all of the board appointments of the Knox County Industrial Development Board. However, the County has no further accountability for the organization.

The County is responsible for a minority of the board appointments for the Knoxville-Knox County Community Action Committee. During the year ended June 30, 2022, the County appropriated operating subsidies of \$1,981,500 to the Community Action Committee.

In 2022, the County and the Knoxville Convention & Visitors Bureau, Inc., dba “Visit Knoxville” were parties to a contract whereby Visit Knoxville performed tourism marketing services for Knox County. Visit Knoxville received a percentage of hotel-motel tax collections as compensation for these services. During the year ended June 30, 2022, the County appropriated operating subsidies of \$4,821,971 to Visit Knoxville related to this contract. The County appoints certain board members of Visit Knoxville.

**C. Risk Management**

The County has established the Self Insurance Healthcare Fund for risks associated with employees’ health plan and the Self Insurance Fund for the majority of risks associated with the general liability and workers’ compensation claim settlements. In the Self Insurance Fund, each participating fund with eligible employees is charged a premium calculated using trends in actual claims experience. The Board and the District (component units), the Geographic Information Systems (joint venture between the County, the City of Knoxville and Knoxville Utilities Board), and the Knox County-City of Knoxville Metropolitan Planning Commission (a separate governmental organization) also participate in one or both of the plans. The Self Insurance Healthcare and the Self Insurance Fund are accounted for as internal service funds where assets are set aside for claim settlements. The County retains the risk of loss to a limit of \$450,000 for each employee in any plan year for health coverage and \$750,000 for each employee (except the Sheriff’s Department which is \$1,250,000 per employee) in any plan year for worker’s compensation coverage by obtaining stop/loss commercial insurance policies that covers claims beyond these limits.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**C. Risk Management (Continued)**

At June 30, 2022, Blue Cross Blue Shield of Tennessee and OptumRx are the third-party administrators of the County’s self-insured healthcare plans. In the Self Insurance Healthcare Fund, a premium is charged to the participating fund, component unit, joint venture, or outside entity that accounts for eligible employees. The total charges for the funds are calculated using trends in actual claims experience. In instances where medical claims materially exceed premiums received, each participating entity is charged a pro-rata basis for any fund deficits incurred.

Liabilities of the funds are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation and recent claim settlements. The County has an independent actuary develop the estimates for claims liabilities including IBNR on an annual basis. Changes in the balances of claims during the past two fiscal years are as follows:

	Self Insurance Healthcare Fund - Medical Claims		Self Insurance Fund - General Liability, and Workers' Compensation	
	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2021
Unpaid Claims - Beginning Balance	\$ 1,513,000	\$ 1,544,000	\$ 18,492,356	\$ 17,378,980
Incurred Claims (Including IBNR's)	28,567,059	27,446,791	6,266,887	4,450,316
Claim Payments	(28,112,933)	(27,477,791)	(3,176,140)	(3,336,940)
Unpaid Claims - Ending Balance	<u>\$ 1,967,126</u>	<u>\$ 1,513,000</u>	<u>\$ 21,583,103</u>	<u>\$ 18,492,356</u>

The County and the Board purchase insurance coverage for personal and real property. The District purchases insurance coverage for personal and real property, general liability and workers’ compensation coverage. The County and its component units have had no significant reduction in insurance coverage over the last three years. Settlements have not exceeded insurance coverage in the past three fiscal years.

Certain self insurance liabilities of the Board that are for unexpected and unusual claims are reported directly in the Board of Education’s Statement of Net Position. As of June 30, 2022, the liabilities were \$2,432,196.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**D. On-Behalf Payments**

The State of Tennessee made the following on-behalf payments for the Board during the year ended June 30, 2022:

*The Tennessee Medicare Supplement Plan* – Since teachers are considered state employees per state statutes, the State of Tennessee makes a contribution (on-behalf payment) for Board employees to this Plan. The on-behalf payment for 2022 was \$617,126 and has been recorded as a revenue and expenditure in the General Purpose School Fund.

*Teacher Group Insurance Plan* – The State of Tennessee makes a contribution (on-behalf payment) for Board employees who participate in the State administered Teacher Group Insurance Plan. The on-behalf payment for 2022 was \$1,228,708 and has been recorded as a revenue and expenditure in the General Purpose School Fund.

**E. Commitments and Contingencies**

The County and its component units are parties to various legal proceedings, a number of which normally occur in governmental operations. As discussed in Note IV-C., amounts have been accrued in the County's Self Insurance Fund for the estimated amounts of claims liabilities.

The County receives significant financial assistance from the Federal and State governments in the form of grants and entitlements. These programs are subject to various terms and conditions, compliance with which is the responsibility of the County. These programs are subject to financial and compliance audits by the grantor agencies. Any costs disallowed as a result of such audits could become a liability of the County. However, the County believes that any such amounts would not have a material adverse effect on the County's financial position.

The County and the Board have several outstanding construction projects as of June 30, 2022. The County also has a five-year Capital Improvement Plan which addresses major capital needs for the County and the Board. Although the Capital Improvement Plan does not represent legal appropriations or contractual commitments, it does represent priorities as determined by the County and the Board. Funding for the first year of the adopted Capital Improvement Plan has been appropriated by action of the County Commission.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**E. Commitments and Contingencies (Continued)**

The following represents capital projects funds spent to date and current contractual obligations.

	Spent to Date	Contractual Commitment Remaining at June 30, 2022
<u>Primary Government:</u>		
Hickory Creek Roundabout	\$ 336,153	\$ 955,063
Cherahala Extension	1,758,829	744,415
Schaad Road Phase II	26,180,511	27,435,466
Sheriff Video Court	1,314,669	284,396
Other Projects	220,712,901	4,944,676
Total - Primary Government	\$ 250,303,063	\$ 34,364,016
 <u>Component Unit - the Board:</u>		
NorthWest Elementary	\$ 7,513,465	\$ 19,152,047
Title IX Solutions	2,346,176	3,880,774
Lonsdale Construction	15,100,039	1,994,918
Adrian Burnett Elementary	15,018,754	4,501,742
Gibbs High Stadium Upgrade	2,097,781	1,404,654
Other Projects	29,560,455	5,456,174
Total - the Board	\$ 71,636,668	\$ 36,390,308

Construction projects for both the County and the Board are primarily funded by general obligation bonds.

**F. Subsequent Event**

Subsequent to the end of the fiscal year, The County completed the sale of property known as the Andrew Johnson Building. This downtown Knoxville property, formerly a historic hotel, had been acquired by the County in a previous year and converted to office space, primarily for the headquarters of the Knox County Board of Education along with certain other offices. As a result of the acquisition and renovation of other downtown property (The TVA East Tower and TVA Summerplace projects), the offices formerly located in the Andrew Johnson Building have been relocated, and the hotel building was subsequently sold to a developer. The proceeds of \$6 million are to be used for funding a portion of the renovation costs to the aforementioned projects.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**G. Constitutional Officers**

The Constitutional Officers Special Revenue Fund includes the operations of the following elected officials:

*Trustee* - serves as the treasurer and primary investment manager of the County's funds and manages property tax collection efforts.

*Knox County Clerk* - serves as the Clerk of the County Commission. Principally engaged in the sale of motor vehicle licenses and acceptance of applications of motor vehicle registrations of the State of Tennessee.

*Circuit and General Sessions, Criminal and Fourth Circuit Courts Clerks and Clerk and Master* - serve as the clerical and support staff for the various courts for both civil and criminal proceedings.

*Register of Deeds* - collects various fees for the recording of conveyances, trust deeds, chattels, charters, plats and other legal instruments.

These officials, responsible for the collection and remittance of State, County and other funds, earn fees and commissions for their services.

The operations of the Constitutional Officers are operated under the provisions of Section 8-22-104, Tennessee Code Annotated (TCA). Salaries and related benefits of the officials and staff are paid from fees and commissions earned. Fees earned in excess of these costs are remitted to the County's General Fund, less an allowance of three months of anticipated operating expenses retained in the respective fee account. Salaries for clerical assistance were supported by chancery court decrees that were obtained under provisions of Section 8-20-101, et seq., TCA. These activities are accounted for in the County's Constitutional Officers' Special Revenue Fund.

Collections and payments for litigants, heirs and others are accounted for in the County's Constitutional Officers' Custodial Fund.

Other operating costs of these offices (excluding salaries and benefits) are accounted for in the County's General Fund. These budgeted amounts are approved by the County Commission in accordance with the County Charter. Fees remitted by the officials in excess of salaries and benefits are used to offset the cost to the General Fund.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**H. Accounting Pronouncements**

The County adopted GASB Statement No. 87, *Leases*, required for fiscal periods beginning after June 15, 2021, in fiscal 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The County adopted GASB Statement No. 93, *Replacement of Interbank Offered Rates*, required for fiscal periods beginning after June 15, 2021, in fiscal 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE IV. OTHER INFORMATION (Continued)**

**I. Accounting Restatements**

During the current year the County identified certain transactions that erroneously had not been reflected in the previously issued financial statements as of June 30, 2021. These resulted in restated increases to the fund balances as previously reported for the Constitutional Officers Special Revenue Fund (nonmajor) of \$265,999 and an increase in the Federal, State and Other Grants Special Revenue Fund (major) of \$751. The restated governmental fund balances total therefore was increased by \$266,750, compared to the previously reported total of \$156,076,781. In addition, the beginning net position balances of the Vehicle Service Center and the Self Insurance Healthcare Internal Service Funds have been restated, resulting in increases of \$1,561 and \$1,437, respectively, for a total increase of \$2,998 compared to the total net position as previously reported of \$30,195,158. The combined increase of \$266,750 and \$2,998, totaling \$269,748, has been reflected in the restated beginning net position of governmental activities, resulting in an increase compared to the previously reported total deficit of (\$15,406,058). The beginning net position of the Enterprise Fund was also increased by \$1,300, reflected in an increase compared to the previously reported total of \$384,145 for business-type activities.

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS**

**A. Single-Employer Defined Benefit OPEB Plans**

The County's two single-employer defined benefit other post-employment benefit (OPEB) plans as described in Section A are part of the County's financial reporting entity and are included in the accompanying financial statements. The Board participates in two single-employer defined benefit OPEB plans through the State of Tennessee.

**OPEB – Retiree Healthcare Plan**

*Plan Description* – As authorized by County Commission Resolution, the County provides post-retirement health care benefits for County retirees and their dependents. This benefit is provided for employees and retirees who are participants in the UOPP, STAR, Closed Defined Benefit, or Asset Accumulation Retirement Plans. The County Retiree Benefit Healthcare Plan is a single-employer defined benefit OPEB plan. The Plan is administered by the Knox County Finance Department with assistance through USI Consulting Group. Benefits are established and amended by the County Commission. A stand-alone financial report is not issued. The liability for this OPEB related debt is to be funded by a portion from the general fund and the self-insured healthcare fund.

*Benefits provided* – The retiree is responsible for paying 100% of the related premium. The retirees who have chosen to participate in the County's medical insurance plans have not been evaluated on a separate experience rating of those of existing County employees. Therefore, participating retirees contribute the same premium as existing employees, plus the amount the County contributes for existing employees. Under this arrangement, the retiree contributions are expected to be less than their expected health care cost, and a portion of the premiums the County pays on behalf of its active employees is deemed to

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Retiree Healthcare Plan (Continued)**

subsidize the retiree’s costs (implicit rate subsidy). Effective 10/1/2016 through 9/30/2023 (unless extended by the Knox County Commission), the County began subsidizing 35% of the premium (for individual coverage only) for a participant who retires at age 55 and older with at least 30 years of service, or who retires at age 57 or older with at least 25 years of service. The subsidy will continue until the participant becomes Medicare eligible. There are a few grandfathered retirees over the age of 65 who still have active medical coverage, but no one else over the age of 65 who is not currently covered will be eligible in the future. The plan provides for surviving spouse benefits. The retiree pays full cost of spouse benefits based on plan premium until age 65.

*Employees Covered* – As of July 1, 2021, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	62
Active employees	<u>2,199</u>
Total	<u><u>2,261</u></u>

*Contributions* – The County has adopted a written funding policy, dated October 13, 2017, which requires an annual employer contribution to equal, or exceed, the actuarially determined contribution (ADC) as calculated by an actuary. The County’s OPEB employer contribution to the Plan for fiscal year 2022 was \$359,314 which was 0.34% of covered employee payroll.

*Net OPEB Liability* – The County’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The components of the net OPEB liability at June 30, 2022 were as follows:

Total OPEB Liability	\$ 8,599,042
Less: Fiduciary Net Position	<u>(5,572,754)</u>
Net OPEB Liability	<u><u>\$ 3,026,288</u></u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	<u><u>64.81%</u></u>

*Actuarial Assumptions* – The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Retiree Healthcare Plan (Continued)**

Actuarial Cost Method	Individual Entry Age, Normal Cost
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Inflation	2.00%
Healthcare Trend Rates	7.0% initially, decreasing to an ultimate rate of 4.5% in 2026
Salary Increases	3.50%
Payroll Growth	2.50%
Investment Rate of Return	5.77%
Average Assumed Retirement Age	57
Mortality Table	For healthy participant - The mortality rates are from the RPH-2014 heqdcoun-weighted total dataset table with Scale MP-2021 For disabled participants - RR 96-7 Post 94 Mortality Table.

*Expected Investment Rates of Return* – The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major investment type. 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 which was 2.00% for fiscal year 2022. Best estimates of arithmetic real rates of return for each major investment classification included in the OPEB target asset allocation as of June 30, 2022 are as follows:

Asset Class	Target Allocation	Long-Term Real Returns
US Equity - Large Cap	26.20%	6.05%
US Equity - Small/Mid Cap	19.80%	7.10%
Non-US Equity - Developed	14.50%	6.88%
Non-US Equity - Emerging	4.50%	8.87%
US Corporate Bonds - Core	2.80%	1.47%
US Corporate Bonds - High Yield	2.20%	3.55%
US Treasuries	30.00%	0.00%

*Rate of Return* – The annual money-weighted rate of return on the plan’s investments, net of related investment expenses, for the year ended June 30, 2022 was -3.29%.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Retiree Healthcare Plan (Continued)**

*Discount Rate* – The discount rate used in fiscal year 2022 to measure the total OPEB liability was 5.77%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes in the Net OPEB Liability:*

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Non-Trust Activity (c)	Net OPEB Liability (d)
Balances at 6/30/21	\$ 8,781,185	\$ 5,762,172	\$ -	\$ 3,019,013
Changes for the year:				
Service Cost	371,811	-	-	371,811
Interest	479,036	-	-	479,036
Difference Between Expected and Actual Experience	(746,638)	-	-	(746,638)
Contributions	-	666,000	-	(666,000)
Net Investment Income	-	(792,381)	-	792,381
Contributions - Employer Implicit Subsidy	-	-	359,314	(359,314)
Changes in Assumptions	72,962	-	-	72,962
Benefit Payments	(359,314)	-	(359,314)	-
Administrative Expenses	-	(63,037)	-	63,037
Net Changes	(182,143)	(189,418)	-	7,275
Balances at 6/30/22	\$ 8,599,042	\$ 5,572,754	\$ -	\$ 3,026,288

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.77%) or 1-percentage-point higher (6.77%) than the current discount rate:

	1% Decrease (4.77%)	Current Discount Rate (5.77%)	1% Increase (6.77%)
Net OPEB Liability (asset)	\$ 3,769,690	\$ 3,026,288	\$ 2,358,795

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Retiree Healthcare Plan (Continued)**

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate* – The following presents the net OPEB liability, as well as what the net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.00% decreased to 3.50%) or higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Net OPEB Liability (asset)	\$ 2,132,006	\$ 3,026,288	\$ 4,075,350

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2022, the County recognized OPEB expense of \$151,123. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,797	\$ 1,741,496
Changes of assumptions	596,575	1,024,208
Net difference between projected and actual earnings on OPEB plan investments	-	484
Total	\$ 624,372	\$ 2,766,188



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Retiree Healthcare Plan (Continued)**

Accounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2023	(373,714)
2024	(399,389)
2025	(464,022)
2026	(386,458)
2027	(391,436)
Thereafter	(126,797)

*Payable to the OPEB Plan* – At June 30, 2022, Knox County did not report a payable outstanding. Contributions were paid to the OPEB plan as required for the year ended June 30, 2022.

*Comparative Statements of Fiduciary Net Position:*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Investments, at Fair Value:		
Mutual Funds	\$ 3,784,622	\$ 3,496,303
Collective Investment Trusts	1,384,929	1,915,698
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>404,434</u>	<u>350,171</u>
 Total Investments	 <u>5,573,985</u>	 <u>5,762,172</u>
 Total Assets	 <u>5,573,985</u>	 <u>5,762,172</u>
 <b>NET POSITION - RESTRICTED FOR OPEB BENEFITS</b>	 <u><u>\$ 5,573,985</u></u>	 <u><u>\$ 5,762,172</u></u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Retiree Healthcare Plan (Continued)**

*Comparative Statements of Changes in Fiduciary Net Position:*

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	<u>\$ 666,000</u>	<u>\$ 524,125</u>
Investment Income (Loss):		
Interest and Dividend Income	694,354	139,959
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(1,486,735)</u>	<u>1,051,542</u>
Total Investment Income (Loss)	<u>(792,381)</u>	<u>1,191,501</u>
Total Additions	<u>(126,381)</u>	<u>1,715,626</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	<u>61,806</u>	<u>66,915</u>
<b>CHANGE IN NET POSITION</b>	(188,187)	1,648,711
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR</b>	<u>5,762,172</u>	<u>4,113,461</u>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR</b>	<u>\$ 5,573,985</u>	<u>\$ 5,762,172</u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Disability Plan**

*Plan Description* – As authorized by County Commission Resolution, the County provides disability benefits for eligible employees of the County and the Board who are participants in the UOPP, STAR, Closed Defined Benefit, or Asset Accumulation Retirement Plans and who become disabled on or after January 1, 2014. The County Disability Plan is a single-employer OPEB plan and is administered by the Knox County Retirement and Pension Board. Benefits are established and amended by the Knox County Retirement and Pension Board (Pension Board). A stand-alone annual financial report may be obtained by contacting the Knox County Pension and Retirement Board at Suite 371, City County Building, 400 Main Street, Knoxville, TN 37902. The liability for this OPEB related debt is to be funded by the general fund and non-vested forfeitures from the Asset Accumulation and STAR defined contribution retirement plans as described in Note VI-F.

*Benefits Provided* – The employer pays 100% of the related premium. Participating employees become immediately eligible and for retiree disability benefits, employees become eligible after five years of credited service, unless the disability occurs as a result of an act required to perform duties in the course of employment, in which case there is no service requirement. No participant shall be simultaneously entitled to a disability benefit under this plan and either or both of the Closed DB and UOPP. In the event of disability, eligible employees receive monthly benefits equal to the greater of 60% of pre-disability compensation (monthly compensation of a participant averaged over the twelve months in which compensation was the highest) as of the date of the disability offset by participant’s social security disability benefit, worker’s compensation benefits, and earnings while disabled; or \$1,800 per year. The normal form of benefit is a temporary life annuity. Benefits continue until the employee is no longer disabled, reaches social security normal retirement age, or begins receiving benefits from a County-funded retirement plan, whichever is earliest.

*Employees Covered* – At January 1, 2022, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Disabled employees currently receiving benefit payments	31
Active employees	<u>4,719</u>
Total	<u><u>4,750</u></u>

*Contributions* – The Pension Board has adopted a written funding policy which requires an annual employer contribution to equal, or exceed, the actuarially determined contribution (ADC) as calculated by an actuary. For the year ended June 30, 2022, the ADC was \$528,630, which was 1.68% of covered employee payroll. The County’s actual contributions exceeded the ADC due to the Pension Board transferring non-vested employee forfeitures from the defined contribution plans.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Disability Plan (Continued)**

*Net OPEB Liability* – The County’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. The components of the net OPEB liability at June 30, 2022 were as follows:

Total OPEB Liability	\$ 3,751,964
Less: Fiduciary Net Position	<u>(2,931,833)</u>
Net OPEB Liability	<u>\$ 820,131</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	<u>78.14%</u>

*Actuarial Assumptions* – Significant actuarial assumptions used in the valuation of the OPEB plan as of January 1, 2022 with a measurement date of June 30, 2022 are as follows:

Actuarial Cost Method	Individual Entry Age, Normal Cost
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	12 Years
Asset Valuation Method	5-year smoothed, subject to a 20% corridor around the fair value of assets
Inflation	2.24%
Salary Increases	3.00% for UOPP, STAR, Asset Accumulation, and Closed DB active non-contributing, 2.50% for Closed DB active contributing
Investment Rate of Return	7.00%
Age at Retirement	Closed DB - Age 65 with 5 years of service Asset Accumulation - Age 65 with 5 years of service STAR - Age 57 with 10 years of service UOPP - Age 50 with 25 years of service hired after age 40 UOPP - Participants hired before age 40 vary with age and years of credited service.
Mortality Table	Closed DB & Asset Accumulation Pre-Retirement: Base Table: RP-2014 Total Dataset Mortality Table Improvement Scale: MP-2021 Projection Period: Fully Generational UOPP & STAR Pre-Retirement: Base Table: RP-2014 Adjusted to 2006 Blue Collar Mortality Improvement Scale: MP-2021 Projection Period: Fully Generational
Disabled Mortality	Linked to the TCRS mortality for disabled lives - 110% of standard IRS disabled mortality table (sex-distinct mortality table per RR 96-7)
Disability Type	Closed DB - Not in Line of Duty Asset Accumulation - Not in Line of Duty UOPP - In Line of Duty STAR - In Line of Duty

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Disability Plan (Continued)**

*Expected Investment Rates of Return* – The long-term expected rate of return on OPEB plan investments in mutual funds was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major investment type. 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 which was 2.24% for fiscal year 2022. Best estimates of arithmetic real rates of return for each major investment classification included in the OPEB target asset allocation as of June 30, 2022 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	26.00%	5.59%
US Equity - Small / Mid Cap	28.00%	6.62%
Non-US Equity - Developed	3.00%	6.41%
Non-US Equity - Emerging	2.00%	8.35%
US Corporate Bonds - Core	17.00%	1.12%
US Corporate Bonds - High Yield	7.00%	3.15%
US Treasuries (Cash Equivalent)	2.00%	-0.32%
TIPS(Inflation - Protected)	5.00%	0.31%
Real Estate	10.00%	5.29%

*Rate of Return* – The annual money-weighted rate of return on the plan’s investments, net of related investment expenses, for the year ended June 30, 2022 was (16.57%).

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Disability Plan (Continued)**

*Discount Rate* – The discount rate used in fiscal year 2022 to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current plan participants. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes in the Net OPEB Liability:*

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/21	\$ 3,490,428	\$ 1,758,039	\$ 1,732,389
Changes for the year:			
Service Cost	246,746	-	246,746
Interest	242,841	-	242,841
Difference between Expected and Actual Experience	316,869	-	316,869
Changes of Assumptions	327	-	327
Contributions Employer	-	3,126,435	(3,126,435)
Net Investment Income	-	(476,238)	476,238
Benefit Payments	(545,247)	(545,247)	-
Administrative Expenses	-	(930,752)	930,752
Other Changes	-	(404)	404
Net Changes	261,536	1,173,794	(912,258)
Balances at 6/30/22	\$ 3,751,964	\$ 2,931,833	\$ 820,131

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability (asset)	\$ 956,812	\$ 820,131	\$ 688,591

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Disability Plan (Continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2022, the County recognized OPEB expense of \$1,223,074. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 234,565	\$ 119,857
Changes of assumptions	380	92
Net difference between projected and actual earnings on OPEB plan investments	343,906	-
Total	\$ 578,851	\$ 119,949

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

Year ended June 30,		
2023	\$	53,785
2024		145,800
2025		126,715
2026		132,602

*Payable to the OPEB Plan* – At June 30, 2022, Knox County did not report a payable outstanding. Contributions were paid to the OPEB plan as required for the year ended June 30, 2022.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Closed Teacher Group OPEB Plan**

**General Information about the OPEB Plan**

*Plan Description* – Employees of the Board, who were hired prior to July 1, 2015, are provided with pre-age 65 retiree health insurance benefits through the closed Teacher Group OPEB Plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-age 65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The liability for this OPEB related debt is to be paid by the Board’s general purpose school fund.

*Benefits Provided* – The Board offers the TGOP to provide health insurance coverage to eligible pre-age 65 retired teachers, administrators, support staff and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA Section 8-27-301 establishes and amends the benefit terms of the TGOP. All members have the option of choosing between the partnership promise preferred provider organization (PPO), no partnership promise PPO, standard PPO or the wellness healthsavings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the TGOP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Knox County Schools does not provide a direct subsidy for pre-age 65 retiree insurance coverage and is only subject to the implicit rate subsidy. The state, as a governmental nonemployer contributing entity, provides a direct subsidy for eligible retirees’ premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the healthsavings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

*Employees Covered by Benefit Terms* – At July 1, 2021, the following employees of the Board were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	311
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>4,753</u>
Total	<u><u>5,064</u></u>



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Closed Teacher Group OPEB Plan (Continued)**

An insurance committee, created in accordance with TCA Section 8-27-301, establishes the required payments to the TGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the Board paid \$2,105,618 in payments to the TGOP for OPEB benefits as they came due.

**Total OPEB Liability**

*Actuarial Assumptions* – The collective total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Graded salary ranges from 3.44% to 8.72% based on age, including inflation, averaging 4.00%.
Healthcare Cost Trend Rates	7.36% for pre-65 in 2021, decreasing annually over over a 7 year period to an ultimate rate of 4.50% 7.32% for post-65 in 2021, decreasing annually over over an 8 year period to an ultimate rate of 4.50%
Retiree's Share of Benefit-Related Costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation, a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021 valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 – June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The pre-retirement mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted Employee mortality table for Teacher Employees projected generationally with MP-2020. Post-retirement tables are Headcount-weighted Teacher Below Median Healthy Annuitant and adjusted with a 19% load for males and an 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Closed Teacher Group OPEB Plan (Continued)**

*Discount Rate* – The discount rate used to measure the total OPEB liability was 2.16%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal General Obligation Bonds AA index.

**Changes in Collective Total OPEB Liability**

	Total OPEB Liability
Balances at 6/30/21	\$ 58,753,946
Changes for the year:	
Service Cost	3,185,598
Interest	1,330,174
Difference Between Expected and Actual Experience	(433,664)
Changes in Assumptions	11,800,284
Benefit Payments	(3,520,567)
Net Changes	12,361,825
Balances at 6/30/22	\$ 71,115,771
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 24,560,473
Employer's proportionate share of the collective total OPEB liability	\$ 46,555,298
Employer's proportion of the collective total OPEB liability	65.46%

The Board has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. The Board's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed (1.69%) from the prior measurement date. The Board recognized \$2,174,017 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for Board retirees.

*Changes in Assumptions* – The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Closed Teacher Group OPEB Plan (Continued)**

**Sensitivity of Total OPEB Liability and Other Relevant Information**

*Sensitivity of Proportionate Share of the Collective total OPEB Liability to Changes in the Discount Rate* – The following presents the proportionate share of the collective total OPEB liability related to the TGRP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (1.16%) or 1-percent-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Proportionate Share of Collective total OPEB Liability	\$ 49,968,164	\$ 46,555,298	\$ 43,304,499

*Sensitivity of Total OPEB Liability (Employer’s Share) to Changes in the Assumed Healthcare Cost Trend Rate* – Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is 1-percent-point lower or 1-percent-point higher:

	1% Decrease (6.36%/6.32% decreasing to 3.50%)	Current Healthcare Cost Trend Rate Assumption (7.36%/7.32% decreasing to 4.50%)	1% Increase (8.36%/8.32% decreasing to 5.50%)
OPEB Liability	\$ 41,393,149	\$ 4,655,298	\$ 52,645,980

*OPEB Expense* – For the fiscal year ended June 30, 2022, the Board recognized OPEB expense of \$6,123,419.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB – Closed Teacher Group OPEB Plan (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

*Deferred Outflows of Resources and Deferred Inflows of Resources* – For the year ended June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,803,161	\$ 4,126,357
Changes of assumptions	10,667,606	2,514,136
Changes in proportions	838,561	1,339,232
Employer payments subsequent to the measurement date	2,105,618	-
Total	<u>\$ 18,414,946</u>	<u>\$ 7,979,725</u>

The amounts shown above for “Employer payments subsequent to the measurement date” will be included as a reduction to total OPEB liability in the following measurement period.

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	
2023	993,193
2024	993,193
2025	993,193
2026	993,193
2027	993,193
Thereafter	3,363,638

In the table above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB - Closed Tennessee Plan**

**General Information about the OPEB Plan**

*Plan Description* – Employees of the Board, who were hired prior to July 1, 2015, are provided with post-age 65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-age 65 retired teachers, administrators, support staff and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided* – The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-age 65 retired teachers, administrators, support staff and disabled participants of local education agencies. Insurance coverage is the only post-employment benefit provided to retirees. The TN plan does not include pharmacy. In accordance with TCA Section 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Board does not subsidize post-age 65 retiree insurance coverage. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

*Employees Covered by Benefit Terms* – At July 1, 2021, the following employees of the Board were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	1,162
Inactive employees entitled to but not yet receiving benefit payments	558
Active employees	3,618
Total	5,338

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB - Closed Tennessee Plan (Continued)**

In accordance with TCA Section 8-27-209, the state insurance committees established by TCA Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the Board did not make any payments to the TNP for OPEB benefits as they came due.

**Total OPEB Liability**

*Actuarial Assumptions* – The collective total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Graded salary ranges from 3.44% to 8.72% based on age, including inflation, averaging 4.00%.
Healthcare Cost Trend Rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021 valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 – June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the headcount-weighted below median teachers PUB-2010 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2020. Post-retirement tables are adjusted with a 19% load for males and an 18% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load with mortality improvement projected to all future years using Scale MP-2020.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 2.16%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal General Obligation Bonds AA index.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB - Closed Tennessee Plan (Continued)**

**Changes in Collective Total OPEB Liability**

	Total OPEB Liability
Balances at 6/30/21	\$ 17,146,558
Changes for the year:	
Service Cost	410,392
Interest	381,336
Difference Between Expected and Actual Experience	74,076
Changes in Assumptions	(2,377,486)
Benefit Payments	(607,128)
Net Changes	(2,118,810)
Balances at 6/30/22	<u>\$ 15,027,748</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 15,027,748
Employer's proportionate share of the collective total OPEB liability	\$ -
Employer's proportion of the collective total OPEB liability	0.00%

The Board has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The Board's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The Board's proportion of 0% did not change from the prior measurement date. The Board recognized \$650,617 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for Board retired employees.

*Changes in Assumptions* – The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**A. Single-Employer Defined Benefit OPEB Plans (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

*OPEB Expense* – For the fiscal year ended June 30, 2022, the Board recognized OPEB expense of \$650,617. The County does not report any Deferred Outflows or Deferred Inflows related to the OPEB for the TNP.

**Aggregate OPEB Plans Note Disclosures**

As of and for the year ended June 30, 2022, the aggregate OPEB plan note disclosures for all plans was as follows:

(dollar amounts in thousands)

OPEB Plan	Governmental Activities			
	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Primary Government - The County:				
Retiree Healthcare	\$ 3,026	\$ 624	\$ 2,766	\$ 151
Disability	820	579	120	1,223
	<u>3,846</u>	<u>1,203</u>	<u>2,886</u>	<u>1,374</u>
Component Unit - The Board:				
Closed Teacher				
Group OPEB Plan	46,555	18,415	7,980	6,123
Closed Tennessee Plan	-	-	-	651
	<u>46,555</u>	<u>18,415</u>	<u>7,980</u>	<u>6,774</u>
Totals	<u>\$ 50,401</u>	<u>\$ 19,618</u>	<u>\$ 10,866</u>	<u>\$ 8,148</u>



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)**

**B. Single-Employer Defined Contribution OPEB Plan**

**Medical Expense Retirement Plan**

*Plan Description* – Plan provisions and contribution requirements for the Medical Expense Retirement Plan (MERP), a defined contribution OPEB plan was established and may be amended by the Knox County Retirement and Pension Board. The powers of the Knox County Retirement and Pension Board (Pension Board) are governed by the Knox County Charter, Article VII, as amended. The Pension Board can change, or modify, the plan’s employer defined contribution rates as defined by the authority granted under the Knox County Charter, Section 7.01(b).

The Plan was established by the County under Section 401(a)(9) of the Internal Revenue Code. Plan benefits depend solely on amounts contributed to the plan plus investment earnings. Voluntary participation begins upon enrollment; eligible employees may begin participation on the first day of employment. The Plan was specifically created to assist employees in planning and investing for anticipated medical expenses upon retirement. Employees are 100% vested in the employer contributions upon enrollment; therefore there are no forfeitures.

Beginning in fiscal year 2022, the employer match for active employees is 50% of the employee’s contribution up to a calendar year employer maximum of \$416. This commitment for funding is until December 31, 2024.

At June 30, 2022, the MERP had 1,122 members and 792 of them contributed funds to the plan. During the year employer expense and member contributions amounted to \$131,250 and \$308,546 respectively.

At June 30, 2022, the County did not report a payable outstanding to the plan.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS**

**A. General Information**

County and Board employees are covered by a variety of retirement plans. These plans fall into two categories – defined benefit and defined contribution plans. The majority of County and Board employees participate in *defined contribution plans*. Those not included in the defined contribution plans are certified teachers covered under the Board's Article IX Defined Benefit Plan for former Knoxville City School teachers, all certified County school teachers, certain non-certified employees who elected not to transfer to the primary defined contribution plan or sworn officers in the Sheriff's Department who elected to transfer to the Uniformed Officers Pension Plan (UOPP) effective July 1, 2007, or were hired as a sworn officer on or after June 1, 2007 through December 31, 2013. County certified school teachers and administrators participate in the State Retirement Plan for Teachers as administered by the Tennessee Consolidated Retirement System (TCRS). Certain County Officials also participate in TCRS.

The County participates in the Tennessee Consolidated Retirement System (TCRS), an agent multiple-employer retirement system (PERS). The County's plan in TCRS is titled the Knox County Executive (Mayor) And Officials Plan. A single actuarial evaluation is computed for the Knox County Executive and Officials plan by TCRS. TCRS prepares a separate financial report for the operations and activities of this plan, which are not included in the County's reporting entity and are not included in the accompanying financial statements.

The Board participates in the TCRS through two different plans, the Teacher Legacy Pension Plan and the Teacher Retirement Plan. These two plans are cost sharing multiple-employer pension plans administered by TCRS. The Knox County Schools contribute to the State Employees, Teachers, and Higher Education Employees' Pension Plan (SETHEEPP). The Board also allows certified teachers and administrators to participate in one of two multiple-employer defined contribution plans as administered by the Tennessee Department of Treasury (see Note VI-F).

The pension-related liabilities are to be funded as follows:

<u>DB Plans</u>	<u>Funds</u>
County DB Plan	County – General Fund
UOPP DB Plan	County – General Fund
Teacher's DB Plan	Board – General Purpose School Fund
TCRS Knox County Executive and Officials	County – General Fund
TCRS Teacher's Legacy	Board – General Purpose School Fund
TCRS Teacher Retirement	Board – General Purpose School Fund

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**A. General Information (Continued)**

The three single-employer defined benefit and the three single-employer defined contribution plans are part of the County's financial reporting entity and are included in the accompanying financial statements. The operations of the Knox County Closed Defined Benefit Plan (County DB Plan), the County's Asset Accumulation Plan (County DC Plan), the Sheriff's Total Accumulation Retirement Plan (STAR DC Plan), the County's Uniformed Officers Pension Plan (UOPP DB Plan), and Voluntary 457 Plan (DC Plan) are recorded as County pension trust funds. The operations of the Board's Teacher's Defined Benefit Plan (Teacher's DB Plan) are recorded in the Board's pension trust fund. Complete separate financial statements for the three defined benefit plans and the three defined contribution plans may be obtained by contacting the Knox County Retirement and Pension Board at Suite 371, City County Building, and 400 Main Street, Knoxville, TN 37902.

Since the County's and Board's Plans are sponsored by a governmental entity, these Plans are not subject to the statutory provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In addition, none of the accompanying defined benefit plans are insured by the U.S. Pension Benefit Guaranty Corporation.

**B. Single-Employer Defined Benefit Plans**

**Summary of Significant Accounting Policies**

*Pensions* - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Knox County's (County) Plans (the County DB Plan, the Uniformed Officers Pension Plan (UOPP), and the Knox County Board of Education (Board) Plan (the Teacher's DB Plan) and additions to or deductions from the County, UOPP, and Teacher's DB Plan's fiduciary net position have been determined on the same basis as they are reported by Knox County, and the Knox County Board of Education for the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Defined Benefit Pension Plans**

*Plan Description* - The County's defined benefit pension plans, (County and UOPP DB Plans), and the Board's defined benefit pension plan (Teacher's DB Plan) provides pensions to plan members and their beneficiaries. The County DB Plan was established by the County Commission pursuant to House Bill Number 886 of Chapter 246 of the 1967 Private Acts of the State of Tennessee as amended and continued by the County's charter. The County DB Plan was closed to new participants effective September 30, 1991. The UOPP DB Plan was approved by the voters of Knox County during the November 2006

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**General Information about the Defined Benefit Pension Plans (Continued)**

elections. The Plan was established July 1, 2007 with approximately 600 sworn Sheriff's Office employees electing to transfer their retirement balance from the County DC Plan to the UOPP DB Plan. The amount transferred from the participant's accounts totaled \$39,429,351. In addition, during FY 2007, Knox County issued \$57 million of pension obligation bonds, and transferred the proceeds (net of issuance costs) totaling \$56,510,846 to the plan. During the November 2012 elections, voters approved to close the UOPP DB Plan to new hires or rehires effective January 1, 2014. The Teacher's DB Plan was established under Article IX of the Knox County Employee Benefit System. The Teacher's DB Plan is closed to new plan members. The County DB, UOPP, and the Teacher's DB Plans are single-employer defined benefit pension plans administered by the Knox County Retirement and Pension Board.

*Benefits Provided* - The County DB Plan provides pensions to any person who is an active employee hired before the close date of September 30, 1991. The plan also provides death and disability benefits to participants and their beneficiaries. Normal retirement monthly benefits for County DB Plan participants are equal to credited service multiplied by the greater of 1.75% of average monthly compensation or \$30. The average monthly compensation is calculated using the employee's 60 consecutive months of highest compensation prior to retirement, or such lesser number of months of credited service actually completed. Credited service is equal to all contributions, uninterrupted service expressed in years and decimal fraction of a year based on completed calendar months. The normal retirement date for participants is the first day of the month coinciding with or next following attainment of age 65 or, if later, 5 years of credited service, or, if an elected official, the later of their 55<sup>th</sup> birthday and completion of 5 years of credited service. Employees may retire at age 55 after 5 years of service but accrued benefits are reduced by 5/12% for each month that the early retirement precedes normal retirement. All participants are eligible for non-duty disability benefits after 5 years of credited service and for duty-related disability benefits upon hire. Disability retirement benefits are payable immediately to age 65 and equal to 50% of average monthly compensation plus 10% of average monthly compensation if there is at least one dependent child minus the sum of monthly primary social security at time of disability, monthly workers' compensation benefits, and monthly disability pension reduction, but not less than \$150. Pre-retirement death benefits (in the line of duty) are payable in the amount of 37.5% of the average monthly compensation at date of death minus 75% of all social security benefits payable. Pre-retirement death benefits (not in the line of duty) requires participants to have reached age 55 and have a minimum service of 5 years. Benefits are payable at 100% joint and survivor benefit accrued to date of death. If the participant completed 5 years of service, but had not yet attained age 55, the benefit payable to the beneficiary is equal to the participant's contributions plus a 100% match by the employer, both of which accumulate at 3% interest compounded annually. Post-retirement death benefits equal to \$300 multiplied by years of service up to 30 years are paid in a lump sum. The County DB Plan includes a Cost of Living increase of 3% per annum of the participant's original benefit.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**General Information about the Defined Benefit Pension Plans (Continued)**

The UOPP DB Plan provides pensions to officers employed by the Sheriff's Office on or after June 1, 2007, and most recently employed or re-hired before January 1, 2014. Normal monthly retirement benefits are equal to the greater of 2.5% of average monthly compensation multiplied by service up to a maximum of 30 years or \$10 multiplied by service up to a maximum of 25 years. The normal retirement date is the first day of the month coinciding with or next following attainment of age 50 or, if later, the date the participant completes (or would have completed if the participant remained continuously employed until then) 25 years of service. A participant with 5 or more years of service who retires prior to their normal retirement date shall be entitled to the greater of 2% of average monthly compensation multiplied by the participant's projected service (maximum of 25 years), multiplied by the participant's actual service, and divided by the participant's projected service or \$10 multiplied by service up to a maximum of 25 years. The average monthly compensation of a participant is averaged over any two 12 month periods, whether or not consecutive but which do not overlap, from date of employment, including periods prior to the effective date of the plan, which produce the highest monthly average. A participant, with 25 years of service, may receive early retirement benefits of the greater of the actuarial equivalent of 2% average monthly compensation multiplied by the participant's projected service (maximum of 25 years), multiplied by the participant's actual service, and divided by the participant's projected service or \$10 multiplied by service up to a maximum of 25 years. Disability benefits are payable to participants (in the line of duty) equal to 50% of average monthly compensation. A participant (not in the line of duty) is eligible to receive the greater of 2% of average monthly compensation multiplied by the participant's service (maximum of 25 years) multiplied by the participant's actual service and divided by the participant's projected service or \$10 multiplied by service up to a maximum of 25 years. All participants who become disabled prior to January 1, 2014 are eligible to receive this benefit. Pre-retirement death benefits (in the line of duty) for the participant's surviving spouse are payable monthly for life in the amount of the greater of 2% of average monthly compensation multiplied by the participant's service (maximum of 25 years) or \$250. Pre-retirement death benefits (not in the line of duty) for the participant's surviving spouse are payable monthly for life in the amount of the greater of 1% of average monthly compensation multiplied by the participant's service (maximum of 25 years) or \$10 multiplied by service up to a maximum of 25 years. Participants must have completed 5 years of service. Post-retirement death benefits are payable to the participant's surviving spouse in the greater of 50% of the participant's normal retirement benefit immediately prior to death or \$10 multiplied by service up to a maximum of 25 years. The UOPP DB Plan includes a Cost of Living adjustment annually of 3% plus (if a participant is over 62 years old) one half of the amount by which the percentage increase in the Consumer Price Index for the 12 months ending September 30 preceding the year of adjustment exceeds 3%, not to exceed 1%.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**General Information about the Defined Benefit Pension Plans (Continued)**

The Teacher’s DB Plan provides pensions to any person who is a “teacher” as defined by the Court of Appeals in its opinion of December 30, 1987 in the case of Knox County v. the City of Knoxville, et al, and who is entitled to maintain membership in a local pension system as a result of their membership in any applicable plan of the City of Knoxville Pension System on June 30, 1987, and who thereafter is employed as a result of the City of Knoxville ceasing to operate a separate school system and is so regularly employed by the Knox County Board of Education. Each participant shall be eligible to retire at age 62, the normal retirement date or on the first day of any of the thirty-five months next following age 62. The normal retirement benefit, a monthly benefit payable for life, computed as of normal retirement date as 1/12<sup>th</sup> of credited service multiplied by the sum of Benefit Rate A times average earnings and Benefit Rate B times average excess earnings. Benefit Rate A and Benefit Rate B shall vary according to the participant’s last birthday at the time benefit payments are to commence, as follows:

<u>Age</u>	<u>Benefit Rate A</u>	<u>Benefit Rate B</u>
62 or earlier	0.75%	1.50%
63	0.78%	1.58%
64	0.84%	1.66%
65 or later	0.88%	1.76%

This amount is then reduced by the benefit accrued under the applicable City of Knoxville retirement plan as of June 30, 1987. The monthly benefit, including 50% of the primary Social Security benefit, shall not be less than \$10 per year of credited service, with a maximum of \$250. After completing 25 years of credited service, participants are eligible for early retirement benefits. Upon early retirement, a participant may elect to receive either a deferred monthly benefit equal to his accrued benefit commencing at normal retirement date or a reduced benefit equal to the actuarially equivalent benefit commencing immediately. Participants are eligible for Disability (not in the line of duty) after completing 15 years of credited service. Accrued benefits are based on credited service at time of disablement, payable immediately, plus a lump sum equal to six times the accrued monthly benefit. Participants who are disabled in the course of performance of duty are eligible for disability. The accrued benefit is based on credited service projected to age 62, payable immediately and reduced by any workers’ compensation benefits paid. A participant must complete 15 years of credited service to be eligible for death benefits. Death benefits are payable as 50% of the monthly benefit that the participant would have been entitled to if he/she had elected the 50% joint and survivor form of payment, payable at the earliest time benefits could have commenced to the participant. The Teacher’s DB Plan includes a Cost of Living adjustment of 2.5% per annum of the participant’s original benefit.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**General Information about the Defined Benefit Pension Plans (Continued)**

*Employees Covered by Benefit Terms* - At January 1, 2022, the valuation date, the following participants were covered by the benefit terms:

	<u>County DB Plan</u>	<u>UOPP DB Plan</u>	<u>Teacher's DB Plan</u>
Inactive employees or beneficiaries currently receiving benefits	587	260	377
Inactive employees entitled to, but not yet receiving benefits	7	47	-
Active employees	<u>29</u>	<u>374</u>	<u>-</u>
Total	<u><u>623</u></u>	<u><u>681</u></u>	<u><u>377</u></u>

*Contributions* - Provisions and contribution requirements in the County and the Teacher's DB Plans are established and may be amended by the Knox County Retirement and Pension Board in compliance with state law. For the UOPP DB Plan, some provisions and employee changes are limited based on wording in the Knox County Charter (Article VII, Section 7.05) while other provisions and employer contributions can be determined by the Knox County Retirement and Pension Board in compliance with state law. The Knox County Retirement and Pension Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by participants during the year, with an additional amount to finance net pension liabilities. County DB Plan participants contribute 5% of annual earnings. In the UOPP DB Plan, each participant shall contribute to the fund an amount equal to 6% of annual earnings. The employee accumulation will receive 4% simple interest. No participant contributions shall be required after a participant has completed 30 years of service. Each participant in the Teacher's DB Plan shall contribute an amount equal to 3% of base earnings (that part of earnings in any calendar year which does not exceed \$4,800 per annum) plus 5% of excess earnings (that part of earnings in any calendar year which are in excess of base earnings). For FY 2022, the employer contributions for the County, UOPP, and the Teacher's DB Plans were approximately 277.74%, 35.37%, and N/A, respectively, of annual covered payroll.

**Net Pension Liability**

The County, UOPP, and Teacher's DB Plans' net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of January 1, 2022.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**Net Pension Liability (Continued)**

*Actuarial Assumptions* - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement for the County, UOPP, and Teacher's DB Plans.

	County DB Plan	UOPP DB Plan	Teacher's DB Plan
Actuarial Cost Method	Individual Entry Age Normal Cost	Individual Entry Age Normal Cost	Individual Entry Age Normal Cost
Amortization Method	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
Remaining Amortization Period	11 Years	29 Years	11 Years
Asset Valuation Method for Actuarial Determined Contributions	5-year smoothed subject to a 10% corridor around the market value of assets	5-year smoothed subject to a 20% corridor around the fair value of assets	5-year smoothed subject to a 10% corridor around the fair value of assets
Discount and Investment Rate of Return	7.00%	7.00%	7.00%
Salary Increases	Active Contributing: 2.50%, Active Not-Contributing: 3.00%	3.00%, plus 2.6% OT adjustment factor	N/A
Cost of Living Increase	3.00%	3.00% (3.10% over age 62)	2.50%
Inflation	2.24%	2.24%	2.24%
Age at Retirement	65 and five years of service	Participants hired after age 40 - age 50 and 25 years of service. Participants hired before age 40 - varies by age and service	N/A
Healthy Mortality Table	Pre-Retirement: Base Table: SOA RP-2014 Total Dataset Mortality Table Improvement Scale: MP-2021 Projection Period: Fully Generational Post-Retirement: Base Table: SOA RP-2014 Blue Collar with 102% adjustment for Males and 97% for Females Improvement Scale: MP-2021 Projection Period: 6 years beyond each valuation date	Pre-Retirement: Base Table: RP2014 Blue Collar, Adjusted to 2006 Improvement Scale: MP-2021 Projection Period: Fully Generational Post-Retirement: Base Table: RP2014 Blue Collar table with 140% adjustment for Males and Females Improvement Scale: MP-2021 Projection Period: 6 years beyond each valuation date	Base Table: RP-2014 Blue Collar with 102% adjustment for Males and 97% adjustment for Females Improvement Scale: MP-2021 Projection Period: 6 years beyond valuation date
Disability Table	Linked to the Tennessee Consolidated Retirement System mortality for disabled lives	Linked to the Tennessee Consolidated Retirement System mortality for disabled lives	N/A
Experience Study	January 1, 2007 to December 31, 2016	January 1, 2007 to December 31, 2016	January 1, 2007 to December 31, 2016



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**Net Pension Liability (Continued)**

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

**County DB Plan:**

Asset Class:	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	21.00%	5.59%
US Equity - Small / Mid Cap	10.00%	6.62%
Non-US Equity - Developed	13.00%	6.41%
Non-US Equity - Emerging	4.00%	8.35%
US Corporate Bonds-Core	16.00%	1.12%
US Corporate Bonds-High Yield	5.00%	3.15%
Non-US Debt - Developed	4.00%	0.28%
US Treasuries (Cash Equivalent)	6.00%	-0.32%
Real Estate	7.00%	5.29%
Hedge Funds	14.00%	3.39%

**UOPP DB Plan:**

Asset Class:	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	22.00%	5.59%
US Equity - Small / Mid Cap	20.00%	6.62%
Non-US Equity - Developed	15.00%	6.41%
Non-US Equity - Emerging	5.00%	8.35%
US Corporate Bonds-Core	12.00%	1.12%
US Corporate Bonds-High Yield	5.00%	3.15%
Non-US Debt - Developed	3.00%	0.28%
US Treasuries (Cash Equivalent)	2.00%	-0.32%
Real Estate	3.00%	5.29%
Hedge Funds	13.00%	3.39%

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**Net Pension Liability (Continued)**

<b>Teacher's DB Plan:</b>	Target	Long-Term
<u>Asset Class:</u>	<u>Allocation</u>	<u>Expected Real</u>
		<u>Arithmetic Return</u>
US Equity - Large Cap	21.00%	5.59%
US Equity - Small / Mid Cap	16.00%	6.62%
Non-US Equity - Developed	15.00%	6.41%
Non-US Equity - Emerging	4.00%	8.35%
US Corporate Bonds-Core	13.00%	1.12%
US Corporate Bonds-High Yield	5.00%	3.15%
Non-US Debt - Developed	4.00%	0.28%
US Treasuries (Cash Equivalent)	4.00%	-0.32%
Real Estate	5.00%	5.29%
Hedge Funds	13.00%	3.39%

The assumed inflation rate is 2.24% per annum.

*Rates of Return* - The annual money-weighted rates of returns on defined benefit pension plan investments, net of investment related expenses, for the year ended June 30, 2022 were as follows:

Defined Benefit Plans:	<u>2022</u>
County DB Plan	-10.65%
UOPP DB Plan	-12.64%
Teacher's DB Plan	-11.70%

*Discount Rate* - The discount rate used to measure the total pension liability for the County, Teacher's and UOPP DB Plans was 7%. The projections of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the County, UOPP, and Teacher's DB Plans' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**Net Pension Liability (Continued)**

*Tennessee State Law for Local Government Sponsored Defined Benefit Plans* - “The Public Employee Defined Benefit Financial Security Act of 2014”, Tennessee Code Section 9-3-501, requires Knox County and the Knox County Board of Education to make annual employer contributions equal to 100% of its actuarially determined contributions (ADC), use the entry age normal cost method, limit future pension benefit improvements if the net pension plan funded ratio is less than 60% and other requirements. As of June 30, 2022, the County DB Plans funded ratio was 54.76%. State law provides for penalties in the event that the funding level is below 60%, if the entity additionally provides benefit enhancements and fails to make contributions equal to the ADC. As the County made the actuarially determined contributions (ADC) and did not enhance benefits, there were no penalties.

**Changes in the Net Pension Liability**

The changes in the net pension liability for the plans for the fiscal year ended June 30, 2022 are as follows (dollar amounts in thousands):

	County DB Plan			UOPP DB Plan			Teachers' DB Plan		
	Increase (Decrease)			Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	
Balance at June 30, 2021	\$ 64,952	\$ 42,068	\$ 22,884	\$ 285,079	\$ 226,221	\$ 58,858	\$ 60,051	\$ 54,608	\$ 5,443
Changes for the Year:									
Service Cost	127	-	127	2,648	-	2,648	-	-	-
Interest	4,325	-	4,325	20,402	-	20,402	3,981	-	3,981
Difference between Expected and Actual Expense	(695)	-	(695)	3,614	-	3,614	1,165	-	1,165
Change of Assumptions	287	-	287	10,541	-	10,541	361	-	361
Contribution - Employer	-	3,220	(3,220)	-	7,481	(7,481)	-	1,200	(1,200)
Contribution - Employee	-	68	(68)	-	1,269	(1,269)	-	-	-
Net Investment Income (Loss)	-	(4,413)	4,413	-	(28,418)	28,418	-	(6,163)	6,163
Other	-	-	-	-	(10)	10	-	-	-
Benefit Payments including Refunds of Employee Contributions	(6,704)	(6,704)	-	(12,865)	(12,865)	-	(6,478)	(6,478)	-
Administrative Expense	-	(114)	114	-	(643)	643	-	(92)	92
Transfers	-	(17)	17	-	-	-	-	-	-
Net Changes	(2,660)	(7,959)	5,300	24,339	(33,186)	57,526	(971)	(11,533)	10,562
Balance at June 30, 2022	\$ 62,292	\$ 34,109	\$ 28,184	\$ 309,418	\$ 193,035	\$ 116,384	\$ 59,080	\$ 43,075	\$ 16,005

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**Changes in the Net Pension Liability (Continued)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following presents the net pension liability of the County, UOPP, and Teacher's DB Plans, calculated using the discount rate of 7.00% for all three plans, as well as what the net pension liability (asset) would be for each plan if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate as of June 30, 2022:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County DB Plan Net Pension Liability	\$ 33,241,163	\$ 28,183,180	\$ 23,796,496
Teachers' DB Plan Net Pension Liability	\$ 20,152,601	\$ 16,005,458	\$ 12,330,396
UOPP DB Plan Net Pension Liability	\$ 158,294,961	\$ 116,384,227	\$ 81,792,525

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports (or in the County, UOPP, and Teacher's DB Plans accompanying Pension Trust Fund financial statements).

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the County and the Board recognized pension expense of \$2,078,736, \$20,457,337, and \$2,813,064, for the County, UOPP, and Teacher's Plans, respectively. At June 30, 2022, the County, UOPP, and Teacher's Plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>County DB Plan</u>		<u>UOPP DB Plan</u>		<u>Teachers' DB Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,009,177	\$ 21,565,895	\$ -	\$ -	\$ -
Changes of assumptions	188,826	56,222	18,746,062	2,280,762	-	-
Net difference between projected and actual earnings on pension plan investments	3,413,198	-	19,432,995	-	4,041,657	-
Total	<u>\$ 3,602,024</u>	<u>\$ 1,065,399</u>	<u>\$ 59,744,952</u>	<u>\$ 2,280,762</u>	<u>\$ 4,041,657</u>	<u>\$ -</u>

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**B. Single-Employer Defined Benefit Plans (Continued)**

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

<u>Years ended June 30,</u>	<u>County DB Plan</u>	<u>UOPP DB Plan</u>	<u>Teachers' DB Plan</u>
2023	202,183	14,631,919	1,072,872
2024	609,680	13,656,456	848,519
2025	277,552	10,455,720	151,551
2026	1,447,210	16,575,364	1,968,715
2027	-	2,144,731	-
Total	<u>\$ 2,536,625</u>	<u>\$ 57,464,190</u>	<u>\$ 4,041,657</u>

**Payable to Pension Plans**

Neither the County nor the Board reported a payable for any outstanding amount of employer contributions to the Plans required for the year ended June 30, 2022.

**Trend Information**

The schedules of changes in the County, UOPP, and Teacher’s DB Plans’ net pension liabilities and related ratios, the schedule of County and Board’s employer contributions, and schedule of investment returns are presented in required supplementary information (RSI) following the notes to financial statements, and present multiyear trend information about whether each Plan’s fiduciary net position is increasing or decreasing over time relative to the total pension liability and net pension liability and whether the County’s and the Board’s contributions are in accordance with the actuarially determined amounts.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
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**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan**

**General Information about the Pension Plan**

*Plan Description* - Certain elected officials (employees) of Knox County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided* – Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan (Continued)**

**General Information about the Pension Plan (Continued)**

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than 1/2%. A 1% COLA is granted if the CPI change is between 1/2% and 1%. Members who leave employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms* - At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>7</u>
Total	<u><u>12</u></u>

*Contributions* - Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary and Knox County makes employer contributions at the rate set by the TCRS Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions made by Knox County were \$113,456 based on a rate of 9.24% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Knox County state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan (Continued)**

**Net Pension Liability (Asset)**

Knox County Executive And Officials' net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions* - The total pension liability as of the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Reporting Date	June 30, 2022
Measurement Date	June 30, 2021
Actuarial Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, closed (not to exceed 20 years)
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%.
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Adjustments	2.125%
Retirement Age	Pattern of retirement determined by experience study.
Mortality	Customized table based on actual experience including a projection of mortality improvement using Scale MP-2020 (generational projection)

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan (Continued)**

**Net Pension Liability (Asset) (Continued)**

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.25%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	4.88%	31%
Developed Market International Equity	5.37%	14%
Emerging Market International Equity	6.09%	4%
Private Equity and Strategic Lending	6.57%	20%
U.S. Fixed Income	1.20%	20%
Real Estate	4.38%	10%
Short-term Securities	0.00%	1%
Total		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

*Discount Rate* - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Knox County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan (Continued)**

**Net Pension Liability (Asset) (Continued)**

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020	\$ 3,081,241	\$ 3,260,656	\$ (179,415)
Changes for the Year:			
Service Cost	39,827	-	39,827
Interest	222,574	-	222,574
Differences between expected and actual experience	2,004	-	2,004
Changes in Assumptions	64,171	-	64,171
Contributions - Employer	-	111,107	(111,107)
Contributions - Employees	-	60,319	(60,319)
Net Investment Income	-	850,000	(850,000)
Benefit Payments, including refunds of employee contributions	(102,162)	(102,162)	-
Administrative Expense	-	(626)	626
Net Change	226,414	918,638	(692,224)
Balance at June 30, 2021	\$ 3,307,655	\$ 4,179,294	\$ (871,639)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate* - The following presents the net pension liability (asset) of Knox County Executive And Officials calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
	Knox County Executive And Official's Net Pension Liability (Asset)	\$ (492,903)	\$ (871,639)

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan (Continued)**

**Net Pension Liability (Asset) (Continued)**

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources**

*Pension Expense* - For the year ended June 30, 2022, Knox County recognized a negative pension expense of (\$96,818).

*Deferred Outflows of Resources and Deferred Inflows of Resources* - For the year ended June 30, 2022, Knox County Executive and Officials reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Difference between Expected and Actual Experience	\$ 1,336	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	454,027
Changes in Assumptions	42,781	-
Contributions Subsequent to the Measurement date of June 30, 2021	<u>113,456</u>	<u>-</u>
Total	<u>\$ 157,573</u>	<u>\$ 454,027</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**C. Agent Multiple-Employer Defined Benefit Plan (Continued)**

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

Years Ended June 30:	Amounts
2023	(92,368)
2024	(87,177)
2025	(108,145)
2026	(122,220)

In the table above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Payable to the Pension Plan**

At June 30, 2022, Knox County did not report a payable outstanding. Contributions were paid to the pension plan as required for the year ended June 30, 2022.

**Trend Information**

The schedule of changes in the Knox County Executive And Officials Plan’s net position liability and related ratios and the schedule of Knox County Executive And Officials Plan’s contributions are presented in required supplementary information (RSI) following the notes to financial statements, and present multiyear trend information about whether the Plan’s fiduciary net position is increasing or decreasing over time relative to the total pension liability and net pension liability and whether Knox County’s contributions are in accordance with the actuarially determined amounts.

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans**

**Teacher's Legacy Plan**

**General Information about the Pension Plan**

*Plan Description* – Teachers employed by Knox County Schools with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan was closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Boards of Education (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided* - Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest 5 consecutive years average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with 5 years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than 1/2%. A 1% COLA is granted if the CPI change is between 1/2% and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher's Legacy Plan (Continued)**

**General Information about the Pension Plan (Continued)**

*Contributions* - Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5% of salary and the LEAs make employer contributions at the rate set by the Board of Trustees of TCRS as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Knox County Schools for the year ended June 30, 2022 to the Teacher Legacy Pension Plan were \$20,589,967 which is 10.30% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. At June 30, 2022, there were 3,385 active Board participants.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets)* - At June 30, 2022, the Board reported an asset of (\$259,057,393) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Board's proportion of the net pension asset was based on the Board's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the Board's proportion was 6.01%. The proportion measured as of June 30, 2020 was 6.04%.

*Pension Expense (Income)*- For the year ended June 30, 2022, the Board recognized negative pension expense of (\$40,563,709).

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher's Legacy Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Deferred Outflows of Resources and Deferred Inflows of Resources* - For the year ended June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 870,574	\$ 21,606,228
Changes in Assumptions	69,215,806	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		206,592,485
Changes in Proportion of Net Pension Liability (Asset)	1,173,519	772,702
Board's Contributions Subsequent to the Measurement date of June 30, 2021	20,589,967	-
Total	\$ 91,849,866	\$ 228,971,415

The Board's employer contributions of \$20,589,967, reported as pension related deferred outflows of resources subsequent to the measurement date of June 30, 2021, will be recognized as an (increase) of net pension (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30:	Amounts
2023	(37,112,882)
2024	(35,712,672)
2025	(29,132,602)
2026	(55,753,360)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher’s Legacy Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions* - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following assumptions applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%.
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Adjustments	2.125%
Mortality	Mortality rates were based on actual experience including an adjustment for some anticipated improvement using Scale MP-2020

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.25%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	4.88%	31%
Developed Market International Equity	5.37%	14%
Emerging Market International Equity	6.09%	4%
Private Equity and Strategic Lending	6.57%	20%
U.S. Fixed Income	1.20%	20%
Real Estate	4.38%	10%
Short-term Securities	0.00%	1%
Total		<u>100%</u>



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher’s Legacy Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

*Discount Rate* - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Board’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the Board’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage- point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Knox County Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ (46,103,501)	\$ (259,057,393)	\$ (436,277,513)

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

**Payable to the Pension Plan**

At June 30, 2022, the Board reported a payable of \$1,724,375 for the outstanding amount of contributions to the pension plan required during the year ended June 30, 2022.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher's Legacy Plan (Continued)**

**Trend Information**

The schedule of the Board's proportionate share of the net pension liability (asset) in the Teacher Legacy Pension Plan and related ratios and the schedule of contributions are presented in required supplementary information (RSI) following the notes to financial statements, and present multiyear trend information about whether the Board's proportionate share of the net pension liability (asset) is increasing or decreasing over time and whether the Board's contributions are in accordance with the actuarially determined amounts.

**Teacher Retirement Plan**

**General Information about the Pension Plan**

*Plan Description* - Teachers employed by The Board with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Teachers with membership in the TCRS after June 30, 2014 are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <http://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher Retirement Plan (Continued)**

**General Information about the Pension Plan (Continued)**

*Benefits Provided* - Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive years average compensation and member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with 5 years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service-related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than 1/2%. A 1% COLA is granted if the CPI change is between 1/2% and 1%. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions* - Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5% of salary and the LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4%, unless the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022 to the Teacher Retirement Plan were \$2,172,167, which is 2.01% of covered payroll. TCRS established the Stabilization Reserve Trust (SRT) during FY 2019 for the Hybrid Pension Plans. The SRT is a legal trust separate and apart from the normal Hybrid Plan Trust. The SRT is designed to specifically accumulate assets which will not be used now but used as necessary to pay benefits in the future.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher Retirement Plan (Continued)**

**General Information about the Pension Plan (Continued)**

In FY 2022, employer contributions to the SRT were \$2,039,846. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. At June 30, 2022, there were 2,113 active Board participants.

**Mandatory Defined Contribution Plan**

As part of this plan, teachers hired after July 1, 2014 are required to participate in the State of Tennessee 401(k) Plan (see Note VI - G) which requires the Board to make mandatory employer contributions of 5.0% of the participant's compensation.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets)* – At June 30, 2022, the Board reported an asset of (\$6,991,122) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Board's proportion of the net pension asset was based on the Board's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the Board's proportion was 6.45%. The proportion measured as of June 30, 2020 was 6.34%.

*Pension Expense (Income)* – For the year ended June 30, 2022, the Board recognized pension expense of \$854,061.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher Retirement Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Deferred Outflows of Resources and Deferred Inflows of Resources* - For the year ended June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 121,624	\$ 1,279,232
Changes in Assumptions	2,521,633	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		4,024,276
Changes in Proportion of Net Pension Liability (Asset)	468,456	435,892
Board's Contributions Subsequent to the Measurement date of June 30, 2021	2,172,167	-
Total	\$ 5,283,880	\$ 5,739,400

The Board's employer contributions of \$2,172,167 reported as pension related deferred outflows of resources, subsequent to the measurement date of June 30, 2021, will be recognized as an increase of net pension (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30:	Amounts
2023	(878,856)
2024	(856,829)
2025	(850,553)
2026	(951,818)
2027	121,555
Thereafter	788,814

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher Retirement Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions* - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%.
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Adjustments	2.125%
Mortality	Mortality rates were based on actual experience including an adjustment for some anticipated improvement using Scale MP-2020

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.25%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher Retirement Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	4.88%	31%
Developed Market International Equity	5.37%	14%
Emerging Market International Equity	6.09%	4%
Private Equity and Strategic Lending	6.57%	20%
U.S. Fixed Income	1.20%	20%
Real Estate	4.38%	10%
Short-term Securities	0.00%	1%
Total		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

*Discount Rate* - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Board will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)**

**Teacher Retirement Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Board’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the Board’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage- point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Knox County Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ 2,403,362	\$ (6,991,122)	\$ (13,919,893)

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

**Payable to the Pension Plan**

At June 30, 2022, the Board reported a payable of \$180,605 for outstanding contributions to the pension plan required during the year ended June 30, 2022.

**Trend Information**

The schedule of the Board’s proportionate share of net pension liability (asset) in the Teacher Retirement Plan’s and related ratios and the schedule of contributions are presented in required supplementary information (RSI) following the notes to financial statements, and present multiyear trend information about whether the School’s proportionate share of the net pension liability (asset) is increasing or decreasing over time and whether the Board’s contributions are in accordance with the actuarially determined amounts.



KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**E. Aggregate Pension Plans Note Disclosures**

Aggregate pension plan note disclosures for all defined benefit plans as of and for the year ended June 30, 2022 was as follows:

Defined Benefit Plan	(dollar amounts in thousands)			
	Net Pension Liability (Asset)	Governmental Activities		Pension Expense (Income)
	Deferred Outflows	Deferred Inflows		
Primary Government - The County:				
County DB	\$ 28,184	\$ 3,602	\$ 1,065	\$ 2,079
UOPP DB	116,384	59,745	2,281	20,457
TCRS - County Executive & Officials	(871)	157	454	(97)
	<u>143,697</u>	<u>63,504</u>	<u>3,800</u>	<u>22,439</u>
Component Unit - The Board:				
Teacher's DB	16,005	4,041	-	2,813
TCRS - Teacher's Legacy	(259,057)	91,850	228,971	(40,563)
TCRS - Teacher Retirement	(6,991)	5,283	5,739	854
	<u>(250,043)</u>	<u>101,174</u>	<u>234,710</u>	<u>(36,896)</u>
Totals	<u>\$ (106,346)</u>	<u>\$ 164,678</u>	<u>\$ 238,510</u>	<u>\$ (14,457)</u>

**F. Single-Employer Defined Contribution Plans**

Plan provisions and contribution requirements for the defined contribution plans are established and may be amended by the Knox County Retirement and Pension Board. The powers of the Knox County Retirement and Pension Board (Pension Board) are governed by the Knox County Charter, Article VII, as amended. The Pension Board can change, or modify, each plan's employer defined contribution rates as defined by the authority granted under the Knox County Charter, Section 7.04(b). Administrative costs of the plans are paid with plan assets from the DB Plans and the Disability (OPEB) Plan. Forfeitures from the DC Plans are used to fund the employer's ADC for the Disability (OPEB) Plan.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**F. Single-Employer Defined Contribution Plans (Continued)**

**Participant Loans – Defined Contribution Plans**

Effective September 1, 2016, the Asset Accumulation Plan and STAR Plan were amended to allow for loans to active participants. Loan eligibility requirements are:

- Actively employed
- Fully vested (Asset Accumulation Plan 5 years; STAR 10 years)
- Minimum account balance of \$20,000
- Minimum loan amount - \$5,000
- Maximum loan amount – 25% of account balance up to \$50,000
- Maximum loan term may not exceed 5 years
- One loan permitted at any time

Employees of the Board, Charter Schools, and Metropolitan Drug Commission are not eligible.

Participant loans are reported at their unpaid principal balance plus any accrued but unpaid interest income.

**Asset Accumulation Plan**

The *Asset Accumulation Plan* is a defined contribution plan established by Knox County under Section 401(a)(9) of the Internal Revenue Code. The plan covers a majority of the full time employees of the County and classified employees of the School Board. Plan benefits depend solely on amounts contributed to the plan plus investment earnings. Participation begins on the first day of employment and all eligible employees not participating in another County, Board or state retirement plan are required to participate. The plan requires all participants to contribute a minimum of 6% of compensation and the employer matching contribution is 6%. Participants are 100% vested in the employer contributions after completing five years of credited service.

At June 30, 2022, there were 4348 active Plan members. During the year, the County's and Board's employer expense and member contributions amounted to \$10,334,033 and \$10,334,033 respectively. Non-vested forfeitures of \$1,279,836 were transferred to the County Disability OPEB Plan as described in Note V-A.

At June 30, 2022, neither the County nor the Board reported a payable for employer contributions or participant contributions.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**F. Single-Employer Defined Contribution Plans (Continued)**

**Voluntary 457 Plan**

The Asset Accumulation Program incorporated both a 401(a) Plan and a 457(b) Plan in the Defined Contribution Plan for Knox County participants and classified Board participants. The Knox County Voluntary 457 Plan incorporates voluntary pre-tax contributions by the participant with an employer match based on length of service with the County and/or Board. The employer will match:

Years of Service	Maximum % Match
0 - 5	0%
5 - 9	2%
10 - 14	4%
15 or more	6%

The employer matching contributions for the 457 Plan are deposited into the participants 401(a) account in the Asset Accumulation or STAR Plans.

In January 2008, the Pension Board added two additional outside 457 vendors as investment alternatives. Knoxville Teachers Credit Union (Board employees only) and Security Benefit were added January 1, 2008 and voluntary contributions made by participants in the Asset Accumulation Plan would also be eligible for the match offered by the employer. In September 2008, Nationwide, a third 457 vendor was added to the Program. Security Benefit was terminated as a 457(b) provider as of November 2015. Each vendor prepares separate financial reports and is not included in the Knox County Voluntary 457 Plan Trust.

Effective July 1, 2008 the option of contributing to a 457(b) Plan was expanded to those active participants in the closed County Defined Benefit (DB) Plan. The employer match for the closed County DB Plan participants is a maximum of 3% of pay. Closed County DB participants are eligible for the same 457 Plans/Vendors that are offered under the Asset Accumulation Plan. Beginning July 2015, participants in UOPP and STAR were allowed to make contributions to the County's 457(b), but the County makes no matching contributions.

As of June 30, 2022, there were 830 active Plan members in the Knox County Voluntary 457(b) Plan. During the year, member contributions amounted to \$2,928,751 and the County and Board made employer contribution of \$1,917,846.

At June 30, 2022, neither the County nor the Board reported a payable for employer contributions or participant contributions.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**F. Single-Employer Defined Contribution Plans (Continued)**

**Sheriff's Total Accumulation Retirement Plan (STAR)**

In November 2012, the Knox County voters approved the closing of the Uniform Officers Pension Plan (UOPP) to all new officers and to have the Pension Board design another plan for officers employed by the Knox County Sheriff's Department. Effective January 1, 2014, the UOPP Plan was closed to all new-hires or re-hires. The new officer plan is called the *Sheriff's Total Accumulation Retirement Plan (STAR)*. STAR is a Defined Contribution Plan where the officer contributes 6% of pay and the County contributes a total of 12% of pay. Vesting by the officer is 10 year cliff vesting on the first 10% employer contribution and 15 year cliff vesting on the remaining 2% employer contribution. Employees have the responsibility of investing their contribution plus the 10% employer contribution from an array of investment options. The Pension Board manages the investment of the additional 2% of the employer contributions.

At June 30, 2022, the STAR Plan had 362 active members. During the year employees contributed \$905,681 and the employer expensed \$1,509,491 for the basic 10% contribution and \$301,902 for the 2% supplemental contribution. Non-vested forfeitures of \$1,289,260 were transferred to the County Disability OPEB Plan as described in Note V-A.

At June 30, 2022, the County did not report a payable for participant contributions nor employer contributions.

KNOX COUNTY, TENNESSEE  
**Notes to Financial Statements**  
*June 30, 2022*

**NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)**

**G. Multiple-Employer Defined Contribution Plans**

**State of Tennessee 401(k) Plan - Teachers Hired Before July 1, 2014**

The TCRS Teacher Legacy Defined Benefit Plan (see Note VI-D) allows Knox County Board of Education (Board) teachers and other certified personnel hired before July 1, 2014, to participate in the State of Tennessee 401(k) Plan as administered by the Tennessee Department of Treasury. Participation in this plan is optional and is 100% funded by participant's elective contributions. The Board does not make employer contributions to this plan. Plan benefits are dependent solely on amounts contributed by participants plus investment earnings. Employees are eligible to participate on the first day of employment.

At June 30, 2022 there were 104 active participants. During the year participant contributions amounted to \$819,263.

At June 30, 2022, the Board did not report a payable for participant contributions.

**State of Tennessee 401(k) Plan - Teachers Hired After July 1, 2014**

The TCRS Teacher Retirement Defined Benefit Plan (see Note VI -D) requires all Knox County Board of Education (Board) teachers and other certified personnel hired after July 1, 2014, to participate in the State of Tennessee 401(k) Plan as administered by the Tennessee Department of Treasury. Participation is mandatory and begins on the first day of employment. The Board is required to make mandatory employer contributions of 5.0% of the participant's compensation. Elective employee deferrals are optional but can be up to the annual maximum amount permitted by the Internal Revenue Service. Participants are 100% immediately vested in the employer contributions. Plan benefits depend solely on amounts contributed to the plan plus investment earnings.

At June 30, 2022 there were 2,113 active participants. During the year the Board employer contribution expense and participant contributions amounted to \$5,405,155 and \$2,727,885, respectively.

At June 30, 2022, the Board did not report a payable for participant contributions nor employer contributions.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM**  
**PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN THE COUNTY'S CLOSED DEFINED**  
**BENEFIT PLAN NET PENSION LIABILITY AND RELATED RATIOS**

**Last Eight Fiscal Years Ending June 30**

(Dollar Amounts in Thousands)

<b><u>Single-Employer Defined Benefit Plan</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015*</u></b>
Total Pension Liability								
Service Cost	\$ 127	\$ 146	\$ 174	\$ 195	\$ 135	\$ 162	\$ 176	\$ 164
Interest	4,325	4,569	4,758	4,683	4,756	4,982	5,149	5,126
Differences between Expected and Actual Experience	(695)	(1,362)	(640)	(430)	906	(851)	(225)	447
Changes of Assumptions	287	(124)	(117)	3,768	452	-	-	2,214
Benefits Payment, including Refunds of Employee Contributions	(6,704)	(6,680)	(7,007)	(7,249)	(7,445)	(7,539)	(7,425)	(7,817)
Net Change in Total Pension Liability	(2,660)	(3,451)	(2,832)	967	(1,196)	(3,246)	(2,325)	134
Total Pension Liability - Beginning of Year *	64,952	68,403	71,235	70,268	71,464	74,710	77,035	76,901
Total Pension Liability - End of Year (a)	<u>\$ 62,292</u>	<u>\$ 64,952</u>	<u>\$ 68,403</u>	<u>\$ 71,235</u>	<u>\$ 70,268</u>	<u>\$ 71,464</u>	<u>\$ 74,710</u>	<u>\$ 77,035</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 3,220	\$ 3,536	\$ 3,623	\$ 3,160	\$ 3,044	\$ 3,119	\$ 3,160	\$ 2,695
Contributions - Employees	70	69	76	86	90	96	94	109
Net Investment Income (Loss)	(4,413)	8,325	115	2,308	3,654	4,970	(419)	1,288
Other	-	-	-	-	-	-	-	6
Benefits Paid, including Refunds of Employee Contributions	(6,704)	(6,680)	(7,007)	(7,249)	(7,445)	(7,539)	(7,425)	(7,817)
Administrative Expenses	(114)	(134)	(161)	(138)	(219)	(187)	(229)	(355)
Transfers	(18)	(17)	(23)	339	(28)	(35)	(39)	(45)
Net Change in Plan Fiduciary Net Position	(7,959)	5,099	(3,377)	(1,494)	(904)	424	(4,858)	(4,119)
Plan Fiduciary Net Position, Beginning of Year	42,068	36,969	40,346	41,840	42,744	42,320	47,178	51,297
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 34,109</u>	<u>\$ 42,068</u>	<u>\$ 36,969</u>	<u>\$ 40,346</u>	<u>\$ 41,840</u>	<u>\$ 42,744</u>	<u>\$ 42,320</u>	<u>\$ 47,178</u>
County's Net Pension Liability - Ending (a)-(b)	<u>\$ 28,183</u>	<u>\$ 22,884</u>	<u>\$ 31,434</u>	<u>\$ 30,889</u>	<u>\$ 28,428</u>	<u>\$ 28,720</u>	<u>\$ 32,390</u>	<u>\$ 29,857</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.76%	64.77%	54.05%	56.64%	59.54%	59.81%	56.65%	61.24%
Covered Payroll **	\$ 1,251	\$ 1,160	\$ 1,256	\$ 1,477	\$ 1,585	\$ 1,672	\$ 1,953	\$ 2,038
County's Net Pension Liability as a Percentage of Covered Payroll	2252.39%	1973.55%	2501.88%	2091.52%	1793.24%	1717.81%	1659.59%	1465.01%

**Note:** This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

Years will be added to this schedule in future fiscal years until 10 years of information is available.

\* The liability values the January 1 data is rolled forward to June 30 using a 7.0% discounted rate.

\*\* The covered payroll is for the twelve month period ended January 1 of each year.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM**  
**PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN THE COUNTY'S UOPP PLAN NET PENSION**  
**LIABILITY AND RELATED RATIOS**

**Last Eight Fiscal Years Ending June 30**

(Dollar Amounts in Thousands)

<b>Single-Employer Defined Benefit Plan</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
Total Pension Liability								
Service Cost	\$ 2,648	\$ 2,704	\$ 2,802	\$ 2,527	\$ 2,779	\$ 3,163	\$ 3,387	\$ 3,605
Interest	20,402	19,248	17,970	15,775	14,445	13,252	12,354	11,498
Differences between Expected and Actual Experience	3,614	5,997	8,497	3,659	6,769	11,652	1,812	2,569
Changes of Assumptions	10,541	338	(115)	18,458	(3,184)	(2,659)	1,900	-
Benefits Payment, including Refunds of Employee Contributions	(12,865)	(11,782)	(11,106)	(9,747)	(8,916)	(7,089)	(5,723)	(4,757)
Net Change in Total Pension Liability	24,340	16,505	18,048	30,672	11,893	18,319	13,730	12,915
Total Pension Liability - Beginning of Year *	<u>285,079</u>	<u>268,574</u>	<u>250,526</u>	<u>219,854</u>	<u>207,961</u>	<u>189,642</u>	<u>175,912</u>	<u>162,997</u>
Total Pension Liability - End of Year (a)	<u>\$ 309,419</u>	<u>\$ 285,079</u>	<u>\$ 268,574</u>	<u>\$ 250,526</u>	<u>\$ 219,854</u>	<u>\$ 207,961</u>	<u>\$ 189,642</u>	<u>\$ 175,912</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 7,480	\$ 7,471	\$ 6,947	\$ 5,683	\$ 5,330	\$ 4,077	\$ 3,553	\$ 3,449
Contributions - Employees	1,269	1,158	1,249	1,306	1,351	1,579	1,620	1,654
Net Investment Income (Loss)	(28,418)	51,507	(1,661)	8,030	13,611	19,443	(214)	3,493
Benefits Paid, including Refunds of Employee Contributions	(12,865)	(11,782)	(11,106)	(9,747)	(8,916)	(7,089)	(5,723)	(4,757)
Administrative Expenses	(643)	(850)	(1,033)	(676)	(443)	(410)	(439)	(788)
Other	(10)							
Net Change in Plan Fiduciary Net Position	(33,187)	47,504	(5,604)	4,596	10,933	17,600	(1,203)	3,051
Plan Fiduciary Net Position, Beginning of Year	<u>226,221</u>	<u>178,717</u>	<u>184,321</u>	<u>179,725</u>	<u>168,792</u>	<u>151,192</u>	<u>152,395</u>	<u>149,344</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 193,034</u>	<u>\$ 226,221</u>	<u>\$ 178,717</u>	<u>\$ 184,321</u>	<u>\$ 179,725</u>	<u>\$ 168,792</u>	<u>\$ 151,192</u>	<u>\$ 152,395</u>
County's Net Pension Liability - Ending (a)-(b)	<u>\$ 116,385</u>	<u>\$ 58,858</u>	<u>\$ 89,857</u>	<u>\$ 66,205</u>	<u>\$ 40,129</u>	<u>\$ 39,169</u>	<u>\$ 38,450</u>	<u>\$ 23,517</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.39%	79.35%	66.54%	73.57%	81.75%	81.17%	79.72%	86.63%
Covered Payroll **	\$ 20,088	\$ 21,152	\$ 20,738	\$ 22,732	\$ 23,063	\$ 24,457	\$ 27,464	\$ 29,171
County's Net Pension Liability as a Percentage of Covered Payroll	579.38%	278.27%	433.29%	291.25%	174.00%	160.16%	140.00%	80.62%

**Note:** This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

Years will be added to this schedule in future fiscal years until 10 years of information is available.

\* The liability values the January 1 data is rolled forward to June 30 using a 7.25% discounted rate.

\*\* The covered payroll is for the twelve month period ended January 1 of each year.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM**  
**PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN THE COUNTY'S TEACHER'S PLAN NET PENSION**  
**LIABILITY AND RELATED RATIOS**

**Last Eight Fiscal Years Ending June 30**

(Dollar Amounts in Thousands)

<b><u>Single-Employer Defined Benefit Plans</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015*</u></b>
Total Pension Liability								
Interest	\$ 3,981	\$ 4,170	\$ 4,322	\$ 4,404	\$ 4,532	\$ 4,719	\$ 4,906	\$ 5,073
Differences between Expected and Actual Experience	1,164	(334)	117	(862)	(690)	(775)	(937)	(821)
Changes of Assumptions	362	(74)	(108)	1,809	891	-	-	-
Benefits Payment, including Refunds of Employee Contributions	(6,478)	(6,460)	(6,528)	(6,532)	(6,587)	(6,633)	(6,655)	(6,617)
Net Change in Total Pension Liability	(971)	(2,698)	(2,197)	(1,181)	(1,854)	(2,689)	(2,686)	(2,365)
Total Pension Liability - Beginning of Year *	60,051	62,749	64,946	66,127	67,981	70,670	73,356	75,721
Total Pension Liability - End of Year (a)	<u>\$ 59,080</u>	<u>\$ 60,051</u>	<u>\$ 62,749</u>	<u>\$ 64,946</u>	<u>\$ 66,127</u>	<u>\$ 67,981</u>	<u>\$ 70,670</u>	<u>\$ 73,356</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,200	\$ 1,200	\$ 754	\$ 475	\$ 552	\$ 727	\$ 832	\$ 1,134
Contributions - Employees	-	-	-	-	-	1	4	9
Net Investment Income (Loss)	(6,163)	12,283	87	2,670	4,813	6,814	(437)	1,733
Benefits Paid, including Refunds of Employee Contributions	(6,478)	(6,460)	(6,527)	(6,534)	(6,587)	(6,633)	(6,655)	(6,617)
Administrative Expenses	(92)	(128)	(161)	(106)	(168)	(172)	(122)	(274)
Transfers to Other DC Plans for Disability Benefits	-	-	-	(339)	-	-	-	-
Net Change in Plan Fiduciary Net Position	(11,533)	6,895	(5,847)	(3,834)	(1,390)	737	(6,378)	(4,015)
Plan Fiduciary Net Position, Beginning of Year	54,608	47,713	53,560	57,394	58,784	58,047	64,425	68,440
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 43,075</u>	<u>\$ 54,608</u>	<u>\$ 47,713</u>	<u>\$ 53,560</u>	<u>\$ 57,394</u>	<u>\$ 58,784</u>	<u>\$ 58,047</u>	<u>\$ 64,425</u>
County's Net Pension Liability - Ending (a)-(b)	<u>\$ 16,005</u>	<u>\$ 5,443</u>	<u>\$ 15,036</u>	<u>\$ 11,386</u>	<u>\$ 8,733</u>	<u>\$ 9,197</u>	<u>\$ 12,623</u>	<u>\$ 8,931</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.91%	90.94%	76.04%	82.47%	86.79%	86.47%	82.13%	87.82%
Covered Payroll **	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Note:** This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

Years will be added to this schedule in future fiscal years until 10 years of information is available.

\* The liability values the January 1 data is rolled forward to June 30 using a 7.0% discounted rate

\*\* The covered payroll for the Teacher's Plan is \$0 since all active employees are over Normal Retirement Age.



**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM**  
**PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE**  
**SCHEDULE OF COUNTY'S CLOSED DEFINED BENEFIT PLAN**  
**EMPLOYER PENSION CONTRIBUTIONS**

Last Eight Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

<b>Single-Employer Defined Benefit Plan</b>	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 3,220	\$ 3,533	\$ 3,611	\$ 3,153	\$ 2,956	\$ 3,119	\$ 3,111	\$ 2,660
Contributions in Relation to the Actuarially Determined Contribution	3,220	3,536	3,623	3,160	3,044	3,119	3,160	2,695
Contribution Deficiency (Excess)	\$ -	\$ (3)	\$ (12)	\$ (7)	\$ (88)	\$ -	\$ (49)	\$ (35)
Covered Payroll *	\$ 1,160	\$ 1,256	\$ 1,477	\$ 1,585	\$ 1,672	\$ 1,953	\$ 2,038	\$ 2,407
Contributions as a Percentage of Covered Payroll	277.74%	281.47%	245.31%	199.33%	182.08%	159.71%	155.04%	111.96%

Notes:

\* Covered payroll is for the 12 month period ended January 1.

A. This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

B. Valuation Date: January 1.  
Measurement Date: June 30.

Actuarial determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization Period	19 Years as of 1/1/2014
Asset Valuation Method	5-year smoothed, subject to a 10% corridor around the fair value of assets
Salary Increases	Active Contributing: 2.50%; Active Not-Contributing: 3.00%
Cost of Living Increases	3.00% on the original benefit
Investment Rate of Return	7.00%, net of pension plan investment expenses
Retirement Age	Age 65 and 5 years of service
Mortality Table	Pre-retirement: SOA RP-2014 Total Dataset Mortality Table, Scale MP-2020, Fully Generational Post-retirement: SOA RP-2014 Blue Collar table with 102% adjustment for Males and 97% adjustment for Females, Scale MP-2020, projected 6 years beyond each valuation date
Disability Table	Linked to the TCRS mortality for disabled lives - 110% of standard IRS disabled mortality table (sex-distinct mortality table per RR 96-7)

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM**  
**PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE**  
**SCHEDULE OF COUNTY'S UOPP**  
**EMPLOYER PENSION CONTRIBUTIONS**

**Last Eight Fiscal Years Ending June 30**

**(Dollar Amounts in Thousands)**

<b>Single-Employer Defined Benefit Plan</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially Determined Contribution (ADC)	\$ 7,481	\$ 7,356	\$ 6,942	\$ 5,675	\$ 5,298	\$ 4,077	\$ 3,547	\$ 3,434
Contributions in Relation to the Actuarially Determined Contribution	7,481	7,471	6,947	5,683	5,330	4,077	3,553	3,449
Contribution Deficiency (Excess)	\$ -	\$ (115)	\$ (5)	\$ (8)	\$ (32)	\$ -	\$ (6)	\$ (15)
Covered Payroll *	\$ 21,152	\$ 20,738	\$ 22,732	\$ 23,063	\$ 24,457	\$ 27,469	\$ 29,171	\$ 30,343
Contributions as a Percentage of Covered Payroll	35.37%	36.02%	30.56%	24.64%	23.11%	16.67%	12.94%	11.82%

Notes:

- \* Covered payroll is for the 12 month period ended January 1.
- A. This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.
- B. Valuation Date: January 1.  
Measurement Date: June 30.

Actuarial determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization Period	30 Years as of 1/1/2021
Asset Valuation Method	5-year smoothed, subject to a 20% corridor around the fair value of assets
Salary Increases	3.00%
Cost of Living Increases	3.00% through age 62 and then to 3.10% over age 62
Investment Rate of Return	7.25%
Retirement Age	Participants hired after age 40 - age 50 and 25 years of service Participants hired before age 40 - varies by age and service
Mortality Table	RP-2014 Blue Collar Table with 140% adjustment for Males and Females (Scale MP-2020)
Disability Table	Linked to the TCRS mortality for disabled lives - 110% of standard IRS disabled mortality table (sex-distinct mortality table per RR96-7)

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM**  
**PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE**  
**SCHEDULE OF BOARD'S EMPLOYER PENSION CONTRIBUTIONS**

**Last Eight Fiscal Years Ending June 30**

**(Dollar Amounts in Thousands)**

<b>Single-Employer Defined Benefit Plan</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution (ADC)	\$ 563	\$ 820	\$ 754	\$ 475	\$ 552	\$ 727	\$ 832	\$ 1,134
Contributions in Relation to the Actuarially Determined Contribution	<u>1,200</u>	<u>1,200</u>	<u>754</u>	<u>475</u>	<u>552</u>	<u>727</u>	<u>832</u>	<u>1,134</u>
Contribution Deficiency (Excess)	<u>\$ (637)</u>	<u>\$ (380)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

\* Covered payroll is for the 12 month period ended January 1. The covered payroll for the Teacher's Plan is \$0 since there are no active employees.

A. This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

B. Valuation Date: January 1.  
Measurement Date: June 30.

Actuarial determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization Period	19 Years as of 1/1/2014
Asset Valuation Method	5-year smoothed, subject to a 10% corridor around the fair value of assets
Salary Increases	N/A
Cost of Living Increases	2.50%
Investment Rate of Return	7.00%, net of pension plan investment expenses
Retirement Age	60 or immediately if older (25 years of service or greater) 62 or immediately if older (less than 25 years of service)
Mortality Table	RP-2014 Blue Collar Table with 102% adjustment for Males and 97% adjustment for Females (Scale MP-2020) Projection 6 yrs beyond each valuation date

KNOX COUNTY, TENNESSEE  
**Required Supplementary Information**  
*June 30, 2022*

**KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM  
PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE  
CLOSED DEFINED BENEFIT PLAN  
SCHEDULE OF INVESTMENT RETURNS**

**Last Eight Fiscal Years Ending June 30**

<b>Single-Employer Defined Benefit Plans</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>-10.65%</u>	<u>22.54%</u>	<u>0.29%</u>	<u>5.56%</u>	<u>8.71%</u>	<u>11.98%</u>	<u>(0.90%)</u>	<u>2.59%</u>

**UOPP PLAN  
SCHEDULE OF INVESTMENT RETURNS**

**Last Eight Fiscal Years Ending June 30**

<b>Single-Employer Defined Benefit Plans</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>-12.64%</u>	<u>28.99%</u>	<u>(0.91%)</u>	<u>4.51%</u>	<u>8.14%</u>	<u>12.92%</u>	<u>(0.14%)</u>	<u>2.34%</u>

**TEACHER'S PLAN  
SCHEDULE OF INVESTMENT RETURNS**

**Last Eight Fiscal Years Ending June 30**

<b>Single-Employer Defined Benefit Plans</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>-11.70%</u>	<u>26.74%</u>	<u>0.17%</u>	<u>4.93%</u>	<u>8.55%</u>	<u>12.24%</u>	<u>(0.70%)</u>	<u>2.62%</u>

**Note:** These are 10-year schedules; however, the information in these schedules is not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**SCHEDULE OF CHANGES IN KNOX COUNTY EXECUTIVE AND OFFICIAL'S NET PENSION  
LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE  
KNOX COUNTY EXECUTIVES AND OFFICIAL'S PUBLIC PENSION PLAN OF TCRS**

**Last Eight Fiscal Years Ending June 30\***

<b>Agent Multiple-Employer Defined Benefit Plan - TCRS</b>	<b>2022*</b>	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>	<b>2017*</b>	<b>2016*</b>	<b>2015*</b>
<b>Total Pension Liability</b>								
Service Cost	\$ 39,827	\$ 38,528	\$ 50,511	\$ 54,971	\$ 34,497	\$ 45,891	\$ 38,325	\$ 52,980
Interest	222,574	206,145	194,228	201,571	170,637	157,436	142,449	134,723
Differences between Expected and Actual Experience	2,004	80,897	22,793	(270,056)	269,763	64,944	91,692	9,345
Change of Assumptions	64,171	-	-	-	91,662	-	-	-
Benefits Payment, including Refunds of Employee Contributions	(102,162)	(98,359)	(84,001)	(82,602)	(81,204)	(80,538)	(79,872)	(78,871)
<b>Net Change in Total Pension Liability</b>	<b>226,414</b>	<b>227,211</b>	<b>183,531</b>	<b>(96,116)</b>	<b>485,355</b>	<b>187,733</b>	<b>192,594</b>	<b>118,177</b>
<b>Total Pension Liability - Beginning of Year</b>	<b>3,081,241</b>	<b>2,854,030</b>	<b>2,670,499</b>	<b>2,766,615</b>	<b>2,281,260</b>	<b>2,093,527</b>	<b>1,900,933</b>	<b>1,782,756</b>
<b>Total Pension Liability - End of Year (a)</b>	<b>\$ 3,307,655</b>	<b>\$ 3,081,241</b>	<b>\$ 2,854,030</b>	<b>\$ 2,670,499</b>	<b>\$ 2,766,615</b>	<b>\$ 2,281,260</b>	<b>\$ 2,093,527</b>	<b>\$ 1,900,933</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 111,107	\$ 108,511	\$ 131,794	\$ 130,224	\$ 121,769	\$ 105,298	\$ 102,177	\$ 90,961
Contributions - Employees	60,319	58,909	57,754	57,166	56,063	48,435	47,000	42,505
Net Investment Income	850,000	152,472	207,018	205,080	241,276	52,836	57,404	256,275
Benefits Paid, including Refunds of Employee Contributions	(102,162)	(98,359)	(84,001)	(82,602)	(81,204)	(80,538)	(79,872)	(78,871)
Administrative Expenses	(626)	(620)	(642)	(665)	(581)	(454)	(305)	(313)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>918,638</b>	<b>220,913</b>	<b>311,923</b>	<b>309,203</b>	<b>337,323</b>	<b>125,577</b>	<b>126,404</b>	<b>310,557</b>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<b>3,260,656</b>	<b>3,039,743</b>	<b>2,727,820</b>	<b>2,418,617</b>	<b>2,081,294</b>	<b>1,955,717</b>	<b>1,829,313</b>	<b>1,518,756</b>
<b>Plan Fiduciary Net Position, End of Year (b)</b>	<b>\$ 4,179,294</b>	<b>\$ 3,260,656</b>	<b>\$ 3,039,743</b>	<b>\$ 2,727,820</b>	<b>\$ 2,418,617</b>	<b>\$ 2,081,294</b>	<b>\$ 1,955,717</b>	<b>\$ 1,829,313</b>
<b>Net Pension Liability (asset) - Ending (a)-(b)</b>	<b>\$ (871,639)</b>	<b>\$ (179,415)</b>	<b>\$ (185,713)</b>	<b>\$ (57,321)</b>	<b>\$ 347,998</b>	<b>\$ 199,966</b>	<b>\$ 137,810</b>	<b>\$ 71,620</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>126.35%</b>	<b>105.82%</b>	<b>106.51%</b>	<b>102.15%</b>	<b>87.42%</b>	<b>91.23%</b>	<b>93.42%</b>	<b>96.23%</b>
<b>Covered Payroll</b>	<b>\$ 1,206,371</b>	<b>\$ 1,178,188</b>	<b>\$ 1,155,077</b>	<b>\$ 1,143,319</b>	<b>\$ 1,121,264</b>	<b>\$ 968,701</b>	<b>\$ 939,994</b>	<b>\$ 850,101</b>
<b>Net Pension Liability (asset) as a Percentage of Covered Payroll</b>	<b>-72.25%</b>	<b>-15.23%</b>	<b>-16.08%</b>	<b>-5.01%</b>	<b>31.04%</b>	<b>20.64%</b>	<b>14.66%</b>	<b>8.42%</b>

**Notes:**

\* The amounts presented were determined as of June 30 of the prior year (measurement date).

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Change of Assumptions: In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2018, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost of living adjustment, salary growth, and mortality improvements.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**SCHEDULE OF KNOX COUNTY EXECUTIVE AND OFFICIAL'S EMPLOYER CONTRIBUTIONS**  
**BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS**  
**KNOX COUNTY EXECUTIVE AND OFFICIAL'S**

**Last Nine Fiscal Years Ending June 30**

<b>Agent Multiple-Employer Defined Benefit Plan - TCRS</b>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 113,456	\$ 111,106	\$ 108,511	\$ 131,795	\$ 130,224	\$ 121,769	\$ 105,298	\$ 102,177	\$ 90,961
Contributions in Relation to the Actuarially Determined Contribution	<u>113,456</u>	<u>111,106</u>	<u>108,511</u>	<u>131,795</u>	<u>130,224</u>	<u>121,769</u>	<u>105,298</u>	<u>102,177</u>	<u>90,961</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$1,227,879	\$1,206,371	\$1,178,188	\$1,155,077	\$1,143,319	\$1,121,264	\$ 968,701	\$ 939,994	\$ 850,101
Contributions as a Percentage of Covered Payroll	9.24%	9.21%	9.21%	11.41%	11.39%	10.86%	10.87%	10.87%	10.70%

Notes:

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2022 were based on the results of the June 30, 2020 actuarial valuation. Details below are the methods and assumptions used in the June 30, 2020 actuarial valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed (not to exceed 20 years)
Remaining Amortization Period	Various
Asset Valuation Method	10-year smoothed within a 20% corridor to fair value
Inflation	2.5%
Salary Increases	Graded salary ranges from 8.72 to 3.44% based on age, including inflation, averaging 4.0%
Investment Rate of Return	7.25%, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2019 (static projection to 6 years beyond the valuation date)
Cost of Living Adjustments	2.25%

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

SCHEDULE OF KNOX COUNTY SCHOOLS'  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
TEACHER LEGACY PENSION PLAN OF TCRS

Last Eight Fiscal Years Ending June 30\*

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Knox County School's Proportion of the Net Pension Liability (Asset)	6.01%	6.04%	5.52%	6.91%	6.10%	6.21%	6.26%	6.25%
Knox County School's Proportionate Share of the Net Pension Liability (Asset)	\$ (259,057,393)	\$ (46,070,839)	\$ (56,730,932)	\$ (24,319,977)	\$ (1,995,550)	\$ 38,804,134	\$ 2,564,810	\$ (1,016,013)
Knox County School's Covered Payroll	\$ 197,102,415	\$ 200,768,986	\$ 184,948,999	\$ 242,147,658	\$ 216,664,053	\$ 224,140,267	\$ 234,393,501	\$ 245,412,756
Knox County School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(131.43%)	(22.95%)	(30.67%)	(10.04%)	(0.92%)	17.31%	1.09%	(0.41%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.13%	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

Notes:

\* The amounts presented were determined as of June 30 of the prior year (measurement date).

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Change of Assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost of living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**SCHEDULE OF KNOX COUNTY SCHOOLS' EMPLOYER CONTRIBUTIONS**  
**TEACHER LEGACY PENSION PLAN OF TCRS**

**Last Nine Fiscal Years Ending June 30**

<b><u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u></b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018 (B)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually Required Contribution	\$ 20,589,967	\$ 20,245,288	\$ 21,374,430	\$ 19,342,206	\$ 21,984,186	\$ 19,490,507	\$ 20,262,260	\$ 21,188,757	\$ 21,792,648
Contributions in Relation to the Contractually Required Contribution	<u>20,589,967</u>	<u>20,245,288</u>	<u>21,374,430</u>	<u>19,342,206</u>	<u>21,984,186</u>	<u>19,490,507</u>	<u>20,262,260</u>	<u>21,188,757</u>	<u>21,792,648</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Knox County School's Covered Payroll	\$ 199,902,551	\$ 197,102,415	\$ 200,768,986	\$ 184,915,833	\$ 242,116,434	\$ 216,664,053	\$ 224,140,267	\$ 234,393,501	\$ 245,412,706
Contributions as a Percentage of Knox County School's Covered Payroll	10.30%	10.27%	10.65%	10.46%	9.08%	9.00%	9.04%	9.04%	8.88%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes:

(A) Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2022 were calculated based on the June 30, 2020 valuation.

(B) During FY 2018 Knox County Schools remitted the employer contributions for ten month contract employees in June 2018 for the July and August 2019 payroll.



**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**SCHEDULE OF KNOX COUNTY SCHOOLS'**  
**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**TEACHER RETIREMENT PLAN OF TCRS**

Last Seven Fiscal Year Ending June 30\*

<b><u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u></b>	<b><u>2022*</u></b>	<b><u>2021*</u></b>	<b><u>2020*</u></b>	<b><u>2019*</u></b>	<b><u>2018*</u></b>	<b><u>2017*</u></b>	<b><u>2016*</u></b>
Knox County School's Proportion of the Net Pension Liability (Asset)	6.45%	6.33%	5.75%	7.02%	6.24%	6.43%	6.97%
Knox County School's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,991,122)	\$ (3,602,386)	\$ (3,243,062)	\$ (3,182,975)	\$ (1,645,866)	\$ (668,960)	\$ (280,487)
Knox County School's Covered Payroll	\$ 93,151,186	\$ 80,297,958	\$ 60,777,948	\$ 61,196,108	\$ 39,855,536	\$ 28,274,452	\$ 14,486,226
Knox County School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-7.51%	(4.49%)	(5.34%)	(5.20%)	(4.13%)	(2.37)%	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	121.53%	116.52%	123.07%	126.97%	126.81%	121.88%	127.46%

Notes:

\* The amounts presented were determined as of June 30 of the prior fiscal year.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of Assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost of living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from and average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**SCHEDULE OF KNOX COUNTY SCHOOLS' EMPLOYER CONTRIBUTIONS  
TEACHER RETIREMENT PLAN OF TCRS**

**Last Eight Fiscal Years Ending June 30**

<b><u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019 (A)</u></b>	<b><u>2018 (B)</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015*</u></b>
Contractually Required Contribution	\$ 2,172,167	\$ 1,881,559	\$ 1,622,856	\$ 1,171,936	\$ 2,443,004	\$ 1,637,711	\$ 707,767	\$ 362,156
Contributions in Relation to the Contractually Required Contribution	<u>2,172,167</u>	<u>1,881,559</u>	<u>1,622,856</u>	<u>1,171,936</u>	<u>2,443,004</u>	<u>1,637,711</u>	<u>1,130,975</u>	<u>579,452</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (423,208)</u>	<u>\$ (217,296)</u>
Knox County School's Covered Payroll	\$ 108,068,489	\$ 93,151,186	\$ 80,297,958	\$ 60,409,367	\$ 61,075,221	\$ 39,885,536	\$ 28,274,452	\$ 14,486,226
Contributions as a Percentage of Knox County School's Covered Payroll	2.01%	2.02%	2.02%	1.94%	4.00%	4.11%	4.00%	4.00%
Stabilization Reserve Trust Deposits as a Percentage of Knox County School's Covered Payroll	1.99%	1.98%	1.98%	2.06%	-	-	-	-

\* This plan started July 1, 2014.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes:

(A) Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2022 were calculated based on the June 30, 2020 valuation.

(B) During FY 2018, Knox County Schools remitted the employer contributions for ten month contract employees in June 2018 for the July and August 2018 payroll.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - RETIREE HEALTHCARE PLAN**  
**SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS**

**Last Five Fiscal Years**

(Dollar Amounts in Thousands)

<b><u>OPEB - Retiree Healthcare Plan</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018 (A)</u></b>
Total OPEB Liability					
Service Cost	\$ 372	\$ 390	\$ 350	\$ 470	\$ 394
Interest	479	504	485	647	615
Differences between Expected and Actual Experience	(747)	-	(1,764)	-	77
Changes of Assumptions	73	269	(1,371)	(361)	923
Benefits Payment, including Refunds of Employee Contributions	<u>(359)</u>	<u>(374)</u>	<u>(290)</u>	<u>(395)</u>	<u>(359)</u>
Net Change in Total OPEB Liability	(182)	789	(2,590)	361	1,650
Total OPEB Liability - Beginning of Year	<u>8,781</u>	<u>7,992</u>	<u>10,582</u>	<u>10,221</u>	<u>8,571</u>
Total OPEB Liability - End of Year (a)	<u>\$ 8,599</u>	<u>\$ 8,781</u>	<u>\$ 7,992</u>	<u>\$ 10,582</u>	<u>\$ 10,221</u>
Plan Fiduciary Net Position					
Contributions - Trust	\$ 666	\$ 524	\$ 960	\$ 960	\$ 850
Contributions - Employer Non Trust	359	374	290	395	359
Benefit Payments	(359)	(374)	(290)	(395)	(359)
Net Investment Income	(792)	1,192	60	65	106
Administrative Expense	<u>(63)</u>	<u>(67)</u>	<u>(52)</u>	<u>(59)</u>	<u>(49)</u>
Net Change in Plan Fiduciary Net Position	(189)	1,649	968	966	907
Plan Fiduciary Net Position, Beginning of Year*	<u>5,762</u>	<u>4,113</u>	<u>3,145</u>	<u>2,179</u>	<u>1,272</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 5,573</u>	<u>\$ 5,762</u>	<u>\$ 4,113</u>	<u>\$ 3,145</u>	<u>\$ 2,179</u>
County's Net OPEB Liability - Ending (a) - (b)	<u>\$ 3,026</u>	<u>\$ 3,019</u>	<u>\$ 3,879</u>	<u>\$ 7,437</u>	<u>\$ 8,042</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	64.81%	65.62%	51.47%	29.72%	21.32%
Covered Employee Payroll **	\$ 106,547	\$ 114,623	\$ 110,747	\$ 105,467	\$ 101,900
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	2.84%	2.63%	3.50%	7.05%	7.89%

Notes:

(A) FY2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.

\* For FY2018, the beginning value shown is July 1, 2017.

\*\* The covered employee payroll is for the 12 month period ended June 30.

Assumption Changes: A discount rate of 7.00% was for the fiscal year ending June 30, 2017, 6.16% for 2018, 6.57% for 2019, 6.15% for 2020, 5.77% for 2021-2022.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - RETIREE HEALTHCARE PLAN**  
**SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS**

**Last Five Fiscal Years**

(Dollar Amounts in Thousands)

<b><u>OPEB - Retiree Healthcare Plan</u></b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Actuarially Determined Contribution (ADC)	\$ 531	\$ 648	\$ 674	\$ 960	\$ 874
Contributions in Relation to the Actuarially Determined Contribution	<u>1,025</u>	<u>898</u>	<u>1,250</u>	<u>1,355</u>	<u>1,209</u>
Contribution Deficiency (Excess)	<u>\$ (494)</u>	<u>\$ (250)</u>	<u>\$ (576)</u>	<u>\$ (395)</u>	<u>\$ (335)</u>
Covered Employee Payroll*	\$ 106,547	\$ 114,623	\$ 110,747	\$ 105,467	\$ 101,900
Contributions as a Percentage of Covered Employee Payroll	0.96%	0.78%	1.13%	1.28%	1.19%

NOTES:

\* The covered employee payroll is for the 12 month period ended June 30.

(A) FY2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.

Valuation Date: July 1, 2021

Measurement Date: June 30, 2021

Actuarial determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	26 Years
Asset Valuation	Fair Value
Inflation	2.00%
Healthcare Trend Rates	7.0% initially, decreasing to an ultimate rate of 4.5% in 2026
Salary Increases	3.50%
Payroll Growth	2.50%
Investment Rate of Return	5.77%
Average Assumed Retirement Age	57
Mortality Table	RPH-2014 Headcount-weighted total dataset with Scale MP-2021

KNOX COUNTY, TENNESSEE  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - RETIREE HEALTHCARE PLAN**  
**SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN**

Last Five Fiscal Years

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018(A)</b>
Annual Money-Weighted Rate of Return (Loss),					
Net of Investment Expenses	-3.29%	26.38%	4.27%	0.27%	4.27%

Note:

(A) FY 2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - DISABILITY PLAN**  
**SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS**

**Last Five Fiscal Years**

(Dollar Amounts in Thousands)

<b>OPEB - Disability Plan</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Total OPEB Liability					
Service Cost	\$ 247	\$ 240	\$ 238	\$ 230	\$ 315
Interest	243	243	265	252	209
Differences between Expected and Actual Experience	317	(32)	(420)	(36)	1,053
Changes of Assumptions	-	2	(3)	24	(618)
Benefits Payment, including Refunds of Employee Contributions	<u>(545)</u>	<u>(406)</u>	<u>(328)</u>	<u>(281)</u>	<u>(247)</u>
Net Change in Total OPEB Liability	262	47	(248)	189	712
Total OPEB Liability - Beginning of Year	<u>3,490</u>	<u>3,443</u>	<u>3,691</u>	<u>3,502</u>	<u>2,790</u>
Total OPEB Liability - End of Year (a)	<u>\$ 3,752</u>	<u>\$ 3,490</u>	<u>\$ 3,443</u>	<u>\$ 3,691</u>	<u>\$ 3,502</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 3,126	\$ 1,199	\$ 1,228	\$ 1,422	\$ 1,166
Net Investment Income	(476)	474	11	(13)	165
Other	-	(14)	(11)	(41)	(13)
Benefit Payments	(545)	(406)	(328)	(281)	(247)
Administrative Expense	<u>(931)</u>	<u>(606)</u>	<u>(960)</u>	<u>(907)</u>	<u>(1,351)</u>
Net Change in Plan Fiduciary Net Position	1,174	647	(60)	180	(280)
Plan Fiduciary Net Position, Beginning of Year*	<u>1,758</u>	<u>1,111</u>	<u>1,171</u>	<u>991</u>	<u>1,271</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 2,932</u>	<u>\$ 1,758</u>	<u>\$ 1,111</u>	<u>\$ 1,171</u>	<u>\$ 991</u>
County's Net OPEB Liability - Ending (a) - (b)	<u>\$ 820</u>	<u>\$ 1,732</u>	<u>\$ 2,332</u>	<u>\$ 2,520</u>	<u>\$ 2,511</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	78.14%	50.37%	32.27%	31.73%	28.30%
Covered Employee Payroll **	\$ 189,451	\$ 183,771	\$ 181,072	\$ 178,757	\$ 170,264
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	0.43%	0.94%	1.29%	1.41%	1.47%

Notes:

(A) FY2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.

\* For FY2018, the beginning value shown is July 1, 2017.

\*\*The covered employee payroll is for the 12 month period ended June 30

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - DISABILITY PLAN**  
**SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS**

**Last Five Fiscal Years**

(Dollar Amounts in Thousands)

<b>OPEB - Disability Plan</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Actuarially Determined Contribution (ADC)	\$ 528	\$ 556	\$ 579	\$ 503	\$ 453
Contributions in Relation to the Actuarially Determined Contribution	<u>3,082</u>	<u>1,199</u>	<u>1,228</u>	<u>1,422</u>	<u>1,166</u>
Contribution Deficiency (Excess)	<u>\$ (2,554)</u>	<u>\$ (643)</u>	<u>\$ (649)</u>	<u>\$ (919)</u>	<u>\$ (713)</u>
Covered Employee Payroll*	\$ 183,771	\$ 181,072	\$ 178,757	\$ 170,264	\$ 162,813
Contributions as a Percentage of Covered Employee Payroll	1.68%	0.66%	0.69%	0.84%	0.72%

Notes:

\* The covered employee payroll is for the 12 month period ended June 30.

(A) FY2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.

Valuation Date: January 1, 2021

Measurement Date: June 30, 2021

Actuarial determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization Period	20 Years, as of January 1, 2014
Asset Valuation Method	5-year smoothed, subject to a 20% corridor around the fair value of assets
Inflation	2.24%
Salary	3.0% for UOPP, STAR, and Closed DB active non-contributing 2.5% for Closed DB active contributing
Cost of Living Increase	None
Investment Rate of Return	7.0%
Retirement Age	Closed DB Plan - Age 65 with 5 years of credited service Asset Accumulation - Age 65 with 5 years of credited service
	UOPP - Varies by age and service STAR - Age 57 with 10 years of credited service
Disabled Mortality	Linked to the TCRS mortality for disabled lives - 110% of standard IRS disabled mortality table (sex-distinct mortality table per RR 96-7)
Disabled Type	Closed DB - Not in Line of Duty Asset Accumulation - Not in Line of Duty UOPP - In Line of Duty STAR - In Line of Duty
Healthy Mortality	County & Asset Accumulation: Base Table: RP 2014 Total Dataset Improvement Scale: Scale MP-2020 Projection Period: Fully Generational UOPP & STAR Pre-Retirement: Base Table: RP 2014 Blue Collar, Adjusted to 2006 Improvement Scale: Scale MP-2020 Projection Period: Fully Generational

KNOX COUNTY, TENNESSEE  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - DISABILITY PLAN**  
**SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN**

Last Five Fiscal Years

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018(A)</b>
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expenses	-16.57%	29.16%	0.87%	0.15%	11.89%

Note:

(A) FY 2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.



**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - CLOSED TEACHER GROUP OPEB PLAN**  
**SCHEDULE OF CHANGES IN THE BOARD'S PROPORTIONATE SHARE OF COLLECTIVE**  
**OPEB LIABILITY AND RELATED RATIOS**

Last Five Fiscal Years

(Dollar Amounts in Thousands)

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 3,186	\$ 2,541	\$ 2,632	\$ 2,949	\$ 3,172
Interest	1,330	1,626	1,630	1,838	1,538
Differences between Expected and Actual Experience	(433)	6,018	3,746	(9,298)	-
Changes of Assumptions	11,800	6,205	(3,686)	1,405	(2,376)
Benefit Payments	(3,521)	(2,818)	(3,065)	(3,277)	(3,078)
Net Change in Total OPEB Liability	12,362	13,572	1,257	(6,383)	(744)
Total OPEB Liability - Beginning	58,754	45,182	43,925	50,308	51,052
Total OPEB Liability - Ending	<u>\$ 71,116</u>	<u>\$ 58,754</u>	<u>\$ 45,182</u>	<u>\$ 43,925</u>	<u>\$ 50,308</u>
Nonemployer Contributing Entities Proportionate Share of the Collective Total OPEB Liability	<u>\$ 24,560</u>	<u>\$ 19,300</u>	<u>\$ 15,607</u>	<u>\$ 14,726</u>	<u>\$ 17,348</u>
Employer's Proportionate Share of the Collective Total OPEB Liability	<u>\$ 46,555</u>	<u>\$ 39,454</u>	<u>\$ 29,575</u>	<u>\$ 29,198</u>	<u>\$ 32,960</u>
Covered Employee Payroll	<u>\$ 199,903</u>	<u>\$ 200,022</u>	<u>\$ 184,916</u>	<u>\$ 242,148</u>	<u>\$ 216,664</u>
Employer's Proportionate Share of Collective Total OPEB Liability as a Percentage of Covered Employee Payroll	23.29%	19.72%	15.99%	12.06%	15.21%

Notes:

(A) There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan.

(B) The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

(C) Additional years will be added in the future until 10 years of information is available.

Change of Assumptions: The discount rate was changed from 3.56% as of the beginning of the measurement period to 3.62% as of June 30, 2018, 3.51% as of 2019, 3.51% as of 2020, 2.21% as of 2021, 2.16% as of 2022

**KNOX COUNTY, TENNESSEE**  
**Required Supplementary Information**  
*June 30, 2022*

**OPEB - CLOSED TENNESSEE PLAN**  
**SCHEDULE OF CHANGES IN THE BOARD'S PROPORTIONATE SHARE OF COLLECTIVE**  
**OPEB LIABILITY AND RELATED RATIOS**

Last Five Fiscal Years

(Dollar Amounts in Thousands)

**Closed Tennessee OPEB Plan**

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 410	\$ 292	\$ 217	\$ 289	\$ 354
Interest	381	489	425	507	448
Differences between Expected and Actual Experience	74	84	1,782	(2,594)	-
Changes of Assumptions	(2,377)	2,943	232	(93)	(1,338)
Benefit Payments	(607)	(572)	(536)	(520)	(500)
Net Change in Total OPEB Liability	(2,119)	3,236	2,120	(2,411)	(1,036)
Total OPEB Liability - Beginning	17,147	13,911	11,791	14,202	15,238
Total OPEB Liability - Ending	<u>\$ 15,028</u>	<u>\$ 17,147</u>	<u>\$ 13,911</u>	<u>\$ 11,791</u>	<u>\$ 14,202</u>
Nonemployer Contributing Entities Proportionate Share of the Collective Total OPEB Liability	<u>\$ 15,028</u>	<u>\$ 17,147</u>	<u>\$ 13,911</u>	<u>\$ 11,791</u>	<u>\$ 14,202</u>
Employer's Proportionate Share of the Collective Total OPEB Liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	<u>\$ 199,903</u>	<u>\$ 200,022</u>	<u>\$ 184,916</u>	<u>\$ 242,148</u>	<u>\$ 216,664</u>
Employer's Proportionate Share of Collective Total OPEB Liability as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

(A) There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan.

(B) The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

(C) Additional years will be added in the future until 10 years of information is available.

Change of Assumptions: The discount rate was changed from 3.56% as of the beginning of the measurement period to 3.62% as of June 30, 2018, 3.51% as of 2019, 3.51% as of 2020, 2.21% as of 2021, 2.16 as 2022

## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the County (i.e., public safety, recreation, health and welfare, general government, etc.). These activities are funded principally by property taxes on individuals and businesses.

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**KNOX COUNTY, TENNESSEE**

**General Fund  
Comparative Balance Sheets  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 38,452,466	\$ 83,802,087
Investments, at Fair Value	50,265,200	1,476,598
Receivables (Net of Allowances for Uncollectibles):		
Accounts	5,386,320	6,544,160
Local Taxes	133,132,674	127,046,431
Leases	1,989,902	-
Notes	-	162,000
Due from Other Funds	2,877,693	6,249,972
Inventories	300,847	277,247
Prepaid Items	206,530	198,717
Investments in Joint Venture	8,470,828	7,200,059
	<u>241,082,460</u>	<u>232,957,271</u>
<b>TOTAL ASSETS</b>	<b>\$ 241,082,460</b>	<b>\$ 232,957,271</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 3,711,331	\$ 5,264,550
Accrued Liabilities	3,570,665	2,880,029
Due to Other Funds	10,049	-
Due to Component Units	204,442	-
Unearned Revenue	425,092	136,182
	<u>7,921,579</u>	<u>8,280,761</u>
<b>TOTAL LIABILITIES</b>	<b>7,921,579</b>	<b>8,280,761</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Taxes and Other Receivables	131,969,048	124,541,536
<b>FUND BALANCES</b>		
Nonspendable	8,978,205	7,676,023
Restricted	3,716,666	3,241,148
Committed	3,929,315	7,297,773
Assigned	2,581,315	761,483
Unassigned	81,986,332	81,158,547
	<u>101,191,833</u>	<u>100,134,974</u>
<b>TOTAL FUND BALANCES</b>	<b>101,191,833</b>	<b>100,134,974</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 241,082,460</b>	<b>\$ 232,957,271</b>

**KNOX COUNTY, TENNESSEE**  
**General Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>Revenues</b>		
County Property Taxes	\$ 132,426,950	\$ 129,930,136
Local Option Sales Taxes	11,214,507	9,773,736
Business Taxes	13,635,096	11,541,602
Wheel Taxes	602,007	595,939
Other Local Taxes	1,819,730	1,715,029
Licenses and Permits	3,018,879	3,270,600
Fines, Forfeitures and Penalties	2,189,472	1,444,113
Charges for Current Services	8,916,204	8,081,856
Other Local Revenues	4,188,445	4,136,846
Investment Income	820,582	1,473,679
State of Tennessee	9,915,925	12,865,323
Federal Government	2,157,751	3,009,348
Other Governments and Citizen Groups	884,112	448,113
Increase in Equity Interest in Joint Venture	1,270,769	930,016
<b>Total Revenues</b>	<b>193,060,429</b>	<b>189,216,336</b>
<b>Expenditures</b>		
Current:		
General Government:		
Finance and Administration	28,928,541	28,472,296
Finance and Administration - Payments to Component Unit	4,432,000	4,432,000
Administration of Justice	20,834,245	20,127,356
Public Safety	91,291,907	86,787,105
Public Safety - Payments to Component Unit	1,166,603	1,166,603
Public Health and Welfare	20,212,682	17,483,484
Public Health and Welfare - Payments to Component Unit	166,628	166,628
Social and Cultural Services	5,883,753	5,484,322
Agricultural and Natural Resources	487,814	391,064
Other General Government	23,197,501	18,335,776
Other General Government - Payments to Component Unit	693,499	730,500
Debt Service:		
Principal	471,905	-
Interest	37,444	-
<b>Total Expenditures</b>	<b>197,804,522</b>	<b>183,577,134</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,744,093)	5,639,202
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	14,744,180	13,262,586
Transfers to Other Funds	(12,154,694)	(7,006,269)
Lease Financing	3,211,466	-
<b>Total Other Financing Sources</b>	<b>5,800,952</b>	<b>6,256,317</b>
<b>Net Change in Fund Balances</b>	<b>1,056,859</b>	<b>11,895,519</b>
Fund Balances, July 1	100,134,974	88,239,455
Fund Balances, June 30	<b>\$ 101,191,833</b>	<b>\$ 100,134,974</b>

## **CAPITAL PROJECTS FUNDS - MAJOR**

Capital Projects Funds are used to account for the acquisition and construction of major facilities other than those financed by proprietary or trust funds.

**Public Improvement Fund:** This fund is used to account for the County construction projects in process. These public improvement construction projects include, but are not limited to, highway projects, sewer lines, recreation facilities, public library facilities, City-County Building renovations, Knox Central facilities, and golf course improvements.

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**KNOX COUNTY, TENNESSEE**

**Public Improvement Capital Projects Fund (Major)**  
**Comparative Balance Sheets**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,048,209	\$ -
Investments, at Fair Value	18,300,581	25,580,248
Receivables (Net of Allowances for Uncollectibles):		
Accounts	3,013,714	2,188,971
Loans	100,000	125,000
Prepaid Items	<u>18,307</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 22,480,811</u></u>	<u><u>\$ 27,894,219</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 5,228,576	\$ 8,024,307
Due to Other Funds	<u>-</u>	<u>4,507,537</u>
<b>TOTAL LIABILITIES</b>	<u>5,228,576</u>	<u>12,531,844</u>
<b>Fund Balances:</b>		
Nonspendable	18,307	-
Restricted	17,133,928	15,237,375
Committed	<u>100,000</u>	<u>125,000</u>
<b>TOTAL FUND BALANCES</b>	<u>17,252,235</u>	<u>15,362,375</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 22,480,811</u></u>	<u><u>\$ 27,894,219</u></u>

**KNOX COUNTY, TENNESSEE**

**Public Improvement Capital Projects Fund (Major)  
Comparative Statements of Revenues, Expenditures  
And Changes in Fund Balances**

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Other Local Revenues	\$ 9,350,465	\$ 2,928,965
State of Tennessee	1,344,903	2,908,218
Federal Government	-	404,028
	<u>10,695,368</u>	<u>6,241,211</u>
<b>Expenditures</b>		
Capital Projects	47,831,370	37,384,075
Payments to Component Unit	58,325,000	35,800,000
Debt Issuance Costs	847,106	284,964
Other	13,445	-
	<u>107,016,921</u>	<u>73,469,039</u>
Deficiency of Revenues		
Under Expenditures	<u>(96,321,553)</u>	<u>(67,227,828)</u>
<b>Other Financing Sources (Uses)</b>		
Long-term Bonds Issued	87,040,000	55,155,000
Premium on Long-term Debt Issued	6,771,413	8,127,804
Transfers from Other Funds	4,400,000	-
	<u>98,211,413</u>	<u>63,282,804</u>
Net Change in Fund Balances	1,889,860	(3,945,024)
Fund Balances, July 1	<u>15,362,375</u>	<u>19,307,399</u>
Fund Balances, June 30	<u><u>\$ 17,252,235</u></u>	<u><u>\$ 15,362,375</u></u>



KNOX COUNTY, TENNESSEE

**Public Improvement Capital Projects Fund (Major)**  
**Schedule of Construction Project Expenditures-**  
**Budget And Actual**

For the Year Ended June 30, 2022

	Project Budget	Expenditures and Transfers			Available
		Prior Years	Current	Total	
<b>Expenditures</b>					
<i>Capital Projects:</i>					
<i>Road Construction:</i>					
Bridge Replacement	\$ 10,381,783	\$ 8,967,702	\$ 15,160	\$ 8,982,862	\$ 1,398,921
General Road Improvements	12,167,300	2,483,024	30,154	2,513,178	9,654,122
State Road Projects	1,026,275	-	1,252,614	1,252,614	(226,339)
Rutledge Pike & Roberts Road Sign	250,000	48,651	7,506	56,157	193,843
Emory Rd & Bishop/Taggart	1,901,797	402,918	1,498,879	1,901,797	-
Gibbs Middle School - New Road/Drives	2,458,444	2,439,606	-	2,439,606	18,838
Hardin Valley Middle School - New Road/Drive	1,336,276	929,950	-	929,950	406,327
General Culvert Maintenance	1,119,884	735,079	96,452	831,531	288,353
West Beaver Creek Relocation	1,167,600	-	32,425	32,425	1,135,175
Schaad Road Phase II	43,601,582	14,191,386	11,989,125	26,180,511	17,421,071
Brickyard w/Beaver Creek	3,300,000	476,521	41,361	517,882	2,782,118
TDOT Partnerships	2,506,379	1,473,216	156,904	1,630,120	876,259
Cherahala Extension	4,000,000	665,678	1,093,151	1,758,829	2,241,171
Campbell Station Rd Realignment	500,000	-	30,800	30,800	469,200
Harrell/Carpenter Intersection	725,000	131,509	-	131,509	593,491
Coward Mill Project	765,669	-	693,590	693,590	72,079
Hickory Creek Roundabout	1,000,000	-	336,153	336,153	663,847
Ledgerwood Intersection Improvement	950,000	-	242,712	242,712	707,288
Midway Road	800,000	-	-	-	800,000
<i>Total Road Construction</i>	<u>89,957,990</u>	<u>32,945,241</u>	<u>17,516,987</u>	<u>50,462,228</u>	<u>39,495,762</u>
<i>Building Renovations:</i>					
TVA East Tower (See note)	14,888,779	7,734,037	14,516,011	22,250,048	(7,361,269)
TVA - Summerplace (See note)	9,232,065	4,786,227	5,795,597	10,581,824	(1,349,759)
County Clerk East Office	300,000	211,416	-	211,416	88,584
Juvenile Court/ Detention	16,586,665	15,478,753	452,105	15,930,858	655,807
Knox Central	2,893,465	2,891,803	2,356	2,894,159	(694)
Fairview Technical Center	215,500	193,634	7,955	201,589	13,911
City/County Improvement	19,720,039	18,261,954	1,426,000	19,687,954	32,085
Knox County Health Renovations	11,960,466	11,921,895	29,224	11,951,119	9,347
Old Courthouse Renovation	4,399,540	3,894,903	215,280	4,110,183	289,356
Jail Improvements	1,311,550	1,243,217	21,104	1,264,321	47,229
ADA Improvements	1,420,000	1,092,278	-	1,092,278	327,722
Family Justice Center	405,802	359,116	46,686	405,802	1
E-911 Center	257,018	257,018	-	257,018	-
<i>Total Building Renovations</i>	<u>83,590,889</u>	<u>68,326,252</u>	<u>22,512,318</u>	<u>90,838,570</u>	<u>(7,247,680)</u>
<i>Building Construction:</i>					
Burlington Branch Library	176,700	-	74,319	74,319	102,381
Lawson McGhee Library	1,777,224	1,776,707	-	1,776,707	517
Carter Branch Library	40,000	31,225	-	31,225	8,775
Senior Centers	151,800	125,680	23,053	148,733	3,067
Frank Strang Center	2,743,446	2,730,388	13,058	2,743,446	1
<i>Total Building Construction:</i>	<u>4,889,170</u>	<u>4,664,002</u>	<u>110,429</u>	<u>4,774,430</u>	<u>114,740</u>

KNOX COUNTY, TENNESSEE

Public Improvement Capital Projects Fund (Major)  
Schedule of Construction Project Expenditures-  
Budget And Actual (Continued)

For the Year Ended June 30, 2022

Expenditures	Project Budget	Expenditures and Transfers			Available
		Prior Years	Current	Total	
<i>Other:</i>					
Beaver Creek Blueway	\$ 450,000	\$ 46,533	\$ 353,639	\$ 400,172	\$ 49,828
Halls Greenway	-	-	11,075	11,075	(11,075)
Knox-Blount Greenway-Phase II	1,173,883	1,113,986	(1,843)	1,112,143	61,740
Northshore Connectivity Project	100,196	96,370	3,320	99,690	506
Park Facility Improvement	1,540,803	1,288,623	-	1,288,623	252,180
Playground Safety Upgrades	415,320	292,044	64,020	356,064	59,256
John Tarleton Fencing	82,500	71,651	-	71,651	10,849
East TN Historical Renovations	542,300	-	-	-	542,300
Major Equipment - Three Ridges	172,500	107,126	57,950	165,076	7,424
Technology Upgrade - Libraries	1,250,000	673,103	-	673,103	576,897
Criminal Court Imaging System	400,000	339,576	-	339,576	60,424
PBA Project Management	6,470,029	6,136,767	333,262	6,470,029	-
Public Defender	356,000	76,301	25,685	101,986	254,014
Forensic Center Major Upgrade	20,000	15,300	-	15,300	4,700
Major Equipment - Engineering & Public Works	3,856,603	3,393,411	188,115	3,581,526	275,076
Major Equipment - Information Technology	2,246,338	1,766,338	404,500	2,170,838	75,500
Major Equipment - Sheriff's Department	18,418,188	13,963,791	2,536,485	16,500,276	1,917,911
Major Equipment - Parks & Recreation	1,158,696	884,181	59,868	944,049	214,647
Major Equipment - Public Library	587,641	578,204	-	578,204	9,437
Major Equipment - Solid Waste	867,467	595,619	110,927	706,546	160,921
Major Equipment - Circuit Court	136,044	132,958	-	132,958	3,086
Major Equipment - Juvenile Court	151,000	129,084	-	129,084	21,916
Major Equipment - Medical Examiner	156,407	91,616	64,791	156,407	-
Major Equipment - County Clerk	25,000	18,947	3,500	22,447	2,553
Bluegrass Lake Flood Mitigation	474,190	-	-	-	474,190
Stormwater Management	16,994,520	15,430,548	89,027	15,519,575	1,474,945
Cedar Bluff Flood Mitigation	1,569,375	-	-	-	1,569,375
Dutchtown Convenience Center	374,760	-	-	-	374,760
Tazewell Pike Convenience Center	396,662	-	375,154	375,154	21,508
Kans Convenience Center	4,382,025	3,874,642	115,350	3,989,992	392,033
Sidewalk Construction	816,484	48,636	335,467	384,103	432,381
Dutchtown Conv. Center Expansion	20,000	-	-	-	20,000
Sewer Infrastructure Assessment	20,000	-	-	-	20,000
Video Court - Sheriff	1,599,215	154,258	1,160,411	1,314,669	284,546
Info Tech Equipment	1,244,305	1,222,896	-	1,222,896	21,409
Facility Improvements	1,161,541	995,841	27,843	1,023,684	137,857
Major Equipment - Election Comm.	222,359	-	-	-	222,359
Major Equipment - Juvenile Service Ctr.	334,730	70,912	-	70,912	263,818
Major Equipment - Health Dept.	148,278	95,245	44,707	139,952	8,326
Major Equipment - Animal Center	697,698	644,014	53,684	697,698	-
Public Access to Beaver Creek	50,000	12,466	-	12,466	37,534
Interagency Partnerships	1,082,207	604,853	(13,900)	590,953	491,254
Trustee Tax Software	500,000	137,060	-	137,060	362,940
Property Tax Software	2,588,000	1,934,944	558,931	2,493,875	94,125
Play Structure Upgrades	250,000	238,566	-	238,566	11,434
Major Equipment - Property Assess	158,000	123,018	30,050	153,068	4,932
Major Equipment - Attorney General	30,000	28,343	-	28,343	1,657
General Project Management	400,000	-	-	-	400,000
IT Dept Upgrades	801,218	492,605	90,508	583,113	218,105
Norwood Parking Lot Resurface	104,000	103,826	-	103,826	174
Corryton Branch Roof	15,000	14,605	-	14,605	395
Carter School Sidewalk Improvements	500,000	-	105,865	105,865	394,135
Hardin Valley Sidewalk Connect	-	-	11,620	11,620	(11,620)
Carter Community Water Expansion	300,000	-	241,627	241,627	58,373
COV CTRS - Waste Container	250,000	-	250,000	250,000	-
<i>Total Other</i>	<i>78,061,481</i>	<i>58,038,809</i>	<i>7,691,636</i>	<i>65,730,445</i>	<i>12,331,037</i>
<i>Total Capital Projects</i>	<i>\$ 256,499,531</i>	<i>\$ 163,974,304</i>	<i>\$ 47,831,370</i>	<i>\$ 211,805,674</i>	<i>\$ 44,693,858</i>

Note: The TVA East Tower and TVA Summerplace projects' deficit budget balances as of 6/30/2022 result from the specifics of the projects and related funding sources. These projects consist of significant renovations to the properties, with the primary purpose of providing office space for departments, in particular the headquarters for the Knox County Board of Education. The Board and certain other offices were headquartered in a nearby building that had been a historic hotel prior to being converted to office space. As a result of the continuing growth of the revitalized downtown Knoxville area, interest in converting the hotel building has increased and the decision was made to relocate the offices in the former hotel, sell the building, and place it back on the tax rolls. The building offices have been vacated and the proceeds from the sale of the former hotel, when finalized, will provide the majority of the remaining funds needed to cover the deficit, and other funding has been identified as sources to cover any remaining differences. The plan was approved by the County Commission and the deficits at year end will be eliminated as the entire projects are completed and the revenues are realized.

## **DEBT SERVICE FUND - MAJOR**

The Debt Service Fund is used to account for the accumulation of resources for, and related payments of, principal and interest on general long-term debt for the County and for the Knox County Board of Education, a discretely presented component unit.

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**KNOX COUNTY, TENNESSEE**

**Debt Service Fund (Major)**  
**Comparative Balance Sheets**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 18,689,497	\$ 11,463,124
Receivables (Net of Allowance for Uncollectibles):		
Property Taxes	63,184,346	60,400,855
Accounts	1,630,402	1,287,336
Advance to Other Entity	<u>2,400,000</u>	<u>2,425,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 85,904,245</u></u>	<u><u>\$ 75,576,315</u></u>
<b>LIABILITIES</b>		
Accounts Payable	<u>\$ 7,582</u>	<u>\$ 6,146</u>
<b>TOTAL LIABILITIES</b>	<u>7,582</u>	<u>6,146</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Taxes and Notes Receivable	<u>62,813,375</u>	<u>60,093,484</u>
<b>FUND BALANCES</b>		
Restricted	3,415,615	3,624,154
Committed	<u>19,667,673</u>	<u>11,852,531</u>
<b>TOTAL FUND BALANCES</b>	<u>23,083,288</u>	<u>15,476,685</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u><u>\$ 85,904,245</u></u>	<u><u>\$ 75,576,315</u></u>

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**KNOX COUNTY, TENNESSEE**

**Debt Service Fund (Major)**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Property Taxes	\$ 58,274,099	\$ 57,063,479
Investment Revenue	32,851	248,218
Other Local Revenues	1,679,638	1,690,563
Payments from Component Units	14,931,933	11,449,356
	<hr/>	<hr/>
Total Revenues	74,918,521	70,451,616
	<hr/>	<hr/>
<b>Expenditures</b>		
Debt Service:		
Trustee's Commission	1,179,174	1,160,655
Principal	44,138,925	45,465,648
Interest	20,636,471	21,805,079
Other Debt Service	1,553,732	1,634,676
Refunding Bonds Issuance Costs	-	531,554
	<hr/>	<hr/>
Total Expenditures	67,508,302	70,597,612
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,410,219	(145,996)
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	196,384	195,533
Refunding Bonds Issued	-	56,105,000
Premium on Refunding Bonds	-	689,393
Payment to Holders of Refunded Debt	-	(56,262,839)
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	196,384	727,087
	<hr/>	<hr/>
Net Change in Fund Balances	7,606,603	581,091
	<hr/>	<hr/>
Fund Balances, July 1	15,476,685	14,895,594
	<hr/>	<hr/>
Fund Balances, June 30	\$ 23,083,288	\$ 15,476,685
	<hr/>	<hr/>

KNOX COUNTY, TENNESSEE

**Debt Service Fund (Major)**  
**Comparative Schedules of Revenues, Expenditures**  
**And Changes in Fund Balances - Budget And Actual**  
 For the Years Ended June 30, 2022 and 2021

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Property Taxes	\$ 57,026,465	\$ 57,026,465	\$ 58,274,099	\$ 1,247,634	\$ 55,532,000	\$ 57,063,479	\$ 1,531,479
Investment Revenue	-	-	32,851	32,851	-	248,218	248,218
Other Local Revenues	1,656,483	1,656,483	1,679,638	23,155	1,691,980	1,690,563	(1,417)
Payments from Component Units	14,931,933	14,931,933	14,931,933	-	11,449,356	11,449,356	-
<b>Total Revenues</b>	<b>73,614,881</b>	<b>73,614,881</b>	<b>74,918,521</b>	<b>1,303,640</b>	<b>68,673,336</b>	<b>70,451,616</b>	<b>1,778,280</b>
<b>Expenditures</b>							
Debt Service:							
Trustee's Commission	1,295,000	1,295,000	1,179,174	115,826	2,000,000	1,160,655	839,345
Principal	44,138,925	44,138,925	44,138,925	-	45,465,648	45,465,648	-
Interest	27,366,075	27,366,075	20,636,471	6,729,604	26,299,676	21,805,079	4,494,597
Other Debt Service	1,200,000	1,200,000	1,553,732	(353,732)	1,634,676	1,634,676	-
Refunding Bonds Issuance Costs	-	-	-	-	531,554	531,554	-
<b>Total Expenditures</b>	<b>74,000,000</b>	<b>74,000,000</b>	<b>67,508,302</b>	<b>6,491,698</b>	<b>75,931,554</b>	<b>70,597,612</b>	<b>5,333,942</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(385,119)	(385,119)	7,410,219	7,795,338	(7,258,218)	(145,996)	7,112,222
<b>Other Financing Sources (Uses)</b>							
Transfers from Other Funds	196,384	196,384	196,384	-	195,533	195,533	-
Transfers to Other Funds	-	-	-	-	(600,000)	-	600,000
Refunding Bonds Issued	-	-	-	-	56,105,000	56,105,000	-
Premium on Refunding Bonds	-	-	-	-	689,393	689,393	-
Payment to Holders of Refunded Debt	-	-	-	-	(56,262,839)	(56,262,839)	-
<b>Total Other Financing Sources (Uses)</b>	<b>196,384</b>	<b>196,384</b>	<b>196,384</b>	<b>-</b>	<b>127,087</b>	<b>727,087</b>	<b>600,000</b>
<b>Net Change in Fund Balances</b>	<b>(188,735)</b>	<b>(188,735)</b>	<b>7,606,603</b>	<b>7,795,338</b>	<b>(7,131,131)</b>	<b>581,091</b>	<b>7,712,222</b>
Fund Balances, July 1	15,476,685	15,476,685	15,476,685	-	14,895,594	14,895,594	-
Fund Balances, June 30	\$ 15,287,950	\$ 15,287,950	\$ 23,083,288	\$ 7,795,338	\$ 7,764,463	\$ 15,476,685	\$ 7,712,222

## **FEDERAL, STATE and OTHER GRANTS FUND - MAJOR**

The Federal, State and Other Grants Fund is used to account for most Federal and State grant revenues.





**KNOX COUNTY, TENNESSEE**

**Federal, State and Other Grants Fund (Major)**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

	2022	As Restated 2021
<b>Revenues</b>		
Fines, Forfeitures, and Penalties	\$ 29,547	\$ 50,415
Charges for Current Services	416,078	414,765
Other Local Revenues	308,191	320,769
State of Tennessee	3,762,708	3,759,779
Federal Government	52,146,816	18,011,943
Other Governmental and Citizen Groups	216,096	216,742
<b>Total Revenues</b>	<b>56,879,436</b>	<b>22,774,413</b>
<b>Expenditures</b>		
Finance and Administration	-	25,000
Administration of Justice	567,300	709,190
Public Safety	1,872,672	1,730,503
Public Health and Welfare	12,353,243	14,360,219
Social and Cultural Services	341,779	361,746
Other General Government	41,359,512	5,973,531
Engineering and Public Works	827,947	139,336
Debt Service:		
Principal	22,623	-
Interest	329	-
<b>Total Expenditures</b>	<b>57,345,405</b>	<b>23,299,525</b>
Deficiency of Revenues Under Expenditures	(465,969)	(525,112)
<b>Other Financing Sources</b>		
Transfers from Other Funds	895,310	702,111
Lease Financing	60,539	-
<b>Total Other Financing Sources</b>	<b>955,849</b>	<b>702,111</b>
Over Expenditures		
Net Change in Fund Balances	489,880	176,999
Fund Balances, July 1	2,311,986	2,134,987
Fund Balances, June 30	<b>\$ 2,801,866</b>	<b>\$ 2,311,986</b>

**KNOX COUNTY, TENNESSEE**

**Federal, State and Other Grants Fund (Major)  
Comparative Schedules of Revenues, Expenditures  
And Changes in Fund Balances - Budget And Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Charges for Current Services	\$ 160,000	\$ 262,187	\$ 381,478	\$ 119,291	\$ 358,615	\$ 358,615	\$ -
Other Local Revenues	-	-	70,935	70,935	11,633	78,864	67,231
Federal Government	-	717,305	513,375	(203,930)	847,905	521,140	(326,765)
<b>Total Revenues</b>	<b>160,000</b>	<b>979,492</b>	<b>965,788</b>	<b>(13,704)</b>	<b>1,218,153</b>	<b>958,619</b>	<b>(259,534)</b>
<b>Expenditures</b>							
Personal Services	-	656,133	656,110	23	897,706	635,415	262,291
Employee Benefits	-	210,783	210,604	179	315,049	212,528	102,521
Contracted Services	145,334	158,787	156,174	2,613	231,276	143,240	88,036
Supplies and Materials	-	69,108	36,799	32,309	87,737	37,195	50,542
Other Charges	14,666	85,401	85,401	-	89,666	81,897	7,769
<b>Total Expenditures</b>	<b>160,000</b>	<b>1,180,212</b>	<b>1,145,088</b>	<b>35,124</b>	<b>1,621,434</b>	<b>1,110,275</b>	<b>511,159</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(200,720)	(179,300)	21,420	(403,281)	(151,656)	251,625
<b>Other Financing Sources</b>							
Transfers from Other Funds	-	198,821	200,000	1,179	-	325,000	325,000
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(1,899)</b>	<b>20,700</b>	<b>22,599</b>	<b>(403,281)</b>	<b>173,344</b>	<b>576,625</b>
Fund Balances, July 1	271,556	271,556	271,556	-	98,212	98,212	-
<b>Fund Balances, June 30</b>	<b>\$ 271,556</b>	<b>\$ 269,657</b>	<b>\$ 292,256</b>	<b>\$ 22,599</b>	<b>\$ (305,069)</b>	<b>\$ 271,556</b>	<b>\$ 576,625</b>
<b>Reconciliation of Fund Balances (Budget Basis) to Fund Balances (GAAP Basis):</b>							
Fund Balances (Budget Basis)			\$ 292,256			\$ 271,556	
Entity Difference:							
Unbudgeted Funds			<u>2,509,610</u>			<u>2,040,430</u>	
Fund Balances (GAAP Basis)			<u>\$ 2,801,866</u>			<u>\$ 2,311,986</u>	

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

**Constitutional Officers Fund:** This fund is used to account for revenues and expenditures associated with the administrative functions of the Constitutional Officers.

**Governmental Library Fund:** This fund accounts for the operation of the law library that is available to the public but is used primarily by attorneys practicing in the courts. User fees are charged by the Governmental Library.

**Public Library Fund:** This fund is used to account for the operation of the County-wide public library system.

**Solid Waste Fund:** This fund is used to account for solid waste and recycling activities.

**Hotel/Motel Tax Fund:** This fund accounts for the collection and use of the amusement tax to promote tourism and related economic activity in the County.

**Drug Control Fund:** This fund was established pursuant to an amendment of Tennessee Code Annotated Section 39-17-420. This fund is used to account for drug control activities restricted for drug enforcement, drug education and non-recurring general law enforcement expenditures. This fund is primarily funded from the receipt of fines and costs related to drug enforcement cases.

**Engineering and Public Works Fund:** This fund is used to account for the County's share of the State gasoline and motor fuel taxes that are utilized to maintain non-state roads within the county.

### **CAPITAL PROJECTS FUND**

**ADA Construction Capital Projects Fund:** This fund is used to account for construction activity related to the Americans with Disabilities Act.

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**KNOX COUNTY, TENNESSEE**

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2022

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	<b>Special Revenue Funds</b>	<b>ADA Construction Capital Project Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 28,724,884	\$ 1,812,775	\$ 30,537,659
Receivables (Net of Allowance for Uncollectibles):			
Accounts	6,695,405	-	6,695,405
Taxes	1,704,594	-	1,704,594
Prepaid Items	7,931	-	7,931
<b>TOTAL ASSETS</b>	<u>\$ 37,132,814</u>	<u>\$ 1,812,775</u>	<u>\$ 38,945,589</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 5,483,711	\$ 172,945	\$ 5,656,656
Accrued Liabilities	730,238	-	730,238
Due to Other Funds	2,831,397	-	2,831,397
<b>TOTAL LIABILITIES</b>	<u>9,045,346</u>	<u>172,945</u>	<u>9,218,291</u>
<b>Fund Balances:</b>			
Nonspendable	7,931	-	7,931
Restricted	7,803,942	-	7,803,942
Committed	13,663,263	1,639,830	15,303,093
Assigned	6,612,332	-	6,612,332
<b>TOTAL FUND BALANCES</b>	<u>28,087,468</u>	<u>1,639,830</u>	<u>29,727,298</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 37,132,814</u>	<u>\$ 1,812,775</u>	<u>\$ 38,945,589</u>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>	<b>ADA Construction Capital Project Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Local Option Sales Taxes	\$ 12,016,575	\$ -	\$ 12,016,575
Lodging Taxes	12,176,694	-	12,176,694
Wheel Taxes	12,453,366	-	12,453,366
Other Local Taxes	2,355,256	-	2,355,256
Fines, Forfeitures and Penalties	772,462	-	772,462
Charges for Current Services	35,440,147	-	35,440,147
Other Local Revenues	1,696,896	-	1,696,896
Investment Revenues	25,452	-	25,452
State of Tennessee	9,895,675	752,194	10,647,869
Federal Government	14,167	-	14,167
Other Governments and Citizen Groups	37,112	-	37,112
<b>Total Revenues</b>	<b>86,883,802</b>	<b>752,194</b>	<b>87,635,996</b>
<b>Expenditures</b>			
Current:			
Finance and Administration	9,347,737	-	9,347,737
Administration of Justice	7,191,151	-	7,191,151
Public Safety	396,291	-	396,291
Public Health and Welfare	4,863,184	-	4,863,184
Social and Cultural Services	14,844,947	-	14,844,947
Other General Government	9,150,587	-	9,150,587
Engineering and Public Works	21,234,679	-	21,234,679
Debt Service:			
Principal	23,534	-	23,534
Interest	6,653	-	6,653
Capital Projects	-	609,453	609,453
<b>Total Expenditures</b>	<b>67,058,763</b>	<b>609,453</b>	<b>67,668,216</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>19,825,039</b>	<b>142,741</b>	<b>19,967,780</b>
<b>Other Financing Sources (Uses)</b>			
Transfers from Other Funds	2,762,000	-	2,762,000
Transfers to Other Funds	(16,434,180)	-	(16,434,180)
Lease Financing	374,187	-	374,187
<b>Total Other Financing Sources (Uses)</b>	<b>(13,297,993)</b>	<b>-</b>	<b>(13,297,993)</b>
<b>Net Change in Fund Balances</b>	<b>6,527,046</b>	<b>142,741</b>	<b>6,669,787</b>
<b>Fund Balances, July 1, as restated</b>	<b>21,560,422</b>	<b>1,497,089</b>	<b>23,057,511</b>
<b>Fund Balances, June 30</b>	<b>\$ 28,087,468</b>	<b>\$ 1,639,830</b>	<b>\$ 29,727,298</b>

**KNOX COUNTY, TENNESSEE**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2022

	<b>Constitutional Officers</b>	<b>Governmental Library</b>	<b>Public Library</b>	<b>Solid Waste</b>	<b>Hotel/Motel Tax</b>	<b>Drug Control</b>	<b>Engineering &amp; Public Works</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 9,443,729	\$ 57,277	\$ 1,417,740	\$ 1,099,054	\$ 3,796,086	\$ 3,958,280	\$ 8,952,718	\$ 28,724,884
Receivables (Net of Allowance for Uncollectibles):								
Accounts	-	2,204	1,142,771	158,446	3,617,873	3,497	1,770,614	6,695,405
Taxes	-	-	-	-	-	-	1,704,594	1,704,594
Prepaid Items	-	-	7,931	-	-	-	-	7,931
<b>TOTAL ASSETS</b>	<b>\$ 9,443,729</b>	<b>\$ 59,481</b>	<b>\$ 2,568,442</b>	<b>\$ 1,257,500</b>	<b>\$ 7,413,959</b>	<b>\$ 3,961,777</b>	<b>\$ 12,427,926</b>	<b>\$ 37,132,814</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ -	\$ 13,024	\$ 34,280	\$ 77,571	\$ 3,545,273	\$ 26,521	\$ 1,787,042	\$ 5,483,711
Accrued Liabilities	-	1,308	335,589	46,959	-	-	346,382	730,238
Due to Other Funds	2,831,397	-	-	-	-	-	-	2,831,397
<b>TOTAL LIABILITIES</b>	<b>2,831,397</b>	<b>14,332</b>	<b>369,869</b>	<b>124,530</b>	<b>3,545,273</b>	<b>26,521</b>	<b>2,133,424</b>	<b>9,045,346</b>
Fund Balances:								
Nonspendable	-	-	7,931	-	-	-	-	7,931
Restricted	-	-	-	-	3,868,686	3,935,256	-	7,803,942
Committed	-	45,149	2,190,642	1,132,970	-	-	10,294,502	13,663,263
Assigned	6,612,332	-	-	-	-	-	-	6,612,332
<b>TOTAL FUND BALANCES</b>	<b>6,612,332</b>	<b>45,149</b>	<b>2,198,573</b>	<b>1,132,970</b>	<b>3,868,686</b>	<b>3,935,256</b>	<b>10,294,502</b>	<b>28,087,468</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,443,729</b>	<b>\$ 59,481</b>	<b>\$ 2,568,442</b>	<b>\$ 1,257,500</b>	<b>\$ 7,413,959</b>	<b>\$ 3,961,777</b>	<b>\$ 12,427,926</b>	<b>\$ 37,132,814</b>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2022**

	<b>Constitutional Officers</b>	<b>Governmental Library</b>	<b>Public Library</b>	<b>Solid Waste</b>	<b>Hotel/Motel Tax</b>	<b>Drug Control</b>	<b>Engineering &amp; Public Works</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>								
Local Option Sales Taxes	\$ -	\$ -	\$ -	\$ 2,600,000	\$ -	\$ -	\$ 9,416,575	\$ 12,016,575
Lodging Taxes	-	-	-	-	12,176,694	-	-	12,176,694
Wheel Taxes	-	-	12,453,366	-	-	-	-	12,453,366
Other Local Taxes	-	40,437	-	-	-	-	2,314,819	2,355,256
Fines, Forfeitures and Penalties	-	-	-	(150)	-	769,112	3,500	772,462
Charges for Current Services	32,346,281	-	148,083	-	-	-	2,945,783	35,440,147
Other Local Revenues	-	-	153,378	1,182,918	-	34,600	326,000	1,696,896
Investment Revenue	25,452	-	-	-	-	-	-	25,452
State of Tennessee	-	-	696,499	509,853	-	-	8,689,323	9,895,675
Federal Government	-	-	10,001	-	-	4,166	-	14,167
Other Governments and Citizen Groups	-	30,000	7,112	-	-	-	-	37,112
<b>Total Revenues</b>	<b>32,371,733</b>	<b>70,437</b>	<b>13,468,439</b>	<b>4,292,621</b>	<b>12,176,694</b>	<b>807,878</b>	<b>23,696,000</b>	<b>86,883,802</b>
<b>Expenditures</b>								
Current:								
Finance and Administration	9,347,737	-	-	-	-	-	-	9,347,737
Administration of Justice	7,052,179	138,972	-	-	-	-	-	7,191,151
Public Safety	-	-	-	-	-	396,291	-	396,291
Public Health and Welfare	-	-	-	4,863,184	-	-	-	4,863,184
Social and Cultural Services	-	-	14,844,947	-	-	-	-	14,844,947
Other General Government	-	-	-	-	9,150,587	-	-	9,150,587
Engineering and Public Works	-	-	-	-	-	-	21,234,679	21,234,679
Debt Service:								
Principal	-	1,298	4,099	18,137	-	-	-	23,534
Interest	-	89	701	5,863	-	-	-	6,653
<b>Total Expenditures</b>	<b>16,399,916</b>	<b>140,359</b>	<b>14,849,747</b>	<b>4,887,184</b>	<b>9,150,587</b>	<b>396,291</b>	<b>21,234,679</b>	<b>67,058,763</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>15,971,817</b>	<b>(69,922)</b>	<b>(1,381,308)</b>	<b>(594,563)</b>	<b>3,026,107</b>	<b>411,587</b>	<b>2,461,321</b>	<b>19,825,039</b>
<b>Other Financing Sources (Uses)</b>								
Transfers from Other Funds	-	62,000	1,300,000	275,000	-	-	1,125,000	2,762,000
Transfers to Other Funds	(14,744,180)	-	-	-	(1,100,000)	-	(590,000)	(16,434,180)
Lease Financing	-	8,025	47,576	318,586	-	-	-	374,187
<b>Total Other Financing Sources (Uses)</b>	<b>(14,744,180)</b>	<b>70,025</b>	<b>1,347,576</b>	<b>593,586</b>	<b>(1,100,000)</b>	<b>-</b>	<b>535,000</b>	<b>(13,297,993)</b>
<b>Net Change in Fund Balances</b>	<b>1,227,637</b>	<b>103</b>	<b>(33,732)</b>	<b>(977)</b>	<b>1,926,107</b>	<b>411,587</b>	<b>2,996,321</b>	<b>6,527,046</b>
<b>Fund Balances, July 1, as restated</b>	<b>5,384,695</b>	<b>45,046</b>	<b>2,232,305</b>	<b>1,133,947</b>	<b>1,942,579</b>	<b>3,523,669</b>	<b>7,298,181</b>	<b>21,560,422</b>
<b>Fund Balances, June 30</b>	<b>\$ 6,612,332</b>	<b>\$ 45,149</b>	<b>\$ 2,198,573</b>	<b>\$ 1,132,970</b>	<b>\$ 3,868,686</b>	<b>\$ 3,935,256</b>	<b>\$ 10,294,502</b>	<b>\$ 28,087,468</b>

**KNOX COUNTY, TENNESSEE**

**Constitutional Officers' Special Revenue Fund**

**Combining Balance Sheets**

June 30, 2022

(With Comparative Totals for June 30, 2021)

	Trustee	County Clerk	Circuit and General Sessions Court Clerk	Criminal and Fourth Circuit Court Clerk	Clerk and Master	Register of Deeds	Totals	
							2022	2021
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 673,712	\$ 3,369,010	\$ 1,469,412	\$ 2,862,236	\$ 643,903	\$ 425,456	\$ 9,443,729	\$ 6,861,131
<b>TOTAL ASSETS</b>	<b>\$ 673,712</b>	<b>\$ 3,369,010</b>	<b>\$ 1,469,412</b>	<b>\$ 2,862,236</b>	<b>\$ 643,903</b>	<b>\$ 425,456</b>	<b>\$ 9,443,729</b>	<b>\$ 6,861,131</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Due to Other Funds	\$ 1,324,556	\$ 1,506,841	\$ -	\$ -	\$ -	\$ -	\$ 2,831,397	\$ 1,742,435
<b>TOTAL LIABILITIES</b>	<b>1,324,556</b>	<b>1,506,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,831,397</b>	<b>1,742,435</b>
<b>Fund Balances (Deficit):</b>								
Assigned	(650,844)	1,862,169	1,469,412	2,862,236	643,903	425,456	6,612,332	5,118,696
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 673,712</b>	<b>\$ 3,369,010</b>	<b>\$ 1,469,412</b>	<b>\$ 2,862,236</b>	<b>\$ 643,903</b>	<b>\$ 425,456</b>	<b>\$ 9,443,729</b>	<b>\$ 6,861,131</b>



**KNOX COUNTY, TENNESSEE**

**Constitutional Officers' Special Revenue Fund**  
**Combining Schedule of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	Trustee	County Clerk	Circuit and General Sessions Court Clerk	Criminal and Fourth Circuit Court Clerk	Clerk and Master	Register of Deeds	Totals	
							2022	As Restated 2021
<b>Revenues</b>								
Charges for Services	\$ 10,353,076	\$ 7,951,007	\$ 1,611,559	\$ 6,626,259	\$ 1,563,943	\$ 4,240,437	\$ 32,346,281	\$ 30,639,519
Investment Revenue	286	18,034	-	-	128	7,004	25,452	28,505
<b>Total Revenues</b>	<b>10,353,362</b>	<b>7,969,041</b>	<b>1,611,559</b>	<b>6,626,259</b>	<b>1,564,071</b>	<b>4,247,441</b>	<b>32,371,733</b>	<b>30,668,024</b>
<b>Expenditures</b>								
Current:								
Finance and Administration	2,436,367	4,762,330	-	-	-	2,149,040	9,347,737	9,050,924
Administration of Justice	-	-	463,272	5,559,154	1,029,753	-	7,052,179	7,109,296
<b>Total Expenditures</b>	<b>2,436,367</b>	<b>4,762,330</b>	<b>463,272</b>	<b>5,559,154</b>	<b>1,029,753</b>	<b>2,149,040</b>	<b>16,399,916</b>	<b>16,160,220</b>
Excess of Revenues Over Expenditures	7,916,995	3,206,711	1,148,287	1,067,105	534,318	2,098,401	15,971,817	14,507,804
<b>Other Financing Uses</b>								
Transfers to Other Funds	(8,625,439)	(3,248,069)	-	(250,000)	(522,271)	(2,098,401)	(14,744,180)	(12,996,587)
<b>Net Change in Fund Balances</b>	<b>(708,444)</b>	<b>(41,358)</b>	<b>1,148,287</b>	<b>817,105</b>	<b>12,047</b>	<b>-</b>	<b>1,227,637</b>	<b>1,511,217</b>
Fund Balances, July 1	57,600	1,903,527	321,125	2,045,131	631,856	425,456	5,384,695	3,873,478
<b>Fund Balances, June 30</b>	<b>\$ (650,844)</b>	<b>\$ 1,862,169</b>	<b>\$ 1,469,412</b>	<b>\$ 2,862,236</b>	<b>\$ 643,903</b>	<b>\$ 425,456</b>	<b>\$ 6,612,332</b>	<b>\$ 5,384,695</b>

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**KNOX COUNTY, TENNESSEE**

**Governmental Library Fund  
Comparative Balance Sheets**

June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 57,277	\$ 14,252
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	2,204	32,125
Prepaid Items	-	151
<b>TOTAL ASSETS</b>	<u>\$ 59,481</u>	<u>\$ 46,528</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 13,024	\$ 482
Accrued Liabilities	1,308	1,000
<b>TOTAL LIABILITIES</b>	<u>14,332</u>	<u>1,482</u>
 <b>Fund Balances:</b>		
Nonspendable	-	151
Committed	45,149	44,895
<b>TOTAL FUND BALANCES</b>	<u>45,149</u>	<u>45,046</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 59,481</u>	<u>\$ 46,528</u>

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**KNOX COUNTY, TENNESSEE**

**Governmental Library Fund  
Comparative Statements of Revenues, Expenditures  
And Changes in Fund Balances  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Litigation Tax	\$ 40,437	\$ 39,020
Other Governments and Citizens Groups	<u>30,000</u>	<u>30,000</u>
Total Revenues	<u>70,437</u>	<u>69,020</u>
<b>Expenditures</b>		
Current:		
General Government:		
Administration of Justice	138,972	98,896
Debt Service:		
Principal	1,298	-
Interest	<u>89</u>	<u>-</u>
Total Expenditures	<u>140,359</u>	<u>98,896</u>
Deficiency of Revenues Under Expenditures	<u>(69,922)</u>	<u>(29,876)</u>
<b>Other Financing Sources</b>		
Transfers from Other Funds	62,000	37,000
Lease Financing	<u>8,025</u>	<u>-</u>
Total Other Financing Sources	<u>70,025</u>	<u>37,000</u>
Net Change in Fund Balances	103	7,124
Fund Balances, July 1	<u>45,046</u>	<u>37,922</u>
Fund Balances, June 30	<u>\$ 45,149</u>	<u>\$ 45,046</u>

**KNOX COUNTY, TENNESSEE**

**Governmental Library Fund  
Comparative Schedules of Revenues, Expenditures  
And Changes in Fund Balances - Budget and Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Litigation Tax	\$ 46,450	\$ 46,450	\$ 40,437	\$ (6,013)	\$ 55,531	\$ 39,020	\$ (16,511)
Charges for Current Services	2,000	2,000	-	(2,000)	3,100	0	(3,100)
Other Local Revenues	250	250	-	(250)	250	0	(250)
Other Governments and Citizens Groups	30,000	30,000	30,000	-	30,000	30,000	-
<b>Total Revenues</b>	<b>78,700</b>	<b>78,700</b>	<b>70,437</b>	<b>(8,263)</b>	<b>88,881</b>	<b>69,020</b>	<b>(19,861)</b>
<b>Expenditures</b>							
Current:							
General Government:							
Administration of Justice:							
Personal Services	28,575	28,685	28,685	-	27,897	27,894	3
Employee Benefits	3,894	8,099	8,099	-	3,819	3,815	4
Contracted Services	6,500	6,350	5,255	1,095	6,850	5,710	1,140
Supplies and Materials	79,050	88,450	88,435	15	78,330	59,730	18,600
Other Charges	1,775	9,950	9,885	65	2,035	1,747	288
<b>Total Expenditures</b>	<b>119,794</b>	<b>141,534</b>	<b>140,359</b>	<b>1,175</b>	<b>118,931</b>	<b>98,896</b>	<b>20,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,094)	(62,834)	(69,922)	(7,088)	(30,050)	(29,876)	174
<b>Other Financing Sources</b>							
Transfers from Other Funds	41,094	54,809	62,000	7,191	30,000	37,000	7,000
Lease Financing	-	8,025	8,025	-	-	-	-
<b>Total Other Financing Sources</b>	<b>41,094</b>	<b>62,834</b>	<b>70,025</b>	<b>7,191</b>	<b>30,000</b>	<b>37,000</b>	<b>7,000</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>103</b>	<b>103</b>	<b>(50)</b>	<b>7,124</b>	<b>7,174</b>
Fund Balances, July 1	45,046	45,046	45,046	-	37,922	37,922	-
<b>Fund Balances, June 30</b>	<b>\$ 45,046</b>	<b>\$ 45,046</b>	<b>\$ 45,149</b>	<b>\$ 103</b>	<b>\$ 37,872</b>	<b>\$ 45,046</b>	<b>\$ 7,174</b>

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**KNOX COUNTY, TENNESSEE**

**Public Library Fund**  
**Comparative Balance Sheets**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,417,740	\$ 1,384,207
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	1,142,771	1,149,754
Prepaid Items	<u>7,931</u>	<u>4,093</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,568,442</u></u>	<u><u>\$ 2,538,054</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 34,280	\$ 8,713
Accrued Liabilities	<u>335,589</u>	<u>297,036</u>
<b>TOTAL LIABILITIES</b>	<u>369,869</u>	<u>305,749</u>
 <b>Fund Balances:</b>		
Nonspendable	7,931	4,093
Committed	<u>2,190,642</u>	<u>2,228,212</u>
<b>TOTAL FUND BALANCES</b>	<u>2,198,573</u>	<u>2,232,305</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 2,568,442</u></u>	<u><u>\$ 2,538,054</u></u>

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**KNOX COUNTY, TENNESSEE**

**Public Library Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Wheel Taxes	\$ 12,453,366	\$ 12,327,843
Charges for Current Services	148,083	97,793
Other Local Revenues	153,378	140,160
State of Tennessee	696,499	45,500
Federal Government	10,001	6,400
Other Governments and Citizens Groups	7,112	9,844
Total Revenues	<u>13,468,439</u>	<u>12,627,540</u>
<b>Expenditures</b>		
Current:		
General Government:		
Social and Cultural Services	14,844,947	13,243,349
Debt Service:		
Principal	4,099	-
Interest	701	-
Total Expenditures	<u>14,849,747</u>	<u>13,243,349</u>
Deficiency of Revenues Under Expenditures	<u>(1,381,308)</u>	<u>(615,809)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	1,300,000	900,000
Lease Financing	47,576	-
Total Other Financing Sources	<u>1,347,576</u>	<u>900,000</u>
Net Change in Fund Balances	(33,732)	284,191
Fund Balances, July 1	<u>2,232,305</u>	<u>1,948,114</u>
Fund Balances, June 30	<u>\$ 2,198,573</u>	<u>\$ 2,232,305</u>

**KNOX COUNTY, TENNESSEE**

**Public Library Fund  
Comparative Schedules of Revenues, Expenditures  
And Changes in Fund Balances - Budget And Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Wheel Taxes	\$ 12,000,000	\$ 12,000,000	\$ 12,453,366	\$ 453,366	\$ 12,000,000	\$ 12,327,843	\$ 327,843
Charges for Current Services	225,000	225,000	148,083	(76,917)	290,000	97,793	(192,207)
Other Local Revenues	137,000	137,000	153,378	16,378	122,000	140,160	18,160
State of Tennessee	45,500	696,500	696,499	(1)	45,500	45,500	-
Federal Government	6,400	10,000	10,001	1	6,400	6,400	-
Other Governments and Citizens Groups	-	-	7,112	7,112	-	9,844	9,844
<b>Total Revenues</b>	<b>12,413,900</b>	<b>13,068,500</b>	<b>13,468,439</b>	<b>399,939</b>	<b>12,463,900</b>	<b>12,627,540</b>	<b>163,640</b>
<b>Expenditures</b>							
Current:							
General Government:							
Social and Cultural Services:							
Personal Services	7,782,341	7,774,440	7,627,587	146,853	7,643,970	7,291,802	352,168
Employee Benefits	2,276,999	2,277,699	2,203,176	74,523	2,261,267	2,144,980	116,287
Contracted Services	1,253,088	1,253,088	1,199,862	53,226	1,312,834	1,117,362	195,472
Supplies and Materials	1,915,200	2,618,162	2,575,404	42,758	1,871,157	1,734,125	137,032
Other Charges	898,922	953,699	953,134	565	903,924	893,645	10,279
Capital Outlay	-	299,117	290,584	8,533	61,446	61,435	11
<b>Total Expenditures</b>	<b>14,126,550</b>	<b>15,176,205</b>	<b>14,849,747</b>	<b>326,458</b>	<b>14,054,598</b>	<b>13,243,349</b>	<b>811,249</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,712,650)	(2,107,705)	(1,381,308)	726,397	(1,590,698)	(615,809)	974,889
<b>Other Financing Sources (Uses)</b>							
Transfers from Other Funds	1,400,000	1,400,000	1,300,000	(100,000)	1,200,000	900,000	(300,000)
Lease Financing	-	47,576	47,576	-	-	-	-
<b>Total Other Financing Sources</b>	<b>1,400,000</b>	<b>1,447,576</b>	<b>1,347,576</b>	<b>(100,000)</b>	<b>1,200,000</b>	<b>900,000</b>	<b>(300,000)</b>
<b>Net Change in Fund Balances</b>	<b>(312,650)</b>	<b>(660,129)</b>	<b>(33,732)</b>	<b>626,397</b>	<b>(390,698)</b>	<b>284,191</b>	<b>674,889</b>
Fund Balances, July 1	2,232,305	2,232,305	2,232,305	-	1,948,114	1,948,114	-
<b>Fund Balances, June 30</b>	<b>\$ 1,919,655</b>	<b>\$ 1,572,176</b>	<b>\$ 2,198,573</b>	<b>\$ 626,397</b>	<b>\$ 1,557,416</b>	<b>\$ 2,232,305</b>	<b>\$ 674,889</b>

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**KNOX COUNTY, TENNESSEE**

**Solid Waste Fund**  
**Comparative Balance Sheets**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,099,054	\$ 1,010,859
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>158,446</u>	<u>234,295</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,257,500</u></u>	<u><u>\$ 1,245,154</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 77,571	\$ 74,412
Accrued Liabilities	<u>46,959</u>	<u>36,795</u>
<b>TOTAL LIABILITIES</b>	<u>124,530</u>	<u>111,207</u>
<b>Fund Balances:</b>		
Committed	<u>1,132,970</u>	<u>1,133,947</u>
<b>TOTAL FUND BALANCES</b>	<u>1,132,970</u>	<u>1,133,947</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,257,500</u></u>	<u><u>\$ 1,245,154</u></u>



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**KNOX COUNTY, TENNESSEE**

**Solid Waste Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

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	2022	2021
<b>Revenues</b>		
Local Taxes		
Local Option Sales Taxes	\$ 2,600,000	\$ 2,400,000
Other Local Revenues	1,182,918	643,709
State of Tennessee	509,853	517,179
Total Revenues	<u>4,292,621</u>	<u>3,560,888</u>
<b>Expenditures</b>		
Current:		
General Government:		
Public Health and Welfare	4,863,184	4,508,167
Debt Service:		
Principal	18,137	-
Interest	5,863	-
Total Expenditures	<u>4,887,184</u>	<u>4,508,167</u>
Deficiency of Revenues Under Expenditures	<u>(594,563)</u>	<u>(947,279)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	275,000	800,000
Lease Financing	318,586	-
Total Other Financing Sources	<u>593,586</u>	<u>800,000</u>
Net Change in Fund Balances	(977)	(147,279)
Fund Balances, July 1	<u>1,133,947</u>	<u>1,281,226</u>
Fund Balances, June 30	<u>\$ 1,132,970</u>	<u>\$ 1,133,947</u>

**KNOX COUNTY, TENNESSEE**

**Solid Waste Fund  
Comparative Schedules of Revenues, Expenditures  
And Changes in Fund Balances - Budget And Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Local Option Sales Taxes	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -
Other Local Revenues	450,000	621,400	1,182,918	561,518	560,700	643,709	83,009
State of Tennessee	475,000	475,000	509,853	34,853	509,000	517,179	8,179
<b>Total Revenues</b>	<b>3,525,000</b>	<b>3,696,400</b>	<b>4,292,621</b>	<b>596,221</b>	<b>3,469,700</b>	<b>3,560,888</b>	<b>91,188</b>
<b>Expenditures</b>							
Current:							
Public Health and Welfare:							
Other Public Health and Welfare:							
Personal Services	952,469	955,893	955,893	-	854,834	854,834	-
Employee Benefits	376,692	329,524	329,524	-	320,647	320,648	(1)
Contracted Services	2,545,800	2,854,214	2,854,080	134	2,935,573	2,934,590	983
Supplies and Materials	79,700	66,165	66,065	100	47,827	47,826	1
Other Charges	289,909	614,358	612,457	1,901	294,586	286,259	8,327
Litter and Trash Collection:							
Personal Services	85,851	20,247	20,247	-	28,269	28,270	(1)
Employee Benefits	38,638	5,523	5,523	-	11,837	11,837	-
Contracted Services	18,950	29,814	29,814	-	16,276	16,276	-
Supplies and Materials	9,250	13,581	13,581	-	7,627	7,627	-
<b>Total Expenditures</b>	<b>4,397,259</b>	<b>4,889,319</b>	<b>4,887,184</b>	<b>2,135</b>	<b>4,517,476</b>	<b>4,508,167</b>	<b>9,309</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(872,259)	(1,192,919)	(594,563)	598,356	(1,047,776)	(947,279)	100,497
<b>Other Financing Sources (Uses)</b>							
Transfers from Other Funds	625,000	625,000	275,000	(350,000)	800,000	800,000	-
Lease Financing	-	318,586	318,586	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>625,000</b>	<b>943,586</b>	<b>593,586</b>	<b>(350,000)</b>	<b>800,000</b>	<b>800,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(247,259)</b>	<b>(249,333)</b>	<b>(977)</b>	<b>248,356</b>	<b>(247,776)</b>	<b>(147,279)</b>	<b>100,497</b>
Fund Balances, July 1	1,133,947	1,133,947	1,133,947	-	1,281,226	1,281,226	-
Fund Balances, June 30	\$ 886,688	\$ 884,614	\$ 1,132,970	\$ 248,356	\$ 1,033,450	\$ 1,133,947	\$ 100,497

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**KNOX COUNTY, TENNESSEE**

**Hotel/Motel Tax Fund  
Comparative Balance Sheets  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,796,086	\$ 591,261
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>3,617,873</u>	<u>3,119,463</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,413,959</u>	<u>\$ 3,710,724</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	<u>\$ 3,545,273</u>	<u>\$ 1,768,145</u>
<b>TOTAL LIABILITIES</b>	<u>3,545,273</u>	<u>1,768,145</u>
<b>Fund Balances:</b>		
Unreserved:		
Restricted	<u>3,868,686</u>	<u>1,942,579</u>
<b>TOTAL FUND BALANCES</b>	<u>3,868,686</u>	<u>1,942,579</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,413,959</u>	<u>\$ 3,710,724</u>

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**KNOX COUNTY, TENNESSEE**

**Hotel/Motel Tax Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Lodging Taxes	\$ 12,176,694	\$ 7,404,768
Other Local Revenues	-	187,712
Total Revenues	<u>12,176,694</u>	<u>7,592,480</u>
<b>Expenditures</b>		
Current:		
General Government:		
Other General Government	<u>9,150,587</u>	<u>6,946,120</u>
Excess of Revenues Over Expenditures	<u>3,026,107</u>	<u>646,360</u>
<b>Other Financing Uses</b>		
Transfers to Other Funds	<u>(1,100,000)</u>	<u>(500,000)</u>
Net Change in Fund Balances	1,926,107	146,360
Fund Balances, July 1	<u>1,942,579</u>	<u>1,796,219</u>
Fund Balances, June 30	<u>\$ 3,868,686</u>	<u>\$ 1,942,579</u>

**KNOX COUNTY, TENNESSEE**

**Hotel/Motel Tax Fund**  
**Comparative Schedules of Revenues, Expenditures**  
**And Changes in Fund Balances - Budget and Actual**  
 For the Years Ended June 30, 2022 and 2021

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Lodging Taxes	\$ 7,800,000	\$ 10,147,620	\$ 12,176,694	\$ 2,029,074	\$ 7,800,000	\$ 7,404,768	\$ (395,232)
Other Local Revenues	-	-	-	-	-	187,712	187,712
<b>Total Revenues</b>	<b>7,800,000</b>	<b>10,147,620</b>	<b>12,176,694</b>	<b>2,029,074</b>	<b>7,800,000</b>	<b>7,592,480</b>	<b>(207,520)</b>
<b>Expenditures</b>							
Current:							
General Government:							
Other General Government	7,022,000	9,369,620	9,150,587	219,033	7,022,000	6,946,120	75,880
<b>Excess of Revenues Over Expenditures</b>	<b>778,000</b>	<b>778,000</b>	<b>3,026,107</b>	<b>2,248,107</b>	<b>778,000</b>	<b>646,360</b>	<b>(131,640)</b>
<b>Other Financing Uses</b>							
Transfers to Other Funds	(1,000,000)	(1,100,000)	(1,100,000)	-	(800,000)	(500,000)	300,000
<b>Net Change in Fund Balances</b>	<b>(222,000)</b>	<b>(322,000)</b>	<b>1,926,107</b>	<b>2,248,107</b>	<b>(22,000)</b>	<b>146,360</b>	<b>168,360</b>
Fund Balances, July 1	1,942,579	1,942,579	1,942,579	-	1,796,219	1,796,219	-
<b>Fund Balances, June 30</b>	<b>\$ 1,720,579</b>	<b>\$ 1,620,579</b>	<b>\$ 3,868,686</b>	<b>\$ 2,248,107</b>	<b>\$ 1,774,219</b>	<b>\$ 1,942,579</b>	<b>\$ 168,360</b>

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**KNOX COUNTY, TENNESSEE**

**Drug Control Fund**  
**Comparative Balance Sheets**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,958,280	\$ 3,522,620
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>3,497</u>	<u>3,476</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,961,777</u></u>	<u><u>\$ 3,526,096</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	<u>\$ 26,521</u>	<u>\$ 2,427</u>
 <b>Fund Balances:</b>		
Restricted	<u>3,935,256</u>	<u>3,523,669</u>
<b>TOTAL FUND BALANCES</b>	<u>3,935,256</u>	<u>3,523,669</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 3,961,777</u></u>	<u><u>\$ 3,526,096</u></u>

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**KNOX COUNTY, TENNESSEE**

**Drug Control Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Fines, Forfeitures, and Penalties	\$ 769,112	\$ 1,026,872
Other Local Revenues	34,600	32,127
Federal Government	4,166	73,560
	<u>807,878</u>	<u>1,132,559</u>
<b>Expenditures</b>		
Current:		
General Government:		
Public Safety	396,291	463,075
	<u>396,291</u>	<u>463,075</u>
Total Expenditures	<u>396,291</u>	<u>463,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>411,587</u>	<u>669,484</u>
Net Change in Fund Balance	411,587	669,484
Fund Balances, July 1	<u>3,523,669</u>	<u>2,854,185</u>
Fund Balances, June 30	<u><u>\$ 3,935,256</u></u>	<u><u>\$ 3,523,669</u></u>

**KNOX COUNTY, TENNESSEE**

**Drug Control Fund  
Comparative Schedules of Revenues, Expenditures  
And Changes in Fund Balances - Budget And Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Fines, Forfeitures, and Penalties	\$ 543,000	\$ 543,000	\$ 769,112	\$ 226,112	\$ -	\$ 1,026,872	\$ 1,026,872
Other Local Revenues	60,000	60,000	34,600	(25,400)	-	32,127	32,127
Federal Government	-	-	4,166	4,166	-	73,560	73,560
<b>Total Revenues</b>	<b>603,000</b>	<b>603,000</b>	<b>807,878</b>	<b>204,878</b>	<b>-</b>	<b>1,132,559</b>	<b>1,132,559</b>
<b>Expenditures</b>							
Current:							
General Government:							
Public Safety:							
Contracted Services	209,000	209,383	99,743	109,640	235,132	160,569	74,563
Supplies and Materials	209,000	211,287	83,849	127,438	208,462	72,647	135,815
Other Charges	15,000	15,000	17,896	(2,896)	8,800	23,650	(14,850)
Capital Outlay	170,000	170,000	194,803	(24,803)	229,237	206,209	23,028
<b>Total Expenditures</b>	<b>603,000</b>	<b>605,670</b>	<b>396,291</b>	<b>209,379</b>	<b>681,631</b>	<b>463,075</b>	<b>218,556</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(2,670)</b>	<b>411,587</b>	<b>414,257</b>	<b>(681,631)</b>	<b>669,484</b>	<b>1,351,115</b>
<b>Fund Balances, July 1</b>	<b>3,523,669</b>	<b>3,523,669</b>	<b>3,523,669</b>	<b>-</b>	<b>2,854,185</b>	<b>2,854,185</b>	<b>-</b>
<b>Fund Balances, June 30</b>	<b>\$ 3,523,669</b>	<b>\$ 3,520,999</b>	<b>\$ 3,935,256</b>	<b>\$ 414,257</b>	<b>\$ 2,172,554</b>	<b>\$ 3,523,669</b>	<b>\$ 1,351,115</b>



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**KNOX COUNTY, TENNESSEE**

**Engineering & Public Works Fund  
Comparative Balance Sheets**

June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 8,952,718	\$ 4,604,844
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	1,770,614	1,764,451
Sales Tax Receivable	1,704,594	1,470,363
Prepaid Items	<u>-</u>	<u>500</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,427,926</u>	<u>\$ 7,840,158</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 1,787,042	\$ 243,660
Accrued Liabilities	<u>346,382</u>	<u>298,317</u>
<b>TOTAL LIABILITIES</b>	<u>2,133,424</u>	<u>541,977</u>
 <b>Fund Balances:</b>		
Nonspendable	-	500
Committed	<u>10,294,502</u>	<u>7,297,681</u>
<b>TOTAL FUND BALANCES</b>	<u>10,294,502</u>	<u>7,298,181</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,427,926</u>	<u>\$ 7,840,158</u>

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**KNOX COUNTY, TENNESSEE**

**Engineering & Public Works Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Local Option Sales Taxes	\$ 9,416,575	\$ 8,221,062
Other Local Taxes	2,314,819	2,331,247
Fines, Forfeitures, and Penalties	3,500	19,500
Charges for Current Services	2,945,783	2,872,470
Other Local Revenues	326,000	190,000
State of Tennessee	<u>8,689,323</u>	<u>7,080,884</u>
Total Revenues	<u>23,696,000</u>	<u>20,715,163</u>
<b>Expenditures</b>		
Current:		
Engineering & Public Works	<u>21,234,679</u>	<u>20,173,678</u>
Total Expenditures	<u>21,234,679</u>	<u>20,173,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,461,321</u>	<u>541,485</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	1,125,000	1,625,000
Transfers to Other Funds	<u>(590,000)</u>	<u>(400,000)</u>
Total Other Financing Sources (Uses)	<u>535,000</u>	<u>1,225,000</u>
Net Change in Fund Balances	2,996,321	1,766,485
Fund Balances, July 1	<u>7,298,181</u>	<u>5,531,696</u>
Fund Balances, June 30	<u>\$ 10,294,502</u>	<u>\$ 7,298,181</u>

**KNOX COUNTY, TENNESSEE**

**Engineering & Public Works Fund  
Comparative Schedules of Revenues, Expenditures  
And Changes in Fund Balances - Budget And Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Local Option Sales Taxes	\$ 7,607,946	\$ 7,607,946	\$ 9,416,575	\$ 1,808,629	\$ 5,757,946	\$ 8,221,062	\$ 2,463,116
Other Local Taxes	2,300,000	2,300,000	2,314,819	14,819	1,900,000	2,331,247	431,247
Fines, Forfeitures and Penalties	-	2,804	3,500	696	2,904	19,500	16,596
Charges for Current Services	2,402,400	2,402,400	2,945,783	543,383	1,884,400	2,872,470	988,070
Other Local Revenues	-	33,116	326,000	292,884	-	190,000	190,000
State of Tennessee	7,861,000	7,861,000	8,689,323	828,323	6,261,000	7,080,884	819,884
<b>Total Revenues</b>	<b>20,171,346</b>	<b>20,207,266</b>	<b>23,696,000</b>	<b>3,488,734</b>	<b>15,806,250</b>	<b>20,715,163</b>	<b>4,908,913</b>
<b>Expenditures</b>							
Current:							
Engineering & Public Works:							
Administration:							
Personal Services	1,745,831	1,778,966	1,681,312	97,654	1,644,248	1,644,248	-
Employee Benefits	514,305	525,492	495,839	29,653	477,176	477,176	-
Contracted Services	700,065	593,167	546,160	47,007	210,254	210,137	117
Supplies and Materials	75,750	71,256	55,515	15,741	39,254	39,254	-
Other Charges	678,500	739,890	739,516	374	721,834	721,005	829
Highways and Bridge Maintenance:							
Personal Services	3,750,134	3,750,134	3,605,915	144,219	3,481,735	3,481,735	-
Employee Benefits	1,441,305	1,441,305	1,313,745	127,560	1,288,073	1,288,073	-
Contracted Services	1,519,975	1,519,975	1,294,840	225,135	1,577,688	1,575,306	2,382
Supplies and Materials	7,290,875	7,590,875	6,583,872	1,007,003	5,978,621	5,978,620	1
Other Charges	538,650	1,088,250	633,467	454,783	538,617	538,617	-
Capital Outlay	-	117,000	95,883	21,117	333,000	332,584	416
Various Highway:							
Personal Services	2,266,791	2,230,261	2,198,171	32,090	2,067,383	2,039,311	28,072
Employee Benefits	760,922	747,426	678,033	69,393	692,812	647,584	45,228
Contracted Services	535,485	581,876	520,890	60,986	586,983	579,140	7,843
Supplies and Materials	230,150	1,229,873	620,864	609,009	1,202,029	430,935	771,094
Other Charges	171,057	170,657	170,657	-	171,024	171,024	-
Capital Outlay	-	-	-	-	18,929	18,929	-
<b>Total Expenditures</b>	<b>22,219,795</b>	<b>24,176,403</b>	<b>21,234,679</b>	<b>2,941,724</b>	<b>21,029,660</b>	<b>20,173,678</b>	<b>855,982</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,048,449)	(3,969,137)	2,461,321	6,430,458	(5,223,410)	541,485	5,764,895
Other Financing Sources (Uses)							
Transfer From Other Funds	2,250,000	2,250,000	1,125,000	(1,125,000)	3,250,000	1,625,000	(1,625,000)
Transfer To Other Funds	(625,000)	(850,000)	(590,000)	260,000	(399,567)	(400,000)	(433)
<b>Total Other Financing Sources (Uses)</b>	<b>1,625,000</b>	<b>1,400,000</b>	<b>535,000</b>	<b>(865,000)</b>	<b>2,850,433</b>	<b>1,225,000</b>	<b>(1,625,433)</b>
<b>Net Change in Fund Balances</b>	<b>(423,449)</b>	<b>(2,569,137)</b>	<b>2,996,321</b>	<b>5,565,458</b>	<b>(2,372,977)</b>	<b>1,766,485</b>	<b>4,139,462</b>
Fund Balances, July 1	7,298,181	7,298,181	7,298,181	-	5,531,696	5,531,696	-
<b>Fund Balances, June 30</b>	<b>\$ 6,874,732</b>	<b>\$ 4,729,044</b>	<b>\$ 10,294,502</b>	<b>\$ 5,565,458</b>	<b>\$ 3,158,719</b>	<b>\$ 7,298,181</b>	<b>\$ 4,139,462</b>

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**KNOX COUNTY, TENNESSEE**

**ADA Construction Capital Projects Fund  
Comparative Balance Sheets**

June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 1,812,775</u>	<u>\$ 1,514,638</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Accounts Payable	<u>\$ 172,945</u>	<u>\$ 17,549</u>
 <b>Fund Balances:</b>		
Committed	<u>1,639,830</u>	<u>1,497,089</u>
 TOTAL FUND BALANCE	<u>1,639,830</u>	<u>1,497,089</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,812,775</u>	<u>\$ 1,514,638</u>

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**KNOX COUNTY, TENNESSEE**

**ADA Construction Capital Projects Fund**  
**Comparative Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
State of Tennessee	\$ 752,194	\$ 1,200,000
Total Revenues	<u>752,194</u>	<u>1,200,000</u>
<b>Expenditures</b>		
Capital Projects	<u>609,453</u>	<u>206,215</u>
Excess of Revenues Over (Under) Expenditures	<u>142,741</u>	<u>993,785</u>
Net Change in Fund Balances	142,741	993,785
Fund Balances, July 1	<u>1,497,089</u>	<u>503,304</u>
Fund Balances, June 30	<u><u>\$ 1,639,830</u></u>	<u><u>\$ 1,497,089</u></u>

## **NONMAJOR ENTERPRISE FUND**

Enterprise Funds account for operations that provide services primarily to the general public on a user charge basis.

**Three Ridges Golf Course Fund:** This fund accounts for the operations of the Three Ridges Golf Course, the Concord Park Par 3 Course, and the Beverly Park Par 3 Course.

**KNOX COUNTY, TENNESSEE**  
**Three Ridges Golf Course Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 22,084	\$ 15,181
Accounts Receivable	15,276	5,334
Inventories	58,454	55,129
Prepaid Items	409	-
<b>TOTAL CURRENT ASSETS</b>	<b>96,223</b>	<b>75,644</b>
<b>Capital Assets:</b>		
Land	880	880
Buildings	754,504	754,504
Machinery and Equipment	611,245	553,296
Computer Software	25,448	25,448
Land Improvements	66,463	66,463
Leases	96,806	-
Accumulated Depreciation and Amortization	(1,070,297)	(985,457)
Capital Assets (Net of Accumulated Depreciation)	485,049	415,134
<b>TOTAL ASSETS</b>	<b>581,272</b>	<b>490,778</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	61,667	26,687
Accrued Liabilities	22,279	20,528
Compensated Absences Payable	39,076	26,734
Lease Liability	41,732	-
Accrued Interest	22	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>164,776</b>	<b>73,949</b>
<b>Noncurrent Liabilities:</b>		
Compensated Absences Payable	395	31,384
Lease Liability	13,889	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>14,284</b>	<b>31,384</b>
<b>TOTAL LIABILITIES</b>	<b>179,060</b>	<b>105,333</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	429,428	415,134
Unrestricted (Deficit)	(27,216)	(29,689)
<b>TOTAL NET POSITION</b>	<b>\$ 402,212</b>	<b>\$ 385,445</b>

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**KNOX COUNTY, TENNESSEE**

**Three Ridges Golf Course Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	2022	As Restated 2021
	<u>                    </u>	<u>                    </u>
<b>Operating Revenues</b>		
Golf Fees	\$ 811,194	\$ 763,113
Cart and Range Fees	373,623	375,513
Pro Shop	158,145	182,715
Snack Bar	127,985	111,265
Other Income	44,316	29,961
	<u>                    </u>	<u>                    </u>
Total Operating Revenues	<u>1,515,263</u>	<u>1,462,567</u>
<b>Operating Expenses</b>		
Personal Services	553,643	554,876
Employee Benefits	120,507	122,366
Contracted Services	242,767	242,367
Supplies and Materials	500,888	479,734
Other Charges	168,387	129,163
Depreciation and Amortization	84,840	40,335
	<u>                    </u>	<u>                    </u>
Total Operating Expenses	<u>1,671,032</u>	<u>1,568,841</u>
Operating Income (Loss)	<u>(155,769)</u>	<u>(106,274)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Expense	(414)	-
	<u>                    </u>	<u>                    </u>
<b>Income (Loss) before Other Revenues and Transfers</b>	<u>(156,183)</u>	<u>(106,274)</u>
<b>Capital Contributions and Transfers</b>		
Capital Contributions	57,950	37,936
Transfers from Other Funds	115,000	100,000
	<u>                    </u>	<u>                    </u>
Total Capital Contributions and Transfers	<u>172,950</u>	<u>137,936</u>
Change in Net Position	16,767	31,662
Net Position, July 1	<u>385,445</u>	<u>353,783</u>
Net Position, June 30	<u>\$ 402,212</u>	<u>\$ 385,445</u>



**KNOX COUNTY, TENNESSEE**

**Three Ridges Golf Course Fund**  
**Comparative Statements of Cash Flows**  
For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>Cash Flows From Operating Activities</b>		
Receipts from Customers and Users	\$ 1,505,322	\$ 1,463,410
Payments to Vendors	(880,774)	(890,498)
Payments to Employees	(570,539)	(535,365)
Payments on Behalf of Employees	(120,507)	(122,366)
Net Cash Provided (Used) by Operating Activities	(66,498)	(84,819)
<b>Cash Flows From Noncapital Financing Activities</b>		
Transfers from Other Funds	115,000	100,000
<b>Cash Flows From Capital and Related Financing Activities</b>		
Capital Contributions	57,950	37,936
Acquisition and Construction of Capital Assets	(57,950)	(37,936)
Principal Paid on Lease Liabilities	(41,185)	-
Interest Paid on Lease Liabilities	(414)	-
Net Cash Provided by Capital and Related Financing Activities	(41,599)	-
Net Increase (Decrease) in Cash and Cash Equivalents	6,903	15,181
Cash and Cash Equivalents - Beginning of Year	15,181	-
Cash and Cash Equivalents - End of Year	\$ 22,084	\$ 15,181
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (155,769)	\$ (106,274)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	84,840	40,335
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(9,942)	843
Decrease in Inventory	(3,325)	16,219
Decrease in Prepaid Items	(409)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	36,754	8,329
Increase (Decrease) in Due to Other Funds	-	(58,204)
Increase (Decrease) in Compensated Absences Payable	(18,647)	13,933
Net Cash Provided (Used) by Operating Activities	\$ (66,498)	\$ (84,819)
<b>Noncash Capital and Related Financing Activities:</b>		
Acquisition of a Lease Asset by Lease	\$ (96,806)	\$ -

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one of the County's departments or agencies to other departments or agencies and to the County's various discretely presented component units and joint ventures.

**Vehicle Service Center Fund:** This fund is used to account for gasoline and maintenance services for County vehicles.

**Mailroom Fund:** This fund is used to account for central mailroom services for the County.

**Employee Benefits Fund:** This fund is used to account for the payment of retiree medical premiums, employee retirement, life insurance, other payroll related expenses, and unemployment claims.

**Self Insurance Fund:** This fund is used to account for the payment of workers compensation and general liability claims against the County.

**Building Operations Fund:** This fund is used to account for all maintenance services for Knox Central buildings.

**Technical Support Service Fund:** This fund accounts for technical support and technical repairs associated with electronic data processing.

**Capital Leasing:** This fund accounts for the vehicle leasing program.

**Self Insurance Healthcare:** This fund is used to account for the payment of health insurance claims.

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022**

	Vehicle Service Center	Mailroom	Employee Benefits	Self Insurance	Building Operations	Technical Support Service	Capital Leasing	Self Insurance Healthcare	Total
<b>ASSETS</b>									
<b>Current Assets:</b>									
Cash and Cash Equivalents	\$ 989,214	\$ 160,029	\$ 330,595	\$ 25,030,099	\$ 4,094,990	\$ 225,602	\$ 1,600,000	\$ 19,755,848	\$ 52,186,377
Receivables:									
Accounts	35,574	-	130,099	-	2,415,496	-	-	918,066	3,499,235
Leases	-	-	-	-	453,595	-	-	-	453,595
Inventories	109,222	22,080	-	-	-	-	-	-	131,302
Prepaid Items	-	-	50,039	-	-	-	-	82,780	132,819
<b>TOTAL CURRENT ASSETS</b>	<b>1,134,010</b>	<b>182,109</b>	<b>510,733</b>	<b>25,030,099</b>	<b>6,964,081</b>	<b>225,602</b>	<b>1,600,000</b>	<b>20,756,694</b>	<b>56,403,328</b>
<b>Noncurrent Assets:</b>									
Lease Receivable	-	-	-	-	4,414,220	-	-	-	4,414,220
<b>Capital Assets:</b>									
Machinery and Equipment	223,258	-	-	-	-	598,021	-	-	821,279
Leases	-	53,276	-	-	3,608,389	-	-	-	3,661,665
Accumulated Depreciation and Amortization	(189,059)	(9,197)	-	-	(90,777)	(529,315)	-	-	(818,348)
Capital Assets (Net of Accumulated Depreciation and Amortization)	34,199	44,079	-	-	3,517,612	68,706	-	-	3,664,596
<b>TOTAL ASSETS</b>	<b>1,168,209</b>	<b>226,188</b>	<b>510,733</b>	<b>25,030,099</b>	<b>14,895,913</b>	<b>294,308</b>	<b>1,600,000</b>	<b>20,756,694</b>	<b>64,482,144</b>
<b>LIABILITIES</b>									
<b>Current Liabilities:</b>									
Accounts Payable	167,770	6,774	12,024	12,858	629,342	1,982	-	16,651	847,401
Accrued Liabilities	20,836	3,881	97,600	34,479	-	27,867	-	-	184,663
Accrued Interest	-	73	-	-	7,519	-	-	-	7,592
Claims Liabilities	-	-	-	4,316,621	-	-	-	1,967,126	6,283,747
Compensated Absences Payable	50,113	9,757	46,485	71,716	-	57,102	-	-	235,173
Lease Liability	-	9,977	-	-	80,904	-	-	-	90,881
<b>TOTAL CURRENT LIABILITIES</b>	<b>238,719</b>	<b>30,462</b>	<b>156,109</b>	<b>4,435,674</b>	<b>717,765</b>	<b>86,951</b>	<b>-</b>	<b>1,983,777</b>	<b>7,649,457</b>
<b>Noncurrent Liabilities:</b>									
Compensated Absences Payable	506	99	470	724	-	577	-	-	2,376
Claims Liabilities	-	-	-	17,266,482	-	-	-	-	17,266,482
Leases	-	38,500	-	-	3,532,791	-	-	-	3,571,291
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>506</b>	<b>38,599</b>	<b>470</b>	<b>17,267,206</b>	<b>3,532,791</b>	<b>577</b>	<b>-</b>	<b>-</b>	<b>20,840,149</b>
<b>TOTAL LIABILITIES</b>	<b>239,225</b>	<b>69,061</b>	<b>156,579</b>	<b>21,702,880</b>	<b>4,250,556</b>	<b>87,528</b>	<b>-</b>	<b>1,983,777</b>	<b>28,489,606</b>
<b>DEFERRED INFLOW OF RESOURCES</b>									
Leases	-	-	-	-	4,791,993	-	-	-	4,791,993
<b>NET POSITION</b>									
Net Investment in Capital Assets	34,199	44,079	-	-	3,517,612	68,706	-	-	3,664,596
Unrestricted	894,785	113,048	354,154	3,327,219	2,335,752	138,074	1,600,000	18,772,917	27,535,949
<b>TOTAL NET POSITION</b>	<b>\$ 928,984</b>	<b>\$ 157,127</b>	<b>\$ 354,154</b>	<b>\$ 3,327,219</b>	<b>\$ 5,853,364</b>	<b>\$ 206,780</b>	<b>\$ 1,600,000</b>	<b>\$ 18,772,917</b>	<b>\$ 31,200,545</b>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

**Internal Service Funds**

For the Year Ended June 30, 2022

	<b>Vehicle Service Center</b>	<b>Mailroom</b>	<b>Employee Benefits</b>	<b>Self Insurance</b>	<b>Building Operations</b>	<b>Technical Support Service</b>	<b>Capital Leasing</b>	<b>Self Insurance Healthcare</b>	<b>Total</b>
<b>Operating Revenues</b>									
State of Tennessee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000
Charges for Services	3,167,806	220,574	34,191,637	6,767,118	14,064,413	1,256,225	-	30,838,498	90,506,271
<b>Total Operating Revenues</b>	<b>3,167,806</b>	<b>220,574</b>	<b>34,191,637</b>	<b>6,767,118</b>	<b>14,064,413</b>	<b>1,656,225</b>	<b>-</b>	<b>30,838,498</b>	<b>90,906,271</b>
<b>Operating Expenses</b>									
Cost of Services	3,066,725	333,333	1,597,821	1,570,951	15,616,965	2,174,885	-	1,549,929	25,910,609
Depreciation and Amortization	10,487	9,197	-	-	90,777	8,578	-	-	119,039
Medical Claims	-	-	224,741	-	-	-	-	28,753,119	28,977,860
Retirement Contributions	-	-	32,020,023	-	-	-	-	-	32,020,023
OPEB 35% Retiree Healthcare Contributions	-	-	666,000	-	-	-	-	-	666,000
Other Employee Benefits	-	-	1,215,065	-	-	-	-	-	1,215,065
Worker's Compensation & Other Claims	-	-	-	6,266,887	-	-	-	-	6,266,887
Other Expenses	171,331	-	-	95,675	-	372	-	-	267,378
<b>Total Operating Expenses</b>	<b>3,248,543</b>	<b>342,530</b>	<b>35,723,650</b>	<b>7,933,513</b>	<b>15,707,742</b>	<b>2,183,835</b>	<b>-</b>	<b>30,303,048</b>	<b>95,442,861</b>
<b>Operating Income (Loss)</b>	<b>(80,737)</b>	<b>(121,956)</b>	<b>(1,532,013)</b>	<b>(1,166,395)</b>	<b>(1,643,329)</b>	<b>(527,610)</b>	<b>-</b>	<b>535,450</b>	<b>(4,536,590)</b>
<b>Nonoperating Revenues (Expenses)</b>									
Interest Income	-	-	-	-	156,329	-	-	-	156,329
Interest Expense	-	(422)	-	-	(92,928)	-	-	-	(93,350)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>(422)</b>	<b>-</b>	<b>-</b>	<b>63,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,979</b>
<b>Income (Loss) before Transfers</b>	<b>(80,737)</b>	<b>(122,378)</b>	<b>(1,532,013)</b>	<b>(1,166,395)</b>	<b>(1,579,928)</b>	<b>(527,610)</b>	<b>-</b>	<b>535,450</b>	<b>(4,473,611)</b>
<b>Transfers</b>									
Transfers from Other Funds	90,000	120,000	1,566,000	-	1,500,000	600,000	1,600,000	-	5,476,000
<b>Change in Net Position</b>	<b>9,263</b>	<b>(2,378)</b>	<b>33,987</b>	<b>(1,166,395)</b>	<b>(79,928)</b>	<b>72,390</b>	<b>1,600,000</b>	<b>535,450</b>	<b>1,002,389</b>
<b>Total Net Position, July 1, as restated</b>	<b>919,721</b>	<b>159,505</b>	<b>320,167</b>	<b>4,493,614</b>	<b>5,933,292</b>	<b>134,390</b>	<b>-</b>	<b>18,237,467</b>	<b>30,198,156</b>
<b>Total Net Position, June 30</b>	<b>\$ 928,984</b>	<b>\$ 157,127</b>	<b>\$ 354,154</b>	<b>\$ 3,327,219</b>	<b>\$ 5,853,364</b>	<b>\$ 206,780</b>	<b>\$ 1,600,000</b>	<b>\$ 18,772,917</b>	<b>\$ 31,200,545</b>

**KNOX COUNTY, TENNESSEE**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended June 30, 2022

	Vehicle Service Center	Mailroom	Employee Benefits	Self Insurance	Building Operations	Technical Support Service	Capital Leasing	Self Insurance Healthcare	Total
<b>Operating Activities</b>									
Cash Received from Interfund Services Provided	\$ 3,154,856	\$ 220,574	\$ 34,447,827	\$ 6,767,118	\$ 11,606,931	\$ 1,665,025	\$ -	\$ 30,900,502	\$ 88,762,833
Cash Paid to Employees	(510,163)	(79,964)	(450,368)	(757,787)	-	(575,311)	-	-	(2,373,593)
Cash Paid for Goods and Services	(2,526,337)	(220,050)	(1,787,512)	(3,872,191)	(15,242,662)	(1,435,750)	-	(1,549,929)	(26,634,431)
Cash Paid on Behalf of Employees	(154,702)	(32,183)	(33,557,341)	(198,893)	-	(158,925)	-	(28,469,630)	(62,571,674)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(36,346)</b>	<b>(111,623)</b>	<b>(1,347,394)</b>	<b>1,938,247</b>	<b>(3,635,731)</b>	<b>(504,961)</b>	<b>-</b>	<b>880,943</b>	<b>(2,816,865)</b>
<b>Noncapital Financing Activities</b>									
Transfers from Other Funds	90,000	120,000	1,566,000	-	1,500,000	600,000	1,600,000	-	5,476,000
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>90,000</b>	<b>120,000</b>	<b>1,566,000</b>	<b>-</b>	<b>1,500,000</b>	<b>600,000</b>	<b>1,600,000</b>	<b>-</b>	<b>5,476,000</b>
<b>Capital and Related Financing Activities</b>									
Principal Paid on Lease Liabilities	-	(4,799)	-	-	5,306	-	-	-	507
Interest Paid on Lease Liabilities	-	(422)	-	-	(92,928)	-	-	-	(93,350)
Acquisition and Construction of Capital Assets	-	-	-	-	-	(77,284)	-	-	(77,284)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>-</b>	<b>(5,221)</b>	<b>-</b>	<b>-</b>	<b>(87,622)</b>	<b>(77,284)</b>	<b>-</b>	<b>-</b>	<b>(170,127)</b>
<b>Investing activities</b>									
Investment earnings	-	-	-	-	156,329	-	-	-	156,329
<b>Net cash provided (used) in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,329</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>53,654</b>	<b>3,156</b>	<b>218,606</b>	<b>1,938,247</b>	<b>(2,067,024)</b>	<b>17,755</b>	<b>1,600,000</b>	<b>880,943</b>	<b>2,645,337</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>935,560</b>	<b>156,873</b>	<b>111,989</b>	<b>23,091,852</b>	<b>6,162,014</b>	<b>207,847</b>	<b>-</b>	<b>18,874,905</b>	<b>49,541,040</b>
<b>End of Year</b>	<b>\$ 989,214</b>	<b>\$ 160,029</b>	<b>\$ 330,595</b>	<b>\$ 25,030,099</b>	<b>\$ 4,094,990</b>	<b>\$ 225,602</b>	<b>\$ 1,600,000</b>	<b>\$ 19,755,848</b>	<b>\$ 52,186,377</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>									
Operating Income (Loss)	\$ (80,737)	\$ (121,956)	\$ (1,532,013)	\$ (1,166,395)	\$ (1,643,329)	\$ (527,610)	\$ -	\$ 535,450	\$ (4,536,590)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation and Amortization	10,487	9,197	-	-	90,777	8,578	-	-	119,039
Change in Assets and Liabilities:									
(Increase) Decrease in Accounts Receivable	(12,950)	-	256,190	-	(2,381,660)	8,800	-	62,004	(2,067,616)
(Increase) Decrease in Other Receivables	-	-	-	-	(4,867,815)	-	-	-	(4,867,815)
(Increase) Decrease in Inventories	(15,562)	1,176	-	-	-	-	-	-	(14,386)
(Increase) Decrease in Prepaid Items	-	-	(15,739)	-	-	-	-	(82,780)	(98,519)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	75,035	3,464	(49,004)	20,894	374,303	5,230	-	(2,879)	427,043
Increase (Decrease) in Compensated Absences	(12,619)	(3,504)	(6,828)	(6,999)	-	41	-	-	(29,909)
Increase (Decrease) in Claims Liabilities	-	-	-	3,090,747	-	-	-	369,148	3,459,895
Increase (Decrease) in Unearned Revenues	-	-	-	-	4,791,993	-	-	-	4,791,993
Total Adjustments	44,391	10,333	184,619	3,104,642	(1,992,402)	22,649	-	345,493	1,719,725
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (36,346)</b>	<b>\$ (111,623)</b>	<b>\$ (1,347,394)</b>	<b>\$ 1,938,247</b>	<b>\$ (3,635,731)</b>	<b>\$ (504,961)</b>	<b>\$ -</b>	<b>\$ 880,943</b>	<b>\$ (2,816,865)</b>
<b>Noncash Capital and Related Financing Activities:</b>									
Acquisition of a Lease Asset by Lease	\$ -	\$ (53,276)	\$ -	\$ -	\$ (3,608,389)	\$ -	\$ -	\$ -	\$ (3,661,665)

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**KNOX COUNTY, TENNESSEE**

**Vehicle Service Center Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 989,214	\$ 935,560
Accounts Receivable	35,574	22,624
Inventories	109,222	93,660
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	1,134,010	1,051,844
	<hr/>	<hr/>
<b>Capital Assets:</b>		
Machinery and Equipment	223,258	223,258
Accumulated Depreciation	(189,059)	(178,572)
	<hr/>	<hr/>
Capital Assets (Net of Accumulated Depreciation)	34,199	44,686
	<hr/>	<hr/>
TOTAL ASSETS	1,168,209	1,096,530
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	167,770	95,135
Accrued Liabilities	20,836	18,436
Compensated Absences	50,113	49,958
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	238,719	163,529
	<hr/>	<hr/>
<b>Noncurrent Liabilities:</b>		
Compensated Absences	506	13,280
	<hr/>	<hr/>
TOTAL LIABILITIES	239,225	176,809
	<hr/>	<hr/>
<b>NET POSITION</b>		
Investment in Capital Assets	34,199	44,686
Unrestricted	894,785	875,035
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 928,984	\$ 919,721
	<hr/> <hr/>	<hr/> <hr/>

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**KNOX COUNTY, TENNESSEE**

**Vehicle Service Center Fund  
Comparative Statements of Revenues, Expenses  
and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	2022	As Restated 2021
	<u>                    </u>	<u>                    </u>
<b>Operating Revenues</b>		
Charges for Services	\$ 3,167,806	\$ 2,388,288
	<u>                    </u>	<u>                    </u>
<b>Operating Expenses</b>		
Cost of Services	3,066,725	2,253,288
Depreciation and Amortization	10,487	13,992
Other Expenses	171,331	171,700
	<u>                    </u>	<u>                    </u>
Total Operating Expenses	3,248,543	2,438,980
	<u>                    </u>	<u>                    </u>
Loss before Transfers	(80,737)	(50,692)
	<u>                    </u>	<u>                    </u>
<b>Transfers</b>		
Transfers from Other Funds	90,000	400,000
	<u>                    </u>	<u>                    </u>
Change in Net Position	9,263	349,308
Net Position, July 1	919,721	570,413
	<u>                    </u>	<u>                    </u>
Net Position, June 30	\$ 928,984	\$ 919,721
	<u>                    </u>	<u>                    </u>

KNOX COUNTY, TENNESSEE

**Mailroom Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 160,029	\$ 156,873
Inventories	22,080	23,256
TOTAL CURRENT ASSETS	182,109	180,129
<b>Capital Assets:</b>		
Leases	53,276	-
Accumulated Amortization	(9,197)	-
Capital Assets (Net of Accumulated Depreciation)	44,079	-
TOTAL ASSETS	226,188	180,129
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	6,774	3,863
Accrued Liabilities	3,881	3,401
Compensated Absences	9,757	10,554
Lease Liability	9,977	-
Accrued Interest	73	-
TOTAL CURRENT LIABILITIES	30,462	17,818
<b>Noncurrent Liabilities:</b>		
Compensated Absences	99	2,806
Lease Liability	38,500	-
TOTAL NONCURRENT LIABILITIES	38,599	2,806
TOTAL LIABILITIES	69,061	20,624
<b>NET POSITION</b>		
Invested in Capital Assets	44,079	-
Unrestricted	113,048	159,505
TOTAL NET POSITION	\$ 157,127	\$ 159,505



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**KNOX COUNTY, TENNESSEE**

**Mailroom Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
Charges for Services	<u>\$ 220,574</u>	<u>\$ 264,815</u>
<b>Operating Expenses</b>		
Cost of Services	333,333	366,632
Amortization	<u>9,197</u>	<u>-</u>
Total Operating Expenses	<u>342,530</u>	<u>366,632</u>
Operating Income (Loss)	<u>(121,956)</u>	<u>(101,817)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Expense	<u>(422)</u>	<u>-</u>
Income (Loss) before Transfers	<u>(122,378)</u>	<u>(101,817)</u>
<b>Transfers</b>		
Transfers from Other Funds	<u>120,000</u>	<u>122,500</u>
Change in Net Position	(2,378)	20,683
Net Position, July 1	<u>159,505</u>	<u>138,822</u>
Net Position, June 30	<u>\$ 157,127</u>	<u>\$ 159,505</u>

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**KNOX COUNTY, TENNESSEE**

**Employee Benefits Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 330,595	\$ 111,989
Accounts Receivable	130,099	386,289
Prepaid Items	<u>50,039</u>	<u>34,300</u>
<b>TOTAL ASSETS</b>	<u>510,733</u>	<u>532,578</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	12,024	28,986
Accrued Liabilities	97,600	129,642
Compensated Absences	<u>46,485</u>	<u>42,489</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>156,109</u>	<u>201,117</u>
<b>Noncurrent Liabilities:</b>		
Compensated Absences	<u>470</u>	<u>11,294</u>
<b>TOTAL LIABILITIES</b>	<u>156,579</u>	<u>212,411</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 354,154</u>	<u>\$ 320,167</u>

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**KNOX COUNTY, TENNESSEE**

**Employee Benefits Fund  
Comparative Statements of Revenues, Expenses  
and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
Charges for Services	\$ 34,191,637	\$ 32,321,430
<b>Operating Expenses</b>		
Finance and Administration:		
Cost of Services	1,597,821	1,798,396
Medical Claims	224,741	218,066
Retirement Contributions	32,020,023	29,345,620
OPEB 35% Retiree Healthcare Contributions	666,000	524,125
Other Employee Benefits	1,215,065	1,051,425
Total Operating Expenses	<u>35,723,650</u>	<u>32,937,632</u>
Loss before Transfers	<u>(1,532,013)</u>	<u>(616,202)</u>
<b>Transfers</b>		
Transfers from Other Funds	<u>1,566,000</u>	<u>524,125</u>
Change in Net Position	33,987	(92,077)
Net Position, July 1	<u>320,167</u>	<u>412,244</u>
Net Position, June 30	<u>\$ 354,154</u>	<u>\$ 320,167</u>

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**KNOX COUNTY, TENNESSEE**

**Self Insurance Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	<u>\$ 25,030,099</u>	<u>\$ 23,091,852</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	12,858	180
Accrued Liabilities	34,479	26,263
Claims Liability	4,316,621	3,698,471
Compensated Absences	<u>71,716</u>	<u>62,757</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>4,435,674</u>	<u>3,787,671</u>
<b>Noncurrent Liabilities:</b>		
Compensated Absences	724	16,682
Claims Liability	<u>17,266,482</u>	<u>14,793,885</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>17,267,206</u>	<u>14,810,567</u>
<b>TOTAL LIABILITIES</b>	<u>21,702,880</u>	<u>18,598,238</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 3,327,219</u>	<u>\$ 4,493,614</u>

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**KNOX COUNTY, TENNESSEE**

**Self Insurance Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
Charges for Services	<u>\$ 6,767,118</u>	<u>\$ 5,685,025</u>
<b>Operating Expenses</b>		
Cost of Services	1,570,951	1,427,006
Workers' Compensation & Other Claims	6,266,887	4,450,315
Other Expenses	<u>95,675</u>	<u>85,205</u>
Total Operating Expenses	<u>7,933,513</u>	<u>5,962,526</u>
Change in Net Position	(1,166,395)	(277,501)
Net Position, July 1	<u>4,493,614</u>	<u>4,771,115</u>
Net Position, June 30	<u><u>\$ 3,327,219</u></u>	<u><u>\$ 4,493,614</u></u>

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**KNOX COUNTY, TENNESSEE**

**Building Operations Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 4,094,990	\$ 6,162,014
Accounts Receivable	2,415,496	33,836
Lease Receivable	453,595	-
<b>TOTAL CURRENT ASSETS</b>	<u>6,964,081</u>	<u>6,195,850</u>
<b>Noncurrent Assets:</b>		
Lease Receivable	4,414,220	-
<b>Capital Assets:</b>		
Leases	3,608,389	-
Accumulated Depreciation and Amortization	(90,777)	-
Capital Assets (Net of Accumulated Depreciation)	<u>3,517,612</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>14,895,913</u>	<u>6,195,850</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	629,342	262,558
Lease Liability - Current	80,904	-
Accrued Interest	7,519	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>717,765</u>	<u>262,558</u>
<b>Noncurrent Liabilities:</b>		
Lease Liability	3,532,791	-
<b>TOTAL LIABILITIES</b>	<u>4,250,556</u>	<u>262,558</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Leases	4,791,993	-
<b>NET POSITION</b>		
Invested in Capital Assets	3,517,612	-
Unrestricted	2,335,752	5,933,292
<b>TOTAL NET POSITION</b>	<u>\$ 5,853,364</u>	<u>\$ 5,933,292</u>

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**KNOX COUNTY, TENNESSEE**

**Building Operations Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
Charges for Services	\$ 14,064,413	\$ 11,217,261
<b>Operating Expenses</b>		
Cost of Services	15,616,965	13,397,549
Amortization	90,777	-
Total Operating Expenses	<u>15,707,742</u>	<u>13,397,549</u>
Operating Income (Loss)	<u>(1,643,329)</u>	<u>(2,180,288)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Income	156,329	-
Interest Expense	<u>(92,928)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>63,401</u>	<u>-</u>
Income (Loss) before Transfers	<u>(1,579,928)</u>	<u>(2,180,288)</u>
<b>Transfers</b>		
Transfers from Other Funds	<u>1,500,000</u>	<u>2,500,000</u>
Change in Net Position	(79,928)	319,712
Net Position, July 1	<u>5,933,292</u>	<u>5,613,580</u>
Net Position, June 30	<u>\$ 5,853,364</u>	<u>\$ 5,933,292</u>

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**KNOX COUNTY, TENNESSEE**

**Technical Support Service Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 225,602	\$ 207,847
Accounts Receivable	-	8,800
	<u>225,602</u>	<u>216,647</u>
<b>TOTAL CURRENT ASSETS</b>		
<b>Capital Assets:</b>		
Machinery and Equipment	598,021	564,592
Accumulated Depreciation	<u>(529,315)</u>	<u>(564,592)</u>
Capital Assets (Net of Accumulated Depreciation)	<u>68,706</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>294,308</u>	<u>216,647</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	1,982	1,550
Accrued Liabilities	27,867	23,069
Compensated Absences	<u>57,102</u>	<u>45,534</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>86,951</u>	<u>70,153</u>
<b>Noncurrent Liabilities:</b>		
Compensated Absences	<u>577</u>	<u>12,104</u>
<b>TOTAL LIABILITIES</b>	<u>87,528</u>	<u>82,257</u>
<b>NET POSITION</b>		
Investment in Capital Assets	68,706	-
Unrestricted	<u>138,074</u>	<u>134,390</u>
<b>TOTAL NET POSITION</b>	<u>\$ 206,780</u>	<u>\$ 134,390</u>



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**KNOX COUNTY, TENNESSEE**

**Technical Support Service Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
State of Tennessee	\$ 400,000	\$ -
Charges for Services	<u>1,256,225</u>	<u>744,975</u>
Total Operating Revenues	<u>1,656,225</u>	<u>744,975</u>
<b>Operating Expenses</b>		
Cost of Services	2,174,885	707,144
Depreciation and Amortization	8,578	5,490
Other Expense	<u>372</u>	<u>371</u>
Total Operating Expenses	<u>2,183,835</u>	<u>713,005</u>
Income (Loss) before Transfers	<u>(527,610)</u>	<u>31,970</u>
<b>Transfers</b>		
Transfers from Other Funds	<u>600,000</u>	<u>-</u>
Change in Net Position	72,390	31,970
Net Position, July 1	<u>134,390</u>	<u>102,420</u>
Net Position, June 30	<u><u>\$ 206,780</u></u>	<u><u>\$ 134,390</u></u>

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**KNOX COUNTY, TENNESSEE**

**Capital Leasing Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	<u>\$ 1,600,000</u>	<u>\$ -</u>
<b>TOTAL ASSETS</b>	<u>1,600,000</u>	<u>-</u>
<b>NET POSITION</b>		
Unrestricted	<u><u>\$ 1,600,000</u></u>	<u><u>\$ -</u></u>

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**KNOX COUNTY, TENNESSEE**

**Capital Leasing Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Transfers</b>		
Transfers From Other Funds	<u>\$ 1,600,000</u>	<u>\$ -</u>
Change in Net Position	<u>1,600,000</u>	<u>-</u>
Net Position, July 1	<u>-</u>	<u>-</u>
Net Position, June 30	<u><u>\$ 1,600,000</u></u>	<u><u>\$ -</u></u>

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**KNOX COUNTY, TENNESSEE**

**Self Insurance Healthcare Fund**  
**Comparative Statements of Net Position**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 19,755,848	\$ 18,874,905
Accounts Receivable	918,066	980,070
Prepaid Items	82,780	-
	<u>20,756,694</u>	<u>19,854,975</u>
<b>TOTAL ASSETS</b>		
	<u>20,756,694</u>	<u>19,854,975</u>
<b>LIABILITIES</b>		
<b>Liabilities:</b>		
Accounts Payable	16,651	19,530
Claims Liability	1,967,126	1,597,978
	<u>1,983,777</u>	<u>1,617,508</u>
<b>TOTAL LIABILITIES</b>		
	<u>1,983,777</u>	<u>1,617,508</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 18,772,917</u>	<u>\$ 18,237,467</u>

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**KNOX COUNTY, TENNESSEE**

**Self Insurance Healthcare Fund**  
**Comparative Statements of Revenues, Expenses**  
**and Changes in Net Position**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>As Restated 2021</u>
<b>Operating Revenues</b>		
Charges for Services	<u>\$ 30,838,498</u>	<u>\$ 30,796,299</u>
<b>Operating Expenses</b>		
Cost of Services	1,549,929	1,843,509
Medical Claims	<u>28,753,119</u>	<u>27,446,791</u>
Total Operating Expenses	<u>30,303,048</u>	<u>29,290,300</u>
Change in Net Position	535,450	1,505,999
Net Position, July 1	<u>18,237,467</u>	<u>16,731,468</u>
Net Position, June 30	<u><u>\$ 18,772,917</u></u>	<u><u>\$ 18,237,467</u></u>

## FIDUCIARY FUNDS

Trust funds are used to account for assets held by the County in a trustee capacity. Custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

### **PENSION, RETIREMENT AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS**

**Closed Defined Benefit Plan:** This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees covered under the County's closed defined benefit plan.

**Uniformed Officers Pension Plan:** This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees covered under the County's Uniformed Officers Pension Plan closed defined benefit plan.

**Asset Accumulation Plan:** This fund is used to account for the accumulation of resources for retirement benefit payments to qualified employees covered under the County's defined contribution plan.

**Sheriff's Total Accumulation Retirement Plan:** This fund is used to account for the accumulation of resources for retirement benefit payments to qualified employees covered under the County Sheriff's Total Accumulation Retirement Plan defined contribution plan.

**Voluntary 457 Plan:** This fund is used to account for the accumulation of resources for retirement benefit payments to qualified employees who have chosen to participate in the County's supplemental defined contribution plan.

**Employee Disability Plan:** This fund is used to provide resources should an employee become disabled prior to retirement (defined benefit OPEB plan). Eligible employees must also be participants in one of the defined benefit or defined contribution plans.

**Retiree Healthcare Plan:** This fund is used to provide post-retirement health care benefits for County retirees and their dependents (defined benefit OPEB plan).

**Medical Expense Retirement Plan:** This fund is used to account for the accumulation of resources for retiree healthcare benefit payments to qualified employees covered under the County's defined contribution asset accumulation plan. This plan assists employees in planning and investing for anticipated medical expenses upon retirement (defined contribution OPEB plan).

### **CUSTODIAL FUNDS**

**Municipal Sales Tax Fund:** This fund accounts for the local sales tax levied by local municipalities. These funds are collected by the State of Tennessee and remitted to the County for distribution to the municipalities.

**Subdivision Bonds:** This fund accounts for the receipt and distribution of funds held by the County from subdivision developers pending completion of road and hydrology requirements.

**External Agencies Fund:** This fund accounts for the cash of several external agencies and County joint ventures held by the County Trustee on their behalf.

**Constitutional Officers:** The various elected officials use this fund to account for the receipt and disbursement of funds on behalf of state agencies and/or other funds.

**KNOX COUNTY, TENNESSEE**  
**Combining Statement of Fiduciary Net Position**  
**Pension, Retirement and Other Post-Employment Benefit Trust Funds**  
June 30, 2022

	Closed Defined Benefit Plan	Uniformed Officers Pension Plan	Asset Accumulation Plan	Sheriff's Total Accumulation Retirement Plan	Voluntary 457 Plan	Employee Disability Plan	Retiree Healthcare Plan	Medical Expense Retirement Plan	Total
<b>ASSETS</b>									
Cash and Cash equivalents	\$ 250	\$ -	\$ 389,111	\$ 2,072	\$ 33,618	\$ 44,275	\$ -	\$ 18,290	\$ 487,616
Investments, at Fair Value:									
Mutual Funds	34,124,124	193,086,514	244,333,289	7,371,044	21,251,660	2,000,757	3,784,622	3,746,440	509,698,450
Collective Investment Trusts	-	-	20,711,664	328,954	1,616,346	736,872	1,384,929	1,158,883	25,937,648
Investments, at Contract Value:									
Guaranteed Investment Contracts	-	-	93,808,427	3,284,385	7,424,054	235,056	404,434	538,928	105,695,284
Total Investments	34,124,124	193,086,514	358,853,380	10,984,383	30,292,060	2,972,685	5,573,985	5,444,251	641,331,382
Receivables:									
Notes Receivable from Participants	-	-	2,846,777	-	-	-	-	-	2,846,777
Total Receivables	-	-	2,846,777	-	-	-	-	-	2,846,777
Total Assets	34,124,374	193,086,514	362,089,268	10,986,455	30,325,678	3,016,960	5,573,985	5,462,541	644,665,775
<b>LIABILITIES</b>									
Accounts Payable - Administrative Expenses	14,926	52,059	-	-	-	40,853	-	-	107,838
<b>NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS</b>	<u>\$ 34,109,448</u>	<u>\$ 193,034,455</u>	<u>\$ 362,089,268</u>	<u>\$ 10,986,455</u>	<u>\$ 30,325,678</u>	<u>\$ 2,976,107</u>	<u>\$ 5,573,985</u>	<u>\$ 5,462,541</u>	<u>\$ 644,557,937</u>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Changes in Fiduciary Net Position  
Pension, Retirement and Other Post-Employment Benefit Trust Funds  
For the Year Ended June 30, 2022**

	Closed Defined Benefit Plan	Uniformed Officers Pension Plan	Asset Accumulation Plan	Sheriff's Total Accumulation Retirement Plan	Voluntary 457 Plan	Employee Disability Plan	Retiree Healthcare Plan	Medical Expense Retirement Plan	Total
<b>ADDITIONS</b>									
Contributions:									
Employer	\$ 3,220,457	\$ 7,480,882	\$ 12,308,584	\$ 1,812,179	\$ -	\$ 2,195,279	\$ 666,000	\$ 131,250	\$ 27,814,631
Employees	67,164	1,225,206	10,390,738	906,074	2,928,251	-	-	308,546	15,825,979
Rollovers	-	-	1,131,668	93,921	32,308	-	-	-	1,257,897
<b>Total Contributions</b>	<b>3,287,621</b>	<b>8,706,088</b>	<b>23,830,990</b>	<b>2,812,174</b>	<b>2,960,559</b>	<b>2,195,279</b>	<b>666,000</b>	<b>439,796</b>	<b>44,898,507</b>
Investment Income (Loss):									
Interest and Dividend Income	1,821,828	11,359,654	28,332,541	754,602	2,550,856	343,244	694,354	748,239	46,605,318
Interest on Notes Receivable from Participants	-	-	120,303	-	-	-	-	-	120,303
Net Appreciation (Depreciation) in Fair Value of Investments	(6,235,085)	(39,777,837)	(78,258,264)	(2,339,172)	(6,964,502)	(819,483)	(1,486,735)	(1,667,911)	(137,548,989)
<b>Total Investment Income (Loss)</b>	<b>(4,413,257)</b>	<b>(28,418,183)</b>	<b>(49,805,420)</b>	<b>(1,584,570)</b>	<b>(4,413,646)</b>	<b>(476,239)</b>	<b>(792,381)</b>	<b>(919,672)</b>	<b>(90,823,368)</b>
<b>Total Additions</b>	<b>(1,125,636)</b>	<b>(19,712,095)</b>	<b>(25,974,430)</b>	<b>1,227,604</b>	<b>(1,453,087)</b>	<b>1,719,040</b>	<b>(126,381)</b>	<b>(479,876)</b>	<b>(45,924,861)</b>
<b>DEDUCTIONS</b>									
Benefits and Refunds	6,721,519	12,875,063	34,794,353	550,273	2,332,879	540,141	-	797,640	58,611,868
Administrative Expenses	114,444	642,958	1,336,071	1,289,760	612	-	61,806	-	3,445,651
<b>Total Deductions</b>	<b>6,835,963</b>	<b>13,518,021</b>	<b>36,130,424</b>	<b>1,840,033</b>	<b>2,333,491</b>	<b>540,141</b>	<b>61,806</b>	<b>797,640</b>	<b>62,057,519</b>
<b>CHANGE IN NET POSITION</b>	<b>(7,961,599)</b>	<b>(33,230,116)</b>	<b>(62,104,854)</b>	<b>(612,429)</b>	<b>(3,786,578)</b>	<b>1,178,899</b>	<b>(188,187)</b>	<b>(1,277,516)</b>	<b>(107,982,380)</b>
<b>NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS, BEGINNING OF YEAR</b>									
	42,071,047	226,264,571	424,194,122	11,598,884	34,112,256	1,797,208	5,762,172	6,740,057	752,540,317
<b>NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS, END OF YEAR</b>									
	\$ 34,109,448	\$ 193,034,455	\$ 362,089,268	\$ 10,986,455	\$ 30,325,678	\$ 2,976,107	\$ 5,573,985	\$ 5,462,541	\$ 644,557,937



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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position  
Pension Trust Fund - Closed Defined Benefit Plan**

June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 250	\$ 250
Investments, at Fair Value:		
Mutual Funds	34,124,124	42,097,304
Receivables:		
Employee Contributions	-	2,601
Total Assets	<u>34,124,374</u>	<u>42,100,155</u>
<b>LIABILITIES</b>		
Accounts Payable - Administrative Expenses	<u>14,926</u>	<u>29,108</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 34,109,448</u>	<u>\$ 42,071,047</u>

**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Changes in Fiduciary Net Position**  
**Pension Trust Fund - Closed Defined Benefit Plan**  
For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 3,220,457	\$ 3,536,442
Employees	67,164	71,396
<b>Total Contributions</b>	<b>3,287,621</b>	<b>3,607,838</b>
Investment Income (Loss):		
Interest and Dividend Income	1,821,828	1,072,573
Net Appreciation (Depreciation) in Fair Value of Investments	(6,235,085)	7,277,727
<b>Total Investment Income (Loss)</b>	<b>(4,413,257)</b>	<b>8,350,300</b>
Less Investment Expenses	-	(25,160)
<b>Net Investment Income (Loss)</b>	<b>(4,413,257)</b>	<b>8,325,140</b>
<b>Total Additions</b>	<b>(1,125,636)</b>	<b>11,932,978</b>
<b>DEDUCTIONS</b>		
Benefits and Refunds	6,721,519	6,696,696
Administrative Expenses	114,444	134,423
<b>Total Deductions</b>	<b>6,835,963</b>	<b>6,831,119</b>
<b>CHANGE IN NET POSITION</b>	<b>(7,961,599)</b>	<b>5,101,859</b>
<b>NET POSITION - RESTRICTED FOR PENSION</b>		
<b>BENEFITS, BEGINNING OF YEAR</b>	<b>42,071,047</b>	<b>36,969,188</b>
<b>NET POSITION - RESTRICTED FOR PENSION</b>		
<b>BENEFITS, END OF YEAR</b>	<b>\$ 34,109,448</b>	<b>\$ 42,071,047</b>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position**  
**Pension Trust Fund - Uniformed Officers Pension Plan**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Investments, at Fair Value:		
Mutual Funds	<u>193,086,514</u>	<u>226,386,087</u>
Total Investments	<u>193,086,514</u>	<u>226,386,087</u>
Receivables:		
Employee Contributions	<u>-</u>	<u>43,594</u>
Total Assets	<u>193,086,514</u>	<u>226,429,681</u>
<b>LIABILITIES</b>		
Accounts Payable - Administrative Expenses	<u>52,059</u>	<u>165,110</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 193,034,455</u>	<u>\$ 226,264,571</u>

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**KNOX COUNTY, TENNESSEE****Comparative Statements of Changes in Fiduciary Net Position  
Pension Trust Fund - Uniformed Officers Pension Plan  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 7,480,882	\$ 7,355,887
Employees	<u>1,225,206</u>	<u>1,203,276</u>
Total Contributions	<u>8,706,088</u>	<u>8,559,163</u>
Investment Income (Loss):		
Interest and Dividend Income	11,359,654	5,799,501
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(39,777,837)</u>	<u>45,919,842</u>
Total Investment Income	(28,418,183)	51,719,343
Less Investment Expenses	<u>-</u>	<u>(97,680)</u>
Net Investment Income (Loss)	<u>(28,418,183)</u>	<u>51,621,663</u>
Total Additions	<u>(19,712,095)</u>	<u>60,180,826</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	12,875,063	11,783,306
Administrative Expenses	<u>642,958</u>	<u>850,096</u>
Total Deductions	<u>13,518,021</u>	<u>12,633,402</u>
<b>CHANGE IN NET POSITION</b>	(33,230,116)	47,547,424
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>226,264,571</u>	<u>178,717,147</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR</b>	<u>\$ 193,034,455</u>	<u>\$ 226,264,571</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position**  
**Pension Trust Fund - Asset Accumulation Plan**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 389,111</u>	<u>\$ 379,456</u>
Investments, at Fair Value:		
Mutual Funds	244,333,289	308,330,806
Collective Investment Trusts	20,711,664	22,232,926
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>93,808,427</u>	<u>90,433,580</u>
Total Investments	<u>358,853,380</u>	<u>420,997,312</u>
Receivables:		
Employee Contributions	-	473,685
Employer Contributions	-	555,478
Notes Receivable from Participants	<u>2,846,777</u>	<u>1,788,191</u>
Total Receivables	<u>2,846,777</u>	<u>2,817,354</u>
Total Assets	<u>362,089,268</u>	<u>424,194,122</u>
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS</b>	<u><u>\$ 362,089,268</u></u>	<u><u>\$ 424,194,122</u></u>

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**KNOX COUNTY, TENNESSEE****Comparative Statements of Changes in Fiduciary Net Position  
Pension Trust Fund - Asset Accumulation Plan  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 12,308,584	\$ 11,499,761
Employees	10,390,738	9,713,128
Rollovers	1,131,668	346,215
Total Contributions	<u>23,830,990</u>	<u>21,559,104</u>
Investment Income (Loss):		
Interest and Dividend Income	28,332,541	3,470,724
Interest on Notes Receivable from Participants	120,303	86,959
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(78,258,264)</u>	<u>87,873,450</u>
Net Investment Income (Loss)	<u>(49,805,420)</u>	<u>91,431,133</u>
Total Additions	<u>(25,974,430)</u>	<u>112,990,237</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	34,794,353	34,785,585
Administrative Expenses	<u>1,336,071</u>	<u>301,624</u>
Total Deductions	<u>36,130,424</u>	<u>35,087,209</u>
<b>CHANGE IN NET POSITION</b>	(62,104,854)	77,903,028
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR</b>	<u>424,194,122</u>	<u>346,291,094</u>
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR</b>	<u>\$ 362,089,268</u>	<u>\$ 424,194,122</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position  
Pension Trust Fund - Sheriff's Total Accumulation Retirement Plan**

June 30, 2022 and 2021

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	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,072	\$ -
Investments, at Fair Value:		
Mutual Funds	7,371,044	8,330,884
Collective Investment Trusts	328,954	278,716
Investments, at Contract Value:		
Guaranteed Investment Contracts	3,284,385	2,899,112
 Total Investments	 10,984,383	 11,508,712
Receivables:		
Employee Contributions	-	30,057
Employer Contributions	-	60,115
 Total Receivables	 -	 90,172
 Total Assets	 10,986,455	 11,598,884
 <b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS</b>	 <b>\$ 10,986,455</b>	 <b>\$ 11,598,884</b>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Changes in Fiduciary Net Position  
Pension Trust Fund - Sheriff's Total Accumulation Retirement Plan  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 1,812,179	\$ 1,693,491
Employees	906,074	846,749
Rollovers	93,921	-
Total Contributions	<u>2,812,174</u>	<u>2,540,240</u>
Investment Income:		
Interest and Dividend Income	754,602	90,257
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(2,339,172)</u>	<u>2,139,426</u>
Net Investment Income	<u>(1,584,570)</u>	<u>2,229,683</u>
Total Additions	<u>1,227,604</u>	<u>4,769,923</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	550,273	396,203
Administrative Expenses	<u>1,289,760</u>	<u>390,737</u>
Total Deductions	<u>1,840,033</u>	<u>786,940</u>
<b>CHANGE IN NET POSITION</b>	(612,429)	3,982,983
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR</b>	<u>11,598,884</u>	<u>7,615,901</u>
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR</b>	<u>\$ 10,986,455</u>	<u>\$ 11,598,884</u>



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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position**  
**Pension Trust Fund - Voluntary 457 Plan**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 33,618</u>	<u>\$ 34,889</u>
Investments, at Fair Value:		
Mutual Funds	21,251,660	25,590,306
Collective Investment Trusts	1,616,346	1,736,632
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>7,424,054</u>	<u>6,623,936</u>
Total Investments	<u>30,292,060</u>	<u>33,950,874</u>
Receivables:		
Employee Contributions	<u>-</u>	<u>126,493</u>
Total Assets	<u>30,325,678</u>	<u>34,112,256</u>
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS</b>	<u><u>\$ 30,325,678</u></u>	<u><u>\$ 34,112,256</u></u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Changes in Fiduciary Net Position**  
**Pension Trust Fund - Voluntary 457 Plan**  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employee	\$ 2,928,251	\$ 2,669,365
Rollovers	32,308	31,349
	<u>2,960,559</u>	<u>2,700,714</u>
Total Contributions		
	2,960,559	2,700,714
Investment Income (Loss):		
Interest and Dividend Income	2,550,856	269,424
Net Appreciation (Depreciation) in Fair Value of Investments	(6,964,502)	7,157,772
	<u>(4,413,646)</u>	<u>7,427,196</u>
Total Investment Income (Loss)		
	(4,413,646)	7,427,196
Total Additions	<u>(1,453,087)</u>	<u>10,127,910</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	2,332,879	2,676,123
Administrative Expense	612	2,667
	<u>2,333,491</u>	<u>2,678,790</u>
Total Deductions		
	2,333,491	2,678,790
<b>CHANGE IN NET POSITION</b>	<b>(3,786,578)</b>	<b>7,449,120</b>
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR</b>	<u>34,112,256</u>	<u>26,663,136</u>
<b>NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR</b>	<u>\$ 30,325,678</u>	<u>\$ 34,112,256</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position  
Other Employee Benefit Trust Fund - Employee Disability Plan**

June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 44,275	\$ 39,169
Investments, at Fair Value:		
Mutual Funds	2,000,757	1,381,910
Collective Investment Trusts	736,872	407,614
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>235,056</u>	<u>123,980</u>
Total Investments	<u>2,972,685</u>	<u>1,913,504</u>
Total Assets	<u>3,016,960</u>	<u>1,952,673</u>
<b>LIABILITIES</b>		
Accounts Payable - Administrative Expenses	<u>40,853</u>	<u>155,465</u>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS</b>	<u>\$ 2,976,107</u>	<u>\$ 1,797,208</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Changes in Fiduciary Net Position  
Other Employee Benefit Trust Fund - Employee Disability Plan  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,195,279	\$ 592,738
Investment Income (Loss):		
Interest and Dividend Income	343,244	52,481
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(819,483)</u>	<u>460,900</u>
Net Investment Income (Loss)	<u>(476,239)</u>	<u>513,381</u>
Total Additions	<u>1,719,040</u>	<u>1,106,119</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	<u>540,141</u>	<u>420,085</u>
<b>CHANGE IN NET POSITION</b>	1,178,899	686,034
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR</b>	<u>1,797,208</u>	<u>1,111,174</u>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR</b>	<u>\$ 2,976,107</u>	<u>\$ 1,797,208</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position**  
**Other Employee Benefit Trust Fund - Retiree Healthcare Plan**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Investments, at Fair Value:		
Mutual Funds	\$ 3,784,622	\$ 3,496,303
Collective Investment Trusts	1,384,929	1,915,698
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>404,434</u>	<u>350,171</u>
 Total Investments	 <u>5,573,985</u>	 <u>5,762,172</u>
 Total Assets	 <u>5,573,985</u>	 <u>5,762,172</u>
 <b>NET POSITION - RESTRICTED FOR</b>		
<b>OPEB BENEFITS</b>	 <u>\$ 5,573,985</u>	 <u>\$ 5,762,172</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Changes in Fiduciary Net Position  
Other Employee Benefit Trust Fund - Retiree Healthcare Plan**

For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 666,000	\$ 524,125
Investment Income (Loss):		
Interest and Dividend Income	694,354	139,959
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(1,486,735)</u>	<u>1,051,542</u>
Total Investment Income (Loss)	<u>(792,381)</u>	<u>1,191,501</u>
Total Additions	<u>(126,381)</u>	<u>1,715,626</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	<u>61,806</u>	<u>66,915</u>
<b>CHANGE IN NET POSITION</b>	(188,187)	1,648,711
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR</b>	<u>5,762,172</u>	<u>4,113,461</u>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR</b>	<u>\$ 5,573,985</u>	<u>\$ 5,762,172</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Fiduciary Net Position**  
**Pension Trust Fund - Medical Expense Retirement Plan**  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 18,290	\$ 15,169
Investments, at Fair Value:		
Mutual Funds	3,746,440	5,005,428
Collective Investment Trusts	1,158,883	1,192,509
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>538,928</u>	<u>514,498</u>
Total Investments	<u>5,444,251</u>	<u>6,712,435</u>
Receivables:		
Employee Contributions	-	8,857
Employer Contributions	<u>-</u>	<u>3,596</u>
Total Receivables	<u>-</u>	<u>12,453</u>
Total Assets	<u>5,462,541</u>	<u>6,740,057</u>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS</b>	<u>\$ 5,462,541</u>	<u>\$ 6,740,057</u>

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**KNOX COUNTY, TENNESSEE**

**Comparative Statements of Changes in Fiduciary Net Position  
Pension Trust Fund - Medical Expense Retirement Plan  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 131,250	\$ 86,311
Employees	<u>308,546</u>	<u>191,802</u>
Total Contributions	<u>439,796</u>	<u>278,113</u>
Investment Income (Loss):		
Interest and Dividend Income	748,239	181,463
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(1,667,911)</u>	<u>1,429,988</u>
Net Investment Income (Loss)	<u>(919,672)</u>	<u>1,611,451</u>
Total Additions	<u>(479,876)</u>	<u>1,889,564</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	797,640	653,713
Administrative Expenses	<u>-</u>	<u>1,702</u>
Total Deductions	<u>797,640</u>	<u>655,415</u>
<b>CHANGE IN NET POSITION</b>	(1,277,516)	1,234,149
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR</b>	<u>6,740,057</u>	<u>5,505,908</u>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR</b>	<u>\$ 5,462,541</u>	<u>\$ 6,740,057</u>



**KNOX COUNTY, TENNESSEE**  
**Combining Statements of Fiduciary Net Position**  
**Custodial Funds**  
June 30, 2022  
(With Comparative Totals for June 30, 2021)

	Municipal Sales Tax	Subdivision Bonds	External Agencies	Constitutional Officers	Totals	
					2022	2021
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ 962,003	\$ 3,682,502	\$ 26,071,096	\$ 30,715,601	\$ 40,181,441
Accounts Receivable	11,774,494	40,109	-	776,319	12,590,922	11,073,308
<b>TOTAL ASSETS</b>	<b>\$ 11,774,494</b>	<b>\$ 1,002,112</b>	<b>\$ 3,682,502</b>	<b>\$ 26,847,415</b>	<b>\$ 43,306,523</b>	<b>\$ 51,254,749</b>
<b>LIABILITIES</b>						
Accounts Payable	-	109	-	-	109	-
Due to Other Governments	11,774,494	-	-	-	11,774,494	15,282,072
<b>TOTAL LIABILITIES</b>	<b>11,774,494</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>11,774,603</b>	<b>15,282,072</b>
<b>NET POSITION - RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS</b>						
	<b>\$ -</b>	<b>\$ 1,002,003</b>	<b>\$ 3,682,502</b>	<b>\$ 26,847,415</b>	<b>\$ 31,531,920</b>	<b>\$ 35,972,677</b>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Changes in Fiduciary Net Position**

**Custodial Funds**

For the Year Ended June 30, 2022

	<b>Municipal Sales Tax Fund</b>	<b>Subdivision Bonds</b>	<b>External Agencies Fund</b>	<b>Constitutional Officers Fund</b>	<b>Total All Custodial Funds</b>
<b>ADDITIONS</b>					
Collected for Other Offices/Governments	\$ 66,486,044	\$ -	\$ -	\$ 124,523,644	\$ 191,009,688
Litigants, Heirs, & Others	-	-	-	18,894,104	18,894,104
Charges for Goods/Services	-	-	2,603,703	-	2,603,703
Bonds for New Developments	-	653,166	-	-	653,166
Interest Income	-	-	3,569	-	3,569
Grant Proceeds/Match	-	-	43,566,769	-	43,566,769
Community Contributions/Sponsorships	-	-	841,006	-	841,006
Other	-	-	131,061	-	131,061
Total Additions	<u>66,486,044</u>	<u>653,166</u>	<u>47,146,109</u>	<u>143,417,748</u>	<u>257,703,067</u>
<b>DEDUCTIONS</b>					
Distributed to Other Offices/Governments	65,821,184	-	-	123,468,559	189,289,743
Trustee's Commission	664,860	-	9,048	4,085,555	4,759,463
Release of Funds upon Completion of New Developments	-	571,900	-	-	571,900
Salary & Fringe Benefits	-	-	31,488,900	-	31,488,900
Purchase Capital Assets	-	-	501,505	-	501,505
Operating Expenditures	-	-	16,968,344	-	16,968,344
Indirect Costs	-	-	59,579	-	59,579
Jail Commissary Expenditures	-	-	-	1,701,532	1,701,532
Litigants, Heirs, and Others	-	-	-	16,645,247	16,645,247
Other	-	109	47,124	110,377	157,610
Total Deductions	<u>66,486,044</u>	<u>572,009</u>	<u>49,074,500</u>	<u>146,011,270</u>	<u>262,143,824</u>
<b>CHANGE IN NET POSITION</b>	-	81,157	(1,928,392)	(2,593,522)	(4,440,757)
<b>NET POSITION - RESTRICTED BEGINNING OF YEAR</b>	<u>-</u>	<u>920,846</u>	<u>5,610,894</u>	<u>29,440,937</u>	<u>35,972,677</u>
<b>NET POSITION - RESTRICTED END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,002,003</u>	<u>\$ 3,682,502</u>	<u>\$ 26,847,415</u>	<u>\$ 31,531,920</u>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Net Position  
Nonmajor Component Units  
June 30, 2022**

	Nonmajor Component Units				Total Nonmajor Component Units
	Knox County Emergency Communications District	Knox County Development Corporation	Knox County Railroad Authority	Knox Education Foundation	
<b>Assets</b>					
Cash and Cash Equivalents	\$ 25,201,112	\$ 3,229,329	\$ 9,780	\$ 5,249,743	\$ 33,689,964
Accounts Receivable	-	257,210	-	3,087	260,297
Contributions Receivable	-	-	-	837,731	837,731
Investments	-	-	-	271,209	271,209
Land Held for Resale	-	40,518,004	-	-	40,518,004
Prepaid Items	62,865	32,340	-	30,424	125,629
Net Pension Asset	604,850	-	-	-	604,850
Capital Assets:					
Land and Construction in Process	2,228,707	-	-	-	2,228,707
Other Capital Assets, Net of Accumulated Depreciation	12,153,641	1,009	-	1,123	12,155,773
<b>Total Assets</b>	<u>40,251,175</u>	<u>44,037,892</u>	<u>9,780</u>	<u>6,393,317</u>	<u>90,692,164</u>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows Related to Pensions	1,027,955	-	-	-	1,027,955
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	427,661	92,830	-	746,846	1,267,337
Noncurrent Liabilities:					
Due in Less than One Year	422,932	-	-	-	422,932
Due in More than One Year	229,629	591,695	-	-	821,324
<b>Total Liabilities</b>	<u>1,080,222</u>	<u>684,525</u>	<u>-</u>	<u>746,846</u>	<u>2,511,593</u>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows Related to Pensions	689,613	484	-	-	690,097
<b>Net Position</b>					
Investment in Capital Assets	14,333,847	1,009	-	1,123	14,335,979
Restricted for:					
Education Purposes	-	-	-	1,042,505	1,042,505
Pensions	604,850	-	-	-	604,850
Other Purposes	-	135,397	-	-	135,397
Unrestricted	24,570,598	43,216,477	9,780	4,602,843	72,399,698
<b>Total Net Position</b>	<u>\$ 39,509,295</u>	<u>\$ 43,352,883</u>	<u>\$ 9,780</u>	<u>\$ 5,646,471</u>	<u>\$ 88,518,429</u>

**KNOX COUNTY, TENNESSEE**

**Combining Statement of Activities**

**Nonmajor Component Units**

For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Component Units				Total Nonmajor Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	The District	The Corporation	KCRA	KEF	
Knox County Emergency Communications District	\$ 10,768,019	\$ 9,068,351	\$ -	\$ 474,147	\$ (1,225,521)	\$ -	\$ -	\$ -	\$ (1,225,521)
Knox County Development Corporation	1,009,283	794,775	-	-	-	(214,508)	-	-	(214,508)
Knox County Railroad Authority	307,764	-	-	307,264	-	-	(500)	-	(500)
Knox Education Foundation	4,856,700	-	6,385,553	-	-	-	-	1,528,853	1,528,853
<b>Total component units</b>	<b>\$ 16,941,766</b>	<b>\$ 9,863,126</b>	<b>\$ 6,385,553</b>	<b>\$ 781,411</b>	<b>(1,225,521)</b>	<b>(214,508)</b>	<b>(500)</b>	<b>1,528,853</b>	<b>88,324</b>
<b>General Revenues:</b>									
Investment Revenue					51,290	103,769	-	2,499	157,558
Payments from Primary Government					1,333,231	693,499	-	-	2,026,730
Other Revenues					4,858	-	-	-	4,858
Other Governments and Citizens Groups					-	101,300	-	-	101,300
Grants and Contributions Not Restricted for Specific Programs					1,919,140	-	-	-	1,919,140
<b>Total General Revenues</b>					<b>3,308,519</b>	<b>898,568</b>	<b>-</b>	<b>2,499</b>	<b>4,209,586</b>
Change in Net Position					2,082,998	684,060	(500)	1,531,352	4,297,910
Net Position, July 1, as restated					37,426,297	42,668,823	10,280	4,115,119	84,220,519
Net Position, June 30					<b>\$ 39,509,295</b>	<b>\$ 43,352,883</b>	<b>\$ 9,780</b>	<b>\$ 5,646,471</b>	<b>\$ 88,518,429</b>

**KNOX COUNTY, TENNESSEE**  
**Schedule of Changes in Long-term Debt by Individual Issue**  
For the Year Ended June 30, 2022

Governmental Activities, Payable through Debt Service Fund: Description of Indebtedness	Original Issue Amount	Interest Rate	Issuance Date	Last Maturity Date	Outstanding 6/30/2021	Transactions FY 2022:			Outstanding 6/30/2022
						Debt Issued	Principal Payments	Principal Refunded	
<b>Bonds Payable:</b>									
General Obligation, Series 2003	\$ 72,000,000	Variable Rate Swap to 3.95%	10/1/2003	6/1/2029	\$ 37,400,000	\$ -	\$ 3,750,000	\$ -	\$ 33,650,000
General Obligation, Series 2004	70,000,000	Variable Rate Swap to 3.40%	9/23/2004	6/1/2029	41,460,000	-	4,260,000	-	37,200,000
General Obligation, Series 2005	77,000,000	Variable Rate Swap to 3.89%	8/18/2005	6/1/2034	51,000,000	-	1,075,000	-	49,925,000
General Obligation, Series 2007	69,000,000	Variable Rate	6/27/2007	6/1/2034	69,000,000	-	-	-	69,000,000
General Obligation, Series 2008	40,000,000	Variable Rate	11/4/2008	6/1/2029	20,745,000	-	2,175,000	-	18,570,000
B General Obligation, Qualified School Construction Bonds Series 2010	29,236,000	0.00%	10/7/2010	7/1/2027	11,297,237	-	1,824,280	-	9,472,957
General Obligation, Series 2016	35,900,000	1.0 - 5.0%	4/15/2016	6/1/2036	27,450,000	-	1,425,000	-	26,025,000
General Obligation, Series 2017	90,265,000	3.0 - 5.0%	5/1/2017	6/1/2037	78,360,000	-	3,440,000	-	74,920,000
General Obligation Refunding, Series 2017B	57,780,000	2.0 - 5.0%	12/1/2017	6/1/2035	55,795,000	-	3,020,000	-	52,775,000
General Obligation, Series 2018	33,165,000	4.0 - 5.0%	7/24/2018	6/1/2038	28,190,000	-	1,660,000	-	26,530,000
General Obligation/Refunding, Series 2019	45,610,000	2.75 - 5.0%	5/15/2019	4/1/2038	38,095,000	-	3,980,000	-	34,115,000
General Obligation, Series 2019B	37,230,000	2.375 - 5.0%	10/10/2019	6/1/2040	36,030,000	-	1,260,000	-	34,770,000
B General Obligation Refunding, Series 2020A	17,420,000	1.5 - 5.0%	1/31/2020	8/1/2030	16,065,000	-	1,460,000	-	14,605,000
General Obligation Refunding, Series 2020B	38,090,000	1.875 - 5.0%	4/1/2020	6/1/2038	37,045,000	-	1,655,000	-	35,390,000
General Obligation, Series 2020C	55,155,000	3.0 - 5.0%	11/20/2020	6/1/2040	55,155,000	-	4,395,000	-	50,760,000
C General Obligation Refunding, Series 2020D	33,200,000	.35 - 1.0%	11/20/2020	6/1/2026	32,565,000	-	6,520,000	-	26,045,000
General Obligation Refunding, Series 2020E	22,905,000	1.5 - 2.1%	11/20/2020	6/1/2036	22,485,000	-	1,405,000	-	21,080,000
General Obligation, Series 2022	87,040,000	3.0 - 5.0%	4/14/2022	6/1/2042	-	87,040,000	-	-	87,040,000
Total Bonds Payable through Debt Service Fund					\$ 658,137,237	\$ 87,040,000	\$ 43,304,280	\$ -	\$ 701,872,957
<b>Loan Payable:</b>									
B Energy Efficient Schools Initiative Loan (State of Tennessee) Loan Payable through Debt Service Fund	\$ 5,007,192	0.75%	11/2/2011	7/1/2024	\$ 1,329,911	\$ -	\$ 427,947	\$ -	\$ 901,964
<b>Financed Purchases:</b>									
Equipment Lease/Purchase Contract (Qualified Energy Conservation Bond Allocation from State of Tennessee)	\$ 12,450,000	4.87%	6/30/2015	12/1/2036	\$ 10,769,942	\$ -	\$ 406,697	\$ -	\$ 10,363,245
STEM Academy	5,864,061	4.00%	1/1/2011	12/1/2030	3,354,411	-	296,219	-	3,058,192
Total Financed Purchases Payable through Debt Service Fund					\$ 14,124,353	\$ -	\$ 702,916	\$ -	\$ 13,421,437

NOTE: C = County only Debt. B = Board of Education only Debt. The remaining debt issues are combined County and Board of Education.

KNOX COUNTY, TENNESSEE

Knox County Primary Government and Board of Education  
 Schedule of Debt Service Requirements  
 General Bonded Debt  
 June 30, 2022

Fiscal Year Ending June 30,	\$72,000,000 General Obligation Series 2003		\$70,000,000 General Obligation Series 2004		\$77,000,000 General Obligation Series 2005		\$69,000,000 General Obligation Series 2007		\$40,000,000 General Obligation Series 2008		\$29,236,000 Qualified School Construction Bonds Series 2010		\$35,900,000 General Obligation Bonds Series 2016		\$90,265,000 General Obligation Bonds Series 2017		\$57,780,000 Refunding Bonds Series 2017B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,975,000	\$ 1,514,250	\$ 4,500,000	\$ 1,488,000	\$ 1,000,000	\$ 2,246,625	\$ -	\$ 3,450,000	\$ 2,280,000	\$ 928,500	\$ 1,824,281	\$ 1,417,361	\$ 1,475,000	\$ 851,313	\$ 3,615,000	\$ 2,920,675	\$ 3,205,000	\$ 1,791,360
2024	4,225,000	1,335,375	4,760,000	1,308,000	1,050,000	2,201,625	-	3,450,000	2,395,000	814,500	1,824,281	1,417,361	1,525,000	777,563	3,790,000	2,739,925	3,365,000	1,631,110
2025	4,500,000	1,145,250	5,020,000	1,117,600	1,100,000	2,154,375	-	3,450,000	2,515,000	694,750	1,824,281	1,417,361	1,575,000	701,313	3,985,000	2,550,425	3,480,000	1,462,860
2026	4,775,000	942,750	5,300,000	916,800	1,150,000	2,104,875	-	3,450,000	2,640,000	569,000	1,824,281	1,417,361	1,625,000	622,563	4,180,000	2,351,175	3,595,000	1,288,860
2027	5,075,000	727,875	5,580,000	704,800	1,175,000	2,053,125	6,475,000	3,450,000	2,775,000	437,000	2,003,856	1,417,361	1,675,000	590,063	4,390,000	2,142,175	3,915,000	1,109,110
2028	5,375,000	499,500	5,870,000	481,600	1,225,000	2,000,250	7,675,000	3,126,250	2,910,000	298,250	171,976	139,589	1,750,000	544,000	4,615,000	1,922,675	3,995,000	1,030,810
2029	5,725,000	257,625	6,170,000	246,800	1,275,000	1,945,125	8,075,000	2,742,500	3,055,000	152,750	-	-	1,800,000	495,874	4,795,000	1,738,075	3,930,000	940,923
2030	-	-	-	-	7,750,000	1,887,750	8,450,000	2,338,750	-	-	-	-	1,875,000	446,374	5,035,000	1,498,325	4,190,000	847,584
2031	-	-	-	-	8,050,000	1,539,000	8,900,000	1,916,250	-	-	-	-	1,950,000	390,124	5,285,000	1,246,575	4,365,000	679,985
2032	-	-	-	-	8,375,000	1,176,750	9,325,000	1,471,250	-	-	-	-	2,000,000	331,624	5,445,000	1,088,025	4,460,000	557,765
2033	-	-	-	-	8,700,000	799,875	9,800,000	1,005,000	-	-	-	-	2,075,000	271,624	5,610,000	924,675	4,605,000	428,425
2034	-	-	-	-	9,075,000	408,375	10,300,000	515,000	-	-	-	-	2,150,000	209,374	5,775,000	756,375	4,715,000	292,578
2035	-	-	-	-	-	-	-	-	-	-	-	-	2,225,000	142,187	5,950,000	583,125	4,955,000	151,127
2036	-	-	-	-	-	-	-	-	-	-	-	-	2,325,000	72,656	6,130,000	404,625	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,320,000	205,400	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 33,650,000	\$ 6,422,625	\$ 37,200,000	\$ 6,263,600	\$ 49,925,000	\$ 20,517,750	\$ 69,000,000	\$ 30,365,000	\$ 18,570,000	\$ 3,894,750	\$ 9,472,956	\$ 7,226,394	\$ 26,025,000	\$ 6,446,652	\$ 74,920,000	\$ 23,072,250	\$ 52,775,000	\$ 12,212,497

continued

KNOX COUNTY, TENNESSEE

Knox County Primary Government and Board of Education  
 Schedule of Debt Service Requirements  
 General Bonded Debt (Continued)  
 June 30, 2022

Fiscal Year Ending June 30,	\$33,165,000 General Obligation Bonds Series 2018		\$45,610,000 G.O. and Refunding Bonds Series 2019		\$37,230,000 General Obligation Bonds Series 2019B		\$17,420,000 Refunding Bonds Series 2020A		\$38,090,000 Refunding Bonds Series 2020B		\$55,155,000 General Obligation Bonds Series 2020C		\$33,200,000 Refunding Bonds Series 2020D		\$22,905,000 Refunding Bonds Series 2020E		\$87,040,000 General Obligation Bonds Series 2022		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,660,000	\$ 1,177,400	\$ 4,210,000	\$ 1,368,156	\$ 1,330,000	\$ 1,234,894	\$ 1,575,000	\$ 544,600	\$ 1,700,000	\$ 1,161,506	\$ 2,145,000	\$ 1,834,200	\$ 6,530,000	\$ 192,133	\$ 1,395,000	\$ 399,055	\$ 2,065,000	\$ 3,611,334	\$ 44,484,281	\$ 28,131,362
2024	1,660,000	1,094,400	3,440,000	1,157,656	1,390,000	1,168,394	1,695,000	462,850	1,730,000	1,076,506	1,590,000	1,726,950	6,475,000	166,012	1,390,000	371,155	1,750,000	3,091,050	44,054,281	25,990,432
2025	1,660,000	1,011,400	1,415,000	985,656	1,460,000	1,098,894	1,815,000	375,100	1,740,000	990,006	1,335,000	1,647,450	6,500,000	130,400	1,380,000	343,355	1,750,000	3,003,550	43,054,281	24,279,745
2026	1,660,000	928,400	1,485,000	914,906	1,535,000	1,025,894	1,950,000	280,975	2,375,000	903,006	1,190,000	1,580,700	6,540,000	65,400	1,390,000	315,755	1,500,000	2,916,050	44,714,281	22,594,470
2027	1,660,000	845,400	1,560,000	840,656	1,615,000	949,144	2,055,000	216,812	2,100,000	784,256	1,010,000	1,521,200	-	-	1,395,000	287,955	1,450,000	2,841,050	45,908,856	20,917,982
2028	1,660,000	762,400	1,640,000	762,656	1,695,000	868,394	2,170,000	147,150	2,230,000	679,256	2,480,000	1,470,700	-	-	1,420,000	260,055	1,750,000	2,768,550	48,631,976	17,762,085
2029	1,660,000	679,400	1,725,000	680,656	1,780,000	783,643	1,300,000	66,900	2,330,000	590,056	2,510,000	1,346,700	-	-	1,450,000	231,655	1,750,000	2,681,050	49,330,000	15,579,732
2030	1,660,000	596,400	1,810,000	594,406	1,865,000	694,643	1,385,000	27,050	3,345,000	520,156	3,310,000	1,221,200	-	-	1,610,000	202,655	5,675,000	2,593,550	47,960,000	13,468,843
2031	1,660,000	530,000	1,885,000	522,006	1,940,000	620,043	660,000	6,600	3,410,000	419,806	3,335,000	1,055,700	-	-	1,610,000	178,505	5,675,000	2,309,800	48,725,000	11,414,394
2032	1,660,000	463,600	1,955,000	446,606	2,015,000	542,443	-	-	3,585,000	317,507	3,370,000	955,650	-	-	1,610,000	152,745	5,790,000	2,026,050	49,590,000	9,530,015
2033	1,655,000	397,200	2,010,000	392,844	2,065,000	494,587	-	-	2,720,000	209,957	3,405,000	854,550	-	-	1,610,000	125,375	5,790,000	1,794,450	50,045,000	7,698,562
2034	1,655,000	331,000	2,070,000	332,544	2,120,000	442,963	-	-	2,835,000	158,957	3,445,000	752,400	-	-	1,610,000	96,395	5,790,000	1,562,850	51,540,000	5,858,811
2035	1,655,000	264,800	2,130,000	273,031	2,175,000	387,312	-	-	5,290,000	105,800	3,490,000	649,050	-	-	1,605,000	65,805	5,790,000	1,389,150	35,265,000	4,011,387
2036	1,655,000	198,600	2,195,000	209,131	2,230,000	330,219	-	-	-	-	3,530,000	544,350	-	-	1,605,000	33,705	5,790,000	1,215,450	25,460,000	3,008,736
2037	1,655,000	132,400	2,260,000	143,281	2,295,000	268,894	-	-	-	-	3,580,000	438,450	-	-	-	-	5,790,000	1,041,750	21,900,000	2,230,175
2038	1,655,000	66,200	2,325,000	72,657	2,355,000	205,783	-	-	-	-	3,630,000	331,050	-	-	-	-	5,790,000	868,050	15,755,000	1,543,740
2039	-	-	-	-	2,420,000	141,019	-	-	-	-	3,675,000	222,150	-	-	-	-	5,790,000	694,350	11,885,000	1,057,519
2040	-	-	-	-	2,485,000	71,443	-	-	-	-	3,730,000	111,900	-	-	-	-	5,785,000	520,650	12,000,000	703,993
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,000	347,100	5,785,000	347,100
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,000	173,550	5,785,000	173,550
Totals	\$ 26,530,000	\$ 9,479,000	\$ 34,115,000	\$ 9,696,848	\$ 34,770,000	\$ 11,328,606	\$ 14,605,000	\$ 2,128,037	\$ 35,390,000	\$ 7,916,775	\$ 50,760,000	\$ 18,264,350	\$ 26,045,000	\$ 553,945	\$ 21,080,000	\$ 3,064,170	\$ 87,040,000	\$ 37,449,384	\$ 701,872,956	\$ 216,302,633

**KNOX COUNTY, TENNESSEE**

**Knox County Primary Government  
Schedule of Debt Service Requirements  
General Bonded Debt  
June 30, 2022**

Fiscal Year Ending June 30,	\$40,000,000 General Obligation Series 2003		\$46,000,000 General Obligation Series 2004		\$50,000,000 General Obligation Series 2005		\$50,450,000 General Obligation Series 2007		\$26,000,000 General Obligation Series 2008		\$16,515,000 General Obligation Bonds Series 2016		\$31,680,000 General Obligation Bonds Series 2017		\$42,420,000 Refunding Bonds Series 2017B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,978,567	\$ 839,508	\$ 2,957,143	\$ 977,829	\$ 649,351	\$ 1,458,847	\$ -	\$ 2,522,500	\$ 1,482,000	\$ 603,525	\$ 600,000	\$ 346,481	\$ 1,270,000	\$ 1,025,075	\$ 2,330,000	\$ 1,320,545
2024	2,097,367	740,339	3,128,000	859,543	681,818	1,429,627	-	2,522,500	1,556,750	529,425	620,000	316,481	1,330,000	961,575	2,445,000	1,204,045
2025	2,225,050	634,933	3,298,857	734,423	714,286	1,398,945	-	2,522,500	1,634,750	451,587	640,000	285,481	1,400,000	895,075	2,520,000	1,081,795
2026	2,353,433	522,666	3,482,857	602,469	746,753	1,366,802	-	2,522,500	1,716,000	369,850	665,000	253,481	1,465,000	825,075	2,590,000	955,795
2027	2,489,317	403,538	3,666,857	463,154	762,987	1,333,198	4,734,257	2,522,500	1,803,750	284,050	685,000	240,181	1,540,000	751,825	2,870,000	826,295
2028	2,487,500	276,925	3,857,429	316,480	795,455	1,298,864	5,611,649	2,285,787	1,891,500	193,862	710,000	221,344	1,620,000	674,825	2,945,000	768,895
2029	2,638,332	142,829	4,054,570	162,183	827,922	1,263,068	5,904,112	2,005,205	1,985,750	99,287	735,000	201,818	1,685,000	610,025	2,870,000	702,633
2030	-	-	-	-	5,032,468	1,225,812	6,178,297	1,709,999	-	-	760,000	181,606	1,765,000	525,775	3,125,000	634,469
2031	-	-	-	-	5,227,273	999,351	6,507,319	1,401,084	-	-	790,000	158,806	1,855,000	437,525	3,250,000	509,470
2032	-	-	-	-	5,438,312	764,123	6,818,062	1,075,718	-	-	815,000	135,106	1,910,000	381,875	3,335,000	418,470
2033	-	-	-	-	5,649,351	519,399	7,165,362	734,815	-	-	850,000	110,656	1,970,000	324,575	3,445,000	321,755
2034	-	-	-	-	5,892,857	265,179	7,530,942	376,547	-	-	875,000	85,156	2,025,000	265,475	3,520,000	220,128
2035	-	-	-	-	-	-	-	-	-	-	900,000	57,812	2,090,000	204,725	3,755,000	114,527
2036	-	-	-	-	-	-	-	-	-	-	950,000	29,688	2,150,000	142,025	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	2,220,000	72,150	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 16,269,566</b>	<b>\$ 3,560,738</b>	<b>\$ 24,445,713</b>	<b>\$ 4,116,081</b>	<b>\$ 32,418,833</b>	<b>\$ 13,323,215</b>	<b>\$ 50,450,000</b>	<b>\$ 22,201,655</b>	<b>\$ 12,070,500</b>	<b>\$ 2,531,586</b>	<b>\$ 10,595,000</b>	<b>\$ 2,624,097</b>	<b>\$ 26,295,000</b>	<b>\$ 8,097,600</b>	<b>\$ 39,000,000</b>	<b>\$ 9,078,822</b>

*continued*



KNOX COUNTY, TENNESSEE

Knox County Primary Government  
 Schedule of Debt Service Requirements  
 General Bonded Debt (Continued)  
 June 30, 2022

Fiscal Year Ending June 30,	\$24,177,185 General Obligation Bonds Series 2018		\$25,670,000 G.O. and Refunding Bonds Series 2019		\$21,430,000 General Obligation Bonds Series 2019B		\$19,527,143 Refunding Bonds Series 2020B		\$20,039,411 General Obligation Bonds Series 2020C		\$33,200,000 Refunding Bonds Series 2020D		\$10,275,275 Refunding Bonds Series 2020E		\$28,715,000 General Obligation Bonds Series 2022		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,210,135	\$ 858,321	\$ 1,750,000	\$ 820,075	\$ 765,000	\$ 710,856	\$ 871,519	\$ 595,455	\$ 779,341	\$ 666,418	\$ 6,530,000	\$ 192,133	\$ 625,803	\$ 179,018	\$ 681,256	\$ 1,191,401	\$ 24,480,115	\$ 14,307,987
2024	1,210,135	797,814	1,840,000	732,575	800,000	672,606	886,898	551,879	577,693	627,451	6,475,000	166,012	623,560	166,502	577,335	1,019,756	24,849,556	13,298,130
2025	1,210,135	737,308	920,000	640,575	840,000	632,606	892,025	507,534	485,044	598,566	6,500,000	130,400	619,074	154,030	577,335	990,889	24,476,556	12,396,647
2026	1,210,135	676,801	965,000	594,575	885,000	590,606	1,217,563	462,933	432,362	574,314	6,540,000	65,400	623,560	141,649	494,859	962,022	25,387,522	11,486,938
2027	1,210,135	616,294	1,015,000	546,325	930,000	546,356	1,076,582	402,055	366,962	552,696	-	-	625,803	129,178	478,364	937,279	24,255,014	10,554,924
2028	1,210,135	555,787	1,065,000	495,575	975,000	499,856	1,143,227	348,226	901,056	534,348	-	-	637,018	116,662	577,335	913,361	26,427,304	9,500,797
2029	1,210,135	495,281	1,120,000	442,325	1,025,000	451,106	1,194,493	302,497	911,956	489,295	-	-	650,476	103,921	577,335	884,494	27,390,081	8,355,967
2030	1,210,135	434,774	1,175,000	386,325	1,075,000	399,856	1,714,841	266,662	1,202,619	443,697	-	-	722,252	90,912	1,872,217	855,628	25,832,829	7,155,515
2031	1,210,135	386,368	1,225,000	339,325	1,115,000	356,856	1,748,164	215,217	1,211,702	383,566	-	-	722,252	80,078	1,872,217	762,017	26,734,062	6,029,663
2032	1,210,135	337,963	1,270,000	290,325	1,160,000	312,256	1,837,879	162,773	1,224,419	347,215	-	-	722,252	68,522	1,910,156	668,406	27,651,215	4,962,752
2033	1,206,490	289,558	1,305,000	255,400	1,190,000	284,706	1,394,430	107,636	1,237,135	310,483	-	-	722,252	56,244	1,910,156	592,000	28,045,176	3,907,227
2034	1,206,490	241,298	1,345,000	216,250	1,220,000	254,957	1,453,385	81,491	1,251,668	273,369	-	-	722,252	43,243	1,910,156	515,594	28,952,750	2,838,687
2035	1,206,490	193,038	1,385,000	177,581	1,250,000	222,931	2,711,960	54,239	1,268,018	235,819	-	-	720,009	29,520	1,910,156	458,289	17,196,633	1,748,481
2036	1,206,490	144,779	1,425,000	136,031	1,285,000	190,119	-	-	1,282,551	197,778	-	-	720,009	15,120	1,910,156	400,984	10,929,206	1,256,524
2037	1,206,490	96,519	1,470,000	93,281	1,320,000	154,782	-	-	1,300,718	159,302	-	-	-	-	1,910,156	343,680	9,427,364	919,714
2038	1,206,490	48,260	1,515,000	47,344	1,355,000	118,483	-	-	1,318,884	120,280	-	-	-	-	1,910,156	286,375	7,305,530	620,742
2039	-	-	-	-	1,395,000	81,219	-	-	1,335,234	80,714	-	-	-	-	1,910,156	229,070	4,640,390	391,003
2040	-	-	-	-	1,430,000	41,112	-	-	1,355,217	40,657	-	-	-	-	1,908,506	171,766	4,693,723	253,535
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,908,506	114,510	1,908,506	114,510
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,908,487	57,255	1,908,487	57,255
Totals	\$ 19,340,290	\$ 6,910,163	\$ 20,790,000	\$ 6,213,887	\$ 20,015,000	\$ 6,521,269	\$ 18,142,966	\$ 4,058,597	\$ 18,442,579	\$ 6,635,968	\$ 26,045,000	\$ 553,945	\$ 9,456,572	\$ 1,374,599	\$ 28,715,000	\$ 12,354,776	\$ 372,492,019	\$ 110,156,998

**KNOX COUNTY, TENNESSEE**

Discretely Presented Component Unit -  
**Knox County Board of Education**  
 Schedule of Debt Service Requirements  
 General Bonded Debt  
 June 30, 2022

Fiscal Year Ending June 30,	\$32,000,000 General Obligation Series 2003		\$24,000,000 General Obligation Series 2004		\$27,000,000 General Obligation Series 2005		\$18,550,000 General Obligation Series 2007		\$14,000,000 General Obligation Series 2008		\$29,236,000 Qualified School Construction Bonds Series 2010		\$19,385,000 General Obligation Bonds Series 2016		\$58,585,000 General Obligation Bonds Series 2017		\$15,360,000 Refunding Bonds Series 2017B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,996,433	\$ 674,742	\$ 1,542,857	\$ 510,171	\$ 350,649	\$ 787,778	\$ -	\$ 927,500	\$ 798,000	\$ 324,975	\$ 1,824,281	\$ 1,417,361	\$ 875,000	\$ 504,832	\$ 2,345,000	\$ 1,895,600	\$ 875,000	\$ 470,815
2024	2,127,633	595,036	1,632,000	448,457	368,182	771,998	-	927,500	838,250	285,075	1,824,281	1,417,361	905,000	461,082	2,460,000	1,778,350	920,000	427,065
2025	2,274,950	510,317	1,721,143	383,177	385,714	755,430	-	927,500	880,250	243,163	1,824,281	1,417,361	935,000	415,832	2,585,000	1,655,350	960,000	381,065
2026	2,421,567	420,084	1,817,143	314,331	403,247	738,073	-	927,500	924,000	199,150	1,824,281	1,417,361	960,000	369,082	2,715,000	1,526,100	1,005,000	333,065
2027	2,585,683	324,337	1,913,143	241,646	412,013	719,927	1,740,743	927,500	971,250	152,950	2,003,856	1,417,361	990,000	349,882	2,850,000	1,390,350	1,045,000	282,815
2028	2,887,500	222,575	2,012,571	165,120	429,545	701,386	2,063,351	840,463	1,018,500	104,388	171,977	139,589	1,040,000	322,656	2,995,000	1,247,850	1,050,000	261,915
2029	3,086,668	114,796	2,115,430	84,617	447,078	682,057	2,170,888	737,295	1,069,250	53,463	-	-	1,065,000	294,056	3,110,000	1,128,050	1,060,000	238,290
2030	-	-	-	-	2,717,532	661,938	2,271,703	628,751	-	-	-	-	1,115,000	264,768	3,270,000	972,550	1,065,000	213,115
2031	-	-	-	-	2,822,727	539,649	2,392,681	515,166	-	-	-	-	1,160,000	231,318	3,430,000	809,050	1,115,000	170,515
2032	-	-	-	-	2,936,688	412,627	2,506,938	395,532	-	-	-	-	1,185,000	196,518	3,535,000	706,150	1,125,000	139,295
2033	-	-	-	-	3,050,649	280,476	2,634,638	270,185	-	-	-	-	1,225,000	160,968	3,640,000	600,100	1,160,000	106,670
2034	-	-	-	-	3,182,143	143,196	2,769,058	138,453	-	-	-	-	1,275,000	124,218	3,750,000	490,900	1,195,000	72,450
2035	-	-	-	-	-	-	-	-	-	-	-	-	1,325,000	84,375	3,860,000	378,400	1,200,000	36,600
2036	-	-	-	-	-	-	-	-	-	-	-	-	1,375,000	42,968	3,980,000	262,600	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,100,000	133,250	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 17,380,434</b>	<b>\$ 2,861,887</b>	<b>\$ 12,754,287</b>	<b>\$ 2,147,519</b>	<b>\$ 17,506,167</b>	<b>\$ 7,194,535</b>	<b>\$ 18,550,000</b>	<b>\$ 8,163,345</b>	<b>\$ 6,499,500</b>	<b>\$ 1,363,164</b>	<b>\$ 9,472,957</b>	<b>\$ 7,226,394</b>	<b>\$ 15,430,000</b>	<b>\$ 3,822,555</b>	<b>\$ 48,625,000</b>	<b>\$ 14,974,650</b>	<b>\$ 13,775,000</b>	<b>\$ 3,133,675</b>

*continued*

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -  
 Knox County Board of Education  
 Schedule of Debt Service Requirements  
 General Bonded Debt (Continued)  
 June 30, 2022

Fiscal Year Ending June 30,	\$8,987,815 General Obligation Bonds Series 2018		\$19,940,000 G.O. and Refunding Bonds Series 2019		\$15,800,000 General Obligation Bonds Series 2019B		\$17,420,000 Refunding Bonds Series 2020A		\$18,562,857 Refunding Bonds Series 2020B		\$35,115,589 General Obligation Bonds Series 2020C		\$12,629,725 Refunding Bonds Series 2020E		\$58,325,000 General Obligation Bonds Series 2022		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 449,865	\$ 319,079	\$ 2,460,000	\$ 548,081	\$ 565,000	\$ 524,038	\$ 1,575,000	\$ 544,600	\$ 828,481	\$ 566,051	\$ 1,365,659	\$ 1,167,782	\$ 769,197	\$ 220,037	\$ 1,383,744	\$ 2,419,933	\$ 20,004,166
2024	449,865	296,586	1,600,000	425,081	590,000	495,788	1,695,000	462,850	843,102	524,627	1,012,307	1,099,499	766,440	204,653	1,172,665	2,071,294	19,204,725	12,692,302
2025	449,865	274,092	495,000	345,081	620,000	466,288	1,815,000	375,100	847,975	482,472	849,956	1,048,884	760,926	189,325	1,172,665	2,012,661	18,577,725	11,883,098
2026	449,865	251,599	520,000	320,331	650,000	435,288	1,950,000	280,975	1,157,437	440,073	757,638	1,006,386	766,440	174,106	1,005,141	1,954,028	19,326,759	11,107,532
2027	449,865	229,106	545,000	294,331	685,000	402,788	2,055,000	216,812	1,023,418	382,201	643,038	968,504	769,197	158,777	971,636	1,903,771	21,653,842	10,363,058
2028	449,865	206,613	575,000	267,081	720,000	368,538	2,170,000	147,150	1,086,773	331,030	1,578,944	936,352	782,982	143,393	1,172,665	1,855,189	22,204,673	8,261,288
2029	449,865	184,119	605,000	238,331	755,000	332,537	1,300,000	66,900	1,135,507	287,559	1,598,044	857,405	799,524	127,734	1,172,665	1,796,556	21,939,919	7,223,765
2030	449,865	161,626	635,000	208,081	790,000	294,787	1,385,000	27,050	1,630,159	253,494	2,107,381	777,503	887,748	111,743	3,802,783	1,737,922	22,127,171	6,313,328
2031	449,865	143,632	660,000	182,681	825,000	263,187	660,000	6,600	1,661,836	204,589	2,123,298	672,134	887,748	98,427	3,802,783	1,547,783	21,990,938	5,384,731
2032	449,865	125,637	685,000	156,281	855,000	230,187	-	-	1,747,121	154,734	2,145,581	608,435	887,748	84,223	3,879,844	1,357,644	21,938,785	4,567,263
2033	448,510	107,642	705,000	137,444	875,000	209,881	-	-	1,325,570	102,321	2,167,865	544,067	887,748	69,131	3,879,844	1,202,450	21,999,824	3,791,335
2034	448,510	89,702	725,000	116,294	900,000	188,006	-	-	1,381,615	77,466	2,193,332	479,031	887,748	53,152	3,879,844	1,047,256	22,587,250	3,020,124
2035	448,510	71,762	745,000	95,450	925,000	164,381	-	-	2,578,040	51,561	2,221,982	413,231	884,991	36,285	3,879,844	930,861	18,068,367	2,262,906
2036	448,510	53,821	770,000	73,100	945,000	140,100	-	-	-	-	2,247,449	346,572	884,991	18,585	3,879,844	814,466	14,530,794	1,752,212
2037	448,510	35,881	790,000	50,000	975,000	114,112	-	-	-	-	2,279,282	279,148	-	-	3,879,844	698,070	12,472,636	1,310,461
2038	448,510	17,940	810,000	25,313	1,000,000	87,300	-	-	-	-	2,311,116	210,770	-	-	3,879,844	581,675	8,449,470	922,998
2039	-	-	-	-	1,025,000	59,800	-	-	-	-	2,339,766	141,436	-	-	3,879,844	465,280	7,244,610	666,516
2040	-	-	-	-	1,055,000	30,331	-	-	-	-	2,374,783	71,243	-	-	3,876,494	348,884	7,306,277	450,458
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,876,494	232,590	3,876,494	232,590
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,876,513	116,295	3,876,513	116,295
Totals	\$ 7,189,710	\$ 2,568,837	\$ 13,325,000	\$ 3,482,961	\$ 14,755,000	\$ 4,807,337	\$ 14,605,000	\$ 2,128,037	\$ 17,247,034	\$ 3,858,178	\$ 32,317,421	\$ 11,628,382	\$ 11,623,428	\$ 1,689,571	\$ 58,325,000	\$ 25,094,608	\$ 329,380,938	\$ 106,145,635

**KNOX COUNTY, TENNESSEE**  
**Schedule of Changes in Lease Obligations**  
For the Year Ended June 30, 2022

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2021	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2022
<b>GOVERNMENTAL ACTIVITIES:</b>								
Lease Liability								
Buildings								
Metro Knoxville Airport	\$ 100,683	0.514%	7/1/2021	6/30/2023	\$ 100,683	\$ -	\$ 50,225	\$ 50,458
County Clerk - Halls Lease	359,273	1.059	2/1/2016	1/31/2026	359,273	-	71,696	287,577
Graham - Isajah's Landing East - Clerk	1,080,414	1.913	6/1/2020	5/31/2035	1,080,414	-	56,311	1,024,103
Mascot Branch Library lease	47,576	1.681	5/1/2017	4/30/2032	47,576	-	4,099	43,477
Clifford LLC - Election Election	95,631	0.514	6/1/2018	5/31/2023	95,631	-	49,797	45,834
TVA East Tower	3,608,389	2.583	8/1/2020	3/31/2061	3,608,389	-	(5,305)	3,613,694
Knox County Drug Court	60,539	0.727	2/1/2019	1/31/2024	60,539	-	22,623	37,916
Total Building Lease Liability					5,352,505	-	249,446	5,103,059
Land								
Bower Field	114,893	0.514	7/31/2017	1/30/2052	114,893	-	3,951	110,942
The Carter Convenience Center	318,585	2.068	1/1/2017	12/31/2036	318,585	-	18,137	300,448
Volunteer Landing Marina	30,990	0.893	4/1/2015	3/31/2025	30,990	-	8,180	22,810
Total Land Lease Liability					464,468	-	30,268	434,200
Equipment								
Canon C5240 & C5503	32,663	1.217	7/1/2021	1/30/2027	32,663	-	5,307	27,356
Sharp Copiers - COUNTY	506,870	1.217	7/1/2021	1/30/2027	506,870	-	82,361	424,509
RICOH MP301SPF	5,059	1.217	11/15/2016	7/14/2027	5,059	-	820	4,239
Ricoh MP C307 - CONT4183-01	3,973	1.217	2/20/2017	7/19/2027	3,973	-	643	3,330
Ricoh MPC2504EX - CONT5053-01	7,366	1.217	3/6/2018	7/26/2027	7,366	-	1,191	6,175
Ricoh MP C3504ex - CONT4897-01	10,489	1.217	8/28/2017	7/27/2027	10,489	-	1,697	8,792
Ricoh MP 3555SP - CONT4920-01	9,802	1.217	8/31/2017	7/31/2027	9,802	-	1,562	8,240
Ricoh - Office of the District Attorney General	55,511	1.217	10/12/2017	7/11/2027	55,511	-	9,003	46,508
Ricoh Copiers - Knox County Veterans Office	2,627	1.217	7/24/2018	7/23/2027	2,627	-	425	2,202
Epson Workforce Pro Color MFP WF-R5690 - Knox County Sheriff's Office	13,794	1.217	3/6/2018	6/5/2027	13,794	-	2,272	11,522
Kyocera P2135DN Printer - Knox County Sheriff's Office	1,217	1.217	3/6/2018	7/5/2027	1,217	-	198	1,019
Ricoh IM C2500 - Knox County Sheriff's Office	6,691	1.217	3/6/2018	7/5/2027	6,691	-	1,086	5,605
Ricoh IM C300F - Knox County Sheriff's Office	7,493	1.217	3/6/2018	7/5/2027	7,493	-	1,217	6,276
Ricoh MP 301SPF - Knox County Sheriff's Office	42,987	1.217	3/6/2018	7/5/2027	42,987	-	6,979	36,008
Ricoh MP 3054 - Knox County Sheriff's Office	3,449	1.217	3/6/2018	7/5/2027	3,449	-	560	2,889
Ricoh MP 3055SP - Knox County Sheriff's Office	3,998	1.217	3/6/2018	7/5/2027	3,998	-	649	3,349
Ricoh MP 3555SP - Knox County Sheriff's Office	5,070	1.217	3/6/2018	7/5/2027	5,070	-	823	4,247
Ricoh MP 402SPF - Knox County Sheriff's Office	5,834	1.217	3/6/2018	7/5/2027	5,834	-	947	4,887
Ricoh MP 4055SP - Knox County Sheriff's Office	9,433	1.217	3/6/2018	7/5/2027	9,433	-	1,531	7,902
Ricoh MP 501SPF - Knox County Sheriff's Office	5,361	1.217	3/6/2018	7/5/2027	5,361	-	870	4,491
Ricoh MP 5055SP - Knox County Sheriff's Office	5,566	1.217	3/6/2018	7/5/2027	5,566	-	904	4,662
Ricoh MP 601SPF - Knox County Sheriff's Office	14,297	1.217	3/6/2018	7/5/2027	14,297	-	2,321	11,976
Ricoh MP 6055SP - Knox County Sheriff's Office	31,670	1.217	3/6/2018	7/5/2027	31,670	-	5,142	26,528
Ricoh MP C2004EX - Knox County Sheriff's Office	20,440	1.217	3/6/2018	7/5/2027	20,440	-	3,318	17,122
Ricoh MP C3004ex - Knox County Sheriff's Office	5,862	1.217	3/6/2018	7/5/2027	5,862	-	952	4,910
Ricoh MP C307 - Knox County Sheriff's Office	27,627	1.217	3/6/2018	7/5/2027	27,627	-	4,485	23,142
Ricoh MP C3504ex - Knox County Sheriff's Office	26,889	1.217	3/6/2018	7/5/2027	26,889	-	4,365	22,524
Ricoh MP C407 - Knox County Sheriff's Office	3,447	1.217	3/6/2018	7/5/2027	3,447	-	560	2,887
Ricoh MP C4504ex - Knox County Sheriff's Office	15,099	1.217	3/6/2018	7/5/2027	15,099	-	2,451	12,648
Ricoh MP C6503 - Knox County Sheriff's Office	16,487	1.217	3/6/2018	7/5/2027	16,487	-	2,677	13,810
Ricoh MP C8003 - Knox County Sheriff's Office	22,274	1.217	3/6/2018	7/5/2027	22,274	-	3,616	18,658
Ricoh MPC2504EX - Knox County Sheriff's Office	13,523	1.217	3/6/2018	7/5/2027	13,523	-	2,195	11,328
Ricoh SP C440DN Color Printer - Knox County Sheriff's Office	846	1.217	3/6/2018	7/5/2027	846	-	137	709
Ricoh MP C307 - Corryton Senior Center	3,794	1.217	12/31/2019	7/31/2027	3,794	-	604	3,190
Ricoh MP 2555SPDF - Knox County Clerk - Main	6,432	1.217	8/1/2019	7/31/2027	6,432	-	1,030	5,402
Ricoh MP 305SPF - Knox County Clerk - Main	2,074	1.217	11/14/2019	7/13/2027	2,074	-	336	1,738
Ricoh MP C307 - Knox County Governmental Library	8,025	1.217	8/27/2019	7/26/2027	8,025	-	1,298	6,727
Ricoh MP C6503 - Knox County Health Department	87,982	1.217	4/26/2019	7/25/2027	87,982	-	14,234	73,748
Ricoh IM C4500 - Knox County Mayor's Office	13,848	1.217	8/14/2019	7/13/2027	13,848	-	2,245	11,603
IM350F Black and White Multifunction Printer - Knox County Property Management	1,256	0.727	12/20/2019	12/19/2024	1,256	-	365	891

**KNOX COUNTY, TENNESSEE**  
**Schedule of Changes in Lease Obligations**  
For the Year Ended June 30, 2022

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2021	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2022
Ricoh MP C307 - Halls Senior Center	3,745	1.217	2/21/2020	7/20/2027	3,745	-	606	3,139
Ricoh IM C4500 - Knox County Clerk - Commission Library	13,247	1.217	2/7/2020	7/6/2027	13,247	-	2,150	11,097
Ricoh MP 2555SP - Knox County Clerk - East	7,933	1.217	2/7/2020	7/6/2027	7,933	-	1,288	6,645
IM350F & Ricoh MP 2555SP - Knox County Clerk - Main	10,705	1.217	2/7/2020	7/6/2027	10,705	-	1,738	8,967
Ricoh MP 2555SPDF & IM350F - Knox County Clerk - Main	34,009	1.217	12/21/2020	7/20/2027	34,009	-	5,507	28,502
Ricoh MP 2555SP - Knox County Register of Deeds	5,636	1.217	7/28/2020	7/27/2027	5,636	-	912	4,724
Ricoh MP C307 - South Knoxville Senior Center	3,745	1.217	1/15/2020	7/14/2027	3,745	-	607	3,138
Ricoh IM C3000 - Tennessee District Attorneys General Conference	18,139	1.217	2/19/2020	7/18/2027	18,139	-	2,938	15,201
RICOH MP-C2504	6,687	1.217	1/23/2020	7/22/2027	6,687	-	1,082	5,605
Ricoh MP 5055SP, IM C6500 & MP 4055SP - Knox County Criminal Court Clerk	215,835	1.217	6/15/2021	7/14/2027	215,835	-	35,494	180,341
RICOH IM350F	11,590	1.015	8/2/2021	8/1/2027	-	11,590	1,734	9,856
Ricoh IM C2500 - Knox County Fire Prevention	6,936	1.300	12/7/2021	7/6/2027	-	6,936	708	6,228
RICOH MP-301SPF	18,602	1.134	8/11/2021	6/10/2027	-	18,602	2,858	15,744
IX-9A Series	21,243	2.773	8/1/2021	7/31/2026	-	21,243	-	21,243
IX-7 Series	32,034	1.217	5/16/2017	7/15/2027	32,034	-	4,797	27,237
IM350F & Ricoh IM C3000 - Knox County Trustee	13,674	1.106	8/31/2021	7/31/2027	-	13,674	2,042	11,632
Total Equipment Lease Liability					1,418,839	72,044	237,839	1,253,044
Total Lease Liability Governmental					7,235,812	72,044	517,552	6,790,304
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Lease Liability								
Equipment								
E-Z-GO Golf Cart	65,009	0.514	8/1/2018	7/31/2023	65,009	-	30,284	34,725
Wells Fargo Lease - Bunker Rake	8,630	0.514	10/1/2019	9/30/2023	8,630	-	3,825	4,805
Wells Fargo Lease - Mower	23,167	0.727	10/1/2019	9/30/2024	23,167	-	7,077	16,090
Total Equipment Lease Liability					96,806	-	41,186	55,620
<b>GENERAL PURPOSE SCHOOLS FUND ACTIVITIES:</b>								
Lease Liability								
Land								
Robert D. Craton 5th Ave Lease	323,653	1.217	9/1/2017	8/31/2027	323,653	-	47,106	276,547
Total Land Lease Liability					323,653	-	47,106	276,547
Equipment								
Pitney Bowes - Halls MS	3,592	1.059	5/17/2017	6/16/2026	3,592	-	707	2,885
Riso Copiers - School	1,711,479	1.059	7/1/2021	6/30/2026	1,711,479	-	336,301	1,375,178
Epson Copiers - School	1,710,080	1.059	7/1/2021	6/30/2026	1,710,080	-	336,027	1,374,053
Konica Minolta Copier - School	71,620	1.059	7/1/2021	6/30/2026	71,620	-	14,073	57,547
Canon Copiers - PO22000020 & PO22000177	634,251	1.059	7/1/2021	6/30/2026	634,251	-	124,629	509,622
Canon Copiers - PO22001219, PO22001238, PO22001253, PO22001350 & PO22001601	30,361	0.972	7/1/2021	6/30/2026	30,361	-	5,975	24,386
Canon Copiers - Image Runner IRDX6755i	4,847	1.059	7/1/2021	6/30/2026	4,847	-	953	3,894
Canon Copiers - Contract 39769	761,625	0.727	7/1/2021	6/30/2024	761,625	-	252,341	509,285
Canon Copier - Canon IRADV DX C5760i	2,967	1.177	9/1/2021	6/30/2026	-	2,967	502	2,465
Ricoh Copiers - Knox County Schools Maintenance	27,391	1.217	2/5/2018	7/4/2027	27,391	-	4,448	22,943
Ricoh Copiers - Knox County Schools Maintenance Annex	8,964	1.217	4/26/2018	7/25/2027	8,964	-	1,451	7,513
Total Equipment Lease Liability					4,964,211	2,967	1,077,405	3,889,773
Vehicles								
2019 Dodge Charger	134,143	0.514	9/1/2020	8/31/2023	134,143	-	61,757	72,386
Nissan Cargo Van	97,930	1.059	5/20/2021	7/19/2026	97,930	-	18,921	79,009
Nissan Pathfinder 4x4 2022	31,423	1.217	5/20/2021	7/19/2026	31,423	-	6,055	25,368
Chevrolet Malibu 4dr Sedan 2022	21,360	1.217	5/20/2021	7/19/2026	21,360	-	4,116	17,244
Chevrolet Malibu 4dr Sedan 2022 (2)	53,358	1.217	5/20/2021	7/19/2026	53,358	-	10,281	43,077
Total Vehicle Lease Liability					338,214	-	101,130	237,084
Total Lease Liability General Purpose Schools					5,626,078	2,967	1,225,641	4,403,404
Total Lease Liability					\$ 12,958,696	\$ 75,011	\$ 1,784,379	\$ 11,249,328

**KNOX COUNTY, TENNESSEE**  
**Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year**  
**June 30, 2022**

Year Ending, June 30,	Leases		
	Principal	Interest	Total
2023	\$ 1,797,888	\$ 177,170	\$ 1,975,058
2024	1,639,200	159,353	1,798,553
2025	1,364,990	142,757	1,507,747
2026	1,388,939	126,617	1,515,556
2027	457,849	114,471	572,320
2028	156,055	109,309	265,364
2029	158,105	106,103	264,208
2030	162,873	102,729	265,602
2031	168,485	99,243	267,728
2032	180,702	95,555	276,257
2033	181,972	91,721	273,693
2034	187,347	87,797	275,144
2035	184,477	83,746	268,223
2036	95,846	80,630	176,476
2037	87,601	78,360	165,961
2038	79,091	76,370	155,461
2039	82,613	74,362	156,975
2040	86,243	72,262	158,505
2041	89,982	70,068	160,050
2042	93,834	67,777	161,611
2043	97,802	65,385	163,187
2044	101,889	62,890	164,779
2045	106,099	60,287	166,386
2046	110,435	57,575	168,010
2047	114,900	54,750	169,650
2048	119,498	51,809	171,307
2049	124,233	48,747	172,980
2050	129,108	45,562	174,670
2051	134,126	42,250	176,376
2052	139,293	38,807	178,100
2053	140,612	35,229	175,841
2054	146,067	31,533	177,600
2055	151,682	27,694	179,376
2056	157,462	23,707	181,169
2057	163,411	19,570	182,981
2058	169,534	15,277	184,811
2059	175,835	10,824	186,659
2060	182,320	6,206	188,526
2061	140,930	1,521	142,451
<b>Total</b>	<b>\$ 11,249,328</b>	<b>\$ 2,716,023</b>	<b>\$ 13,965,351</b>

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***KNOX COUNTY, TENNESSEE***

***Schedule of Salaries and Insurance Coverage of Principal Elected Officials***  
*For the year ended June 30, 2022*

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<b>OFFICIAL</b>	<b>AUTHORIZATION FOR SALARY</b>	<b>SALARY PAID DURING YEAR</b>	<b>POLICY AMOUNT</b>	<b>INSURANCE COMPANY</b>
Assessor of Property	Section 8-24-102 (k), T.C.A.	\$ 163,816	\$ 400,000	National Union Fire Insurance
Attorney General	Section 8-6-104, T.C.A.	\$ 19,260	N/A	N/A
Circuit and Civil Sessions Court Clerk	Section 8-24-102 (k), T.C.A.	\$ 156,694	\$ 400,000	National Union Fire Insurance
County Clerk	Section 8-24-102 (k), T.C.A.	\$ 142,345	\$ 400,000	National Union Fire Insurance
County Mayor	Section 8-24-102, T.C.A.	\$ 189,208	\$ 400,000	National Union Fire Insurance
Criminal and Fourth Circuit Court Clerk	Section 8-24-102 (k), T.C.A.	\$ 153,621	\$ 400,000	National Union Fire Insurance
Law Director	Section 3.08, Knox County Charter	\$ 186,046	N/A	N/A
Register of Deeds	Section 8-24-102 (k), T.C.A.	\$ 142,450	\$ 400,000	National Union Fire Insurance
Sheriff	Section 8-24-102 (j), T.C.A.	\$ 180,198	\$ 100,000	Hartford Fire Insurance
Trustee	Section 8-24-102 (k), T.C.A.	\$ 142,449	\$ 17,431,456	Hartford Fire Insurance

## **DISCRETELY PRESENTED COMPONENT UNIT KNOX COUNTY BOARD OF EDUCATION**

This section presents combining and individual fund financial statements for the Knox County Board of Education (the Board), a discretely presented component unit. The Board uses a general fund, a capital projects fund, four special revenue funds, and a pension trust fund. This section also includes the Statement of Net Position and Statement of Activities for the Board.

### **MAJOR FUNDS**

#### **GENERAL FUND**

**General Purpose School Fund:** This fund is used to account for general operations of the Board. Major funding is provided through local tax levies and state education funds.

#### **CAPITAL PROJECTS FUND**

**School Construction Fund:** This fund is used to account for building construction and renovations of the Board.

#### **SPECIAL REVENUE FUND**

**School Federal Projects Fund:** This fund is used to account for restricted federal revenues that must be expended on specific education programs.

### **NONMAJOR GOVERNMENTAL FUNDS**

#### **SPECIAL REVENUE FUNDS**

**School General Projects Fund:** This fund is used to account for state, local and federal pass-through revenues which must be expended on specific education programs.

**Central Cafeteria Fund:** This fund is used to account for the cafeteria operations in each of the individual schools. The primary sources of funding are federal and state revenues for the school lunch program and sales to students and adults.

**Internal School Fund:** This fund accounts for the activity related to individual public school funds held at each school.

#### **FIDUCIARY FUND**

**Pension Trust Fund – Teacher’s Plan:** This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees covered under the Board’s defined benefit plan for certificated teachers.



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**Knox County Board of Education****Statement of Net Position**June 30, 2022

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	<b>Board of Education</b>
	<b>Total -- Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 40,200,763
Investments, at Fair Value	87,506,137
Accounts Receivable	30,247,279
Local Taxes Receivable, net	155,870,613
Lease Receivable	20,093
Due from Primary Government	204,442
Inventories	1,724,173
Prepaid Items	1,235,170
Net Pension Asset	266,048,515
Capital Assets:	
Land and Construction in Process	80,200,019
Other Capital Assets, Net of Accumulated Depreciation	406,931,024
<b>Total Assets</b>	<b>1,070,188,228</b>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to Pensions	101,175,403
Deferred Outflows Related to Other Post-Employment Benefits	18,414,946
<b>Total Deferred Outflows of Resources</b>	<b>119,590,349</b>
<b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	61,831,777
Unearned Revenue	464,401
Accrued Interest	3,629
Noncurrent Liabilities:	
Portion Due in Less than One Year	8,331,710
Portion Due in More than One Year:	
Net Pension Liability	16,005,458
Net Other Post-Employment Benefits Liability	46,555,298
Self-insurance Liability	2,362,196
Other Long-term Obligations	20,633,025
<b>Total Liabilities</b>	<b>156,187,494</b>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows Related to Pensions	234,710,815
Deferred Inflows Related to Other Post-Employment Benefits	7,979,725
Deferred Inflows of Property Taxes and Other Receivables	113,650,528
<b>Total Deferred Inflows of Resources</b>	<b>356,341,068</b>
<b>Net Position</b>	
Investment in Capital Assets	479,621,974
Net Investment in Capital Assets	47,472
Restricted for:	
Education Purposes	39,636,927
Capital Purposes-Education	11,077,171
Pensions	132,513,103
Unrestricted	14,353,368
<b>Total Net Position</b>	<b>\$ 677,250,015</b>

**Knox County Board of Education**

**Statement of Activities**

For the Year Ended June 30, 2022

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Changes in Net Position</b>
				<b>Governmental Activities</b>
<b>Knox County Board of Education:</b>				
Governmental activities:				
Education	\$ 608,212,400	\$ 22,641,034	\$ 124,289,080	\$ (461,282,286)
Education - Payment to Primary Government	14,931,933	-	-	(14,931,933)
<b>Total primary government</b>	<u>\$ 623,144,333</u>	<u>\$ 22,641,034</u>	<u>\$ 124,289,080</u>	<u>(476,214,219)</u>
<b>General Revenues:</b>				
Property Taxes				109,479,499
Sales Taxes				215,237,167
Wheel Taxes				1,808,993
Other Local Taxes				709,767
Interest Income				213,051
Miscellaneous				82,542
State of Tennessee Basic Education Program				243,215,659
Payments from Knox County Primary Government				60,257,000
Intergovernmental Revenues				3,799,580
<b>Total General Revenues</b>				<u>634,803,258</u>
Change in Net Position				158,589,039
Net Position, July 1				<u>518,660,976</u>
Net Position, June 30				<u>\$ 677,250,015</u>

**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit**

**Knox County Board of Education**

**Balance Sheet**

**Governmental Funds**

June 30, 2022

	<b>General Purpose School</b>	<b>School Construction Capital Projects</b>	<b>School Federal Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,578,794	\$ 2,141,288	\$ -	\$ 33,480,681	\$ 40,200,763
Investments, at Fair Value	67,895,239	19,610,898	-	-	87,506,137
Receivables (Net of Allowance for Uncollectibles):					
Accounts	8,289,806	-	15,610,021	6,347,452	30,247,279
Local Taxes	155,870,613	-	-	-	155,870,613
Lease	20,093	-	-	-	20,093
Due from Other Funds	16,738,967	-	-	60,020	16,798,987
Due from Primary Government	204,442	-	-	-	204,442
Inventories	1,089,779	-	-	634,394	1,724,173
Prepaid Items	1,176,927	-	25,237	33,006	1,235,170
<b>TOTAL ASSETS</b>	<b>\$ 255,864,660</b>	<b>\$ 21,752,186</b>	<b>\$ 15,635,258</b>	<b>\$ 40,555,553</b>	<b>\$ 333,807,657</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,171,396	\$ 10,675,015	\$ 3,081,042	\$ 1,597,225	\$ 17,524,678
Accrued Liabilities	44,357,814	-	-	49,181	44,406,995
Due to Other Funds	60,020	-	12,730,767	4,008,200	16,798,987
Unearned Revenue	-	-	-	464,401	464,401
<b>TOTAL LIABILITIES</b>	<b>46,589,230</b>	<b>10,675,015</b>	<b>15,811,809</b>	<b>6,119,007</b>	<b>79,195,061</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes and Other Receivable	116,905,265	-	-	-	116,905,265
<b>FUND BALANCES</b>					
Nonspendable	2,266,706	-	25,237	667,400	2,959,343
Restricted	7,106,092	11,077,171	-	32,530,835	50,714,098
Committed	6,876,760	-	-	1,238,311	8,115,071
Assigned	1,462,475	-	-	-	1,462,475
Unassigned (Deficit)	74,658,132	-	(201,788)	-	74,456,344
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>92,370,165</b>	<b>11,077,171</b>	<b>(176,551)</b>	<b>34,436,546</b>	<b>137,707,331</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 255,864,660</b>	<b>\$ 21,752,186</b>	<b>\$ 15,635,258</b>	<b>\$ 40,555,553</b>	<b>\$ 333,807,657</b>

**KNOX COUNTY, TENNESSEE**  
**Discretely Presented Component Unit**  
**Knox County Board of Education**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Position**

June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Ending Fund Balance - Governmental Funds	\$	137,707,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		487,131,043
The net pension asset is not available to pay for current-period expenditures and, therefore, is not reported as an asset in the fund financial statements.		266,048,515
Deferred outflows increase the amount of net position reported in the statement of net position, but are not reported as assets in the funds. Similarly, deferred inflows decrease the amount of net position reported in the statements of net position, but are not reported as liabilities in the funds.		
Deferred outflows related to pensions	\$	101,175,403
Deferred outflows related to other postemployment benefits		18,414,946
Deferred inflows related to pensions		(234,710,815)
Deferred inflows related to other postemployment benefits		<u>(7,979,725)</u>
		(123,100,191)
Certain revenues will be collected after year-end but not within the period considered available to pay current period expenditures. Therefore, these amounts were deferred in the fund financial statements but have been recognized under the accrual basis.		3,254,737
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences	\$	18,825,505
Accrued Interest		3,629
Lease Obligations		4,403,405
Financed Purchases		3,058,192
Termination Benefits		2,507,737
Self-insurance Liability		2,432,196
Net Other Post-Employment Benefits Liability		46,555,298
Net Pension Liability		<u>16,005,458</u>
		<u>(93,791,420)</u>
Net Position of Governmental Activities	\$	<u><u>677,250,015</u></u>

**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit  
Knox County Board of Education  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022**

	<b>General Purpose School</b>	<b>School Construction Capital Projects</b>	<b>School Federal Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Property Taxes	\$ 108,418,760	\$ -	\$ -	\$ -	\$ 108,418,760
Local Option Sales Taxes	215,237,167	-	-	-	215,237,167
Wheel Tax	1,808,993	-	-	-	1,808,993
Other Local Taxes	709,767	-	-	-	709,767
Licenses and Permits	37,427	-	-	-	37,427
Charges for Current Services	413,939	-	-	2,459,699	2,873,638
Other Local Revenues	7,335,126	-	-	17,766,345	25,101,471
Fees Received from County Officials	-	-	-	1,221	1,221
State of Tennessee	249,606,217	-	-	8,994,197	258,600,414
Federal Government	678,572	-	70,038,370	36,027,055	106,743,997
Other Governments and Citizen Groups	5,318	-	-	665,630	670,948
Interest Earned	211,830	-	-	-	211,830
Payments from Primary Government	1,932,000	58,325,000	-	-	60,257,000
<b>Total Revenues</b>	<b>586,395,116</b>	<b>58,325,000</b>	<b>70,038,370</b>	<b>65,914,147</b>	<b>780,672,633</b>
<b>Expenditures</b>					
Current:					
Education	533,181,530	-	54,103,727	60,471,372	647,756,629
Capital Outlay	1,309,594	71,636,673	13,720,169	600,532	87,266,968
Payments to Primary Government	14,931,933	-	-	-	14,931,933
Debt Service:					
Principal	1,225,640	-	-	-	1,225,640
Interest	46,842	-	-	-	46,842
<b>Total Expenditures</b>	<b>550,695,539</b>	<b>71,636,673</b>	<b>67,823,896</b>	<b>61,071,904</b>	<b>751,228,012</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>35,699,577</b>	<b>(13,311,673)</b>	<b>2,214,474</b>	<b>4,842,243</b>	<b>29,444,621</b>
<b>Other Financing Sources (Uses)</b>					
Transfers from Other Funds	-	2,700,000	20,006	7,073,873	9,793,879
Transfers to Other Funds	(7,497,966)	-	(2,245,913)	(50,000)	(9,793,879)
Lease Financing	5,629,045	-	-	-	5,629,045
<b>Total Other Financing Sources (Uses)</b>	<b>(1,868,921)</b>	<b>2,700,000</b>	<b>(2,225,907)</b>	<b>7,023,873</b>	<b>5,629,045</b>
<b>Net Change in Fund Balances</b>	<b>33,830,656</b>	<b>(10,611,673)</b>	<b>(11,433)</b>	<b>11,866,116</b>	<b>35,073,666</b>
<b>Fund Balances, July 1</b>	<b>58,539,509</b>	<b>21,688,844</b>	<b>(165,118)</b>	<b>22,570,430</b>	<b>102,633,665</b>
<b>Fund Balances (Deficit), June 30</b>	<b>\$ 92,370,165</b>	<b>\$ 11,077,171</b>	<b>\$ (176,551)</b>	<b>\$ 34,436,546</b>	<b>\$ 137,707,331</b>

**KNOX COUNTY, TENNESSEE**  
**Discretely Presented Component Unit**  
**Knox County Board of Education**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds		\$ 35,073,666
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays (\$82,797,961) exceeded depreciation and amortization (\$23,871,274) in the current period.</p>		
		58,926,687
<p>Certain revenues will be collected after year-end but not within the period considered available to pay current period expenditures. Therefore, these amounts were recognized as revenues in the statement of activities but were not reported as revenues in the fund financial statements.</p>		
		3,254,737
<p>Amounts reported as fund revenues that met the criteria for revenue recognition under the full accrual method of accounting in the preceding fiscal year have been excluded from the current year statement of activities.</p>		
		(2,193,998)
<p>Certain assets, liabilities, deferred inflows, and deferred outflows accounted for using the economic resources focus and accrual basis of accounting are reported in the Statement of Net Position but are not reported in the fund financial statements, which encompasses only items that are accounted using current financial resources measurement and modified accrual basis of accounting. These amounts do not provide or require the use of current financial resources and, therefore, are not reflected in the revenues or expenditures of governmental funds:</p>		
<p>Increase (decrease) in assets and deferred outflows:</p>		
Net Pension Asset	\$ 216,375,290	
Deferred Outflows Related to Other Post-Employment Benefits	5,256,750	
Deferred Outflows Related to Pensions	60,133,535	281,765,575
<p>(Increase) decrease in liabilities and deferred inflows:</p>		
Self-insurance Liability	49,617	
Accrued Interest	(3,629)	
Termination Benefits	658,915	
Net Other Post-Employment Benefits Liability	(7,101,495)	
Net Pension Liability	(10,562,066)	
Deferred Inflows Related to Pensions	(204,948,355)	
Deferred Inflows Related to Other Post-Employment Benefits	961	
Compensated Absences Liability	766,959	
Loans Payable	7,008,651	
Lease Obligations	(4,403,405)	
Financed Purchases	296,219	(218,237,628)
Change in Net Position of Governmental Activities		\$ 158,589,039

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
General Fund - General Purpose School  
Comparative Balance Sheets  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,578,794	\$ 37,471,577
Investments, at Fair Value	67,895,239	6,082,358
Receivables (Net of Allowance for Uncollectibles):		
Accounts	8,289,806	1,544,647
Local Taxes	155,870,613	145,955,761
Leases	20,093	-
Due from Primary Government	204,442	-
Due from Other Funds	16,738,967	24,645,731
Prepaid Items	1,176,927	580,032
Inventories	1,089,779	1,073,565
<b>TOTAL ASSETS</b>	<u>\$ 255,864,660</u>	<u>\$ 217,353,671</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 2,171,396	\$ 4,199,504
Accrued Liabilities	44,357,814	42,812,828
Due to Other Funds	60,020	-
<b>TOTAL LIABILITIES</b>	<u>46,589,230</u>	<u>47,012,332</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Taxes and Other Receivable	<u>116,905,265</u>	<u>111,801,830</u>
<b>FUND BALANCES</b>		
Nonspendable	2,266,706	1,653,597
Restricted	7,106,092	5,652,644
Committed	6,876,760	-
Assigned	1,462,475	790,852
Unassigned	74,658,132	50,442,416
<b>TOTAL FUND BALANCES</b>	<u>92,370,165</u>	<u>58,539,509</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 255,864,660</u>	<u>\$ 217,353,671</u>

**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
General Fund - General Purpose School  
Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balances**

For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>Revenues</b>		
Property Taxes	\$ 108,418,760	\$ 106,153,334
Local Option Sales Taxes	215,237,167	186,716,867
Wheel Tax	1,808,993	1,790,760
Other Local Taxes	709,767	673,680
Licenses and Permits	37,427	34,999
Charges for Current Services	413,939	410,389
Other Local Revenues	7,335,126	3,819,895
State of Tennessee	249,606,217	244,215,921
Federal Government	678,572	615,460
Other Governments and Citizen Groups	5,318	215,335
Interest Earned	211,830	940,434
Payment from Primary Government	1,932,000	1,932,000
	<u>586,395,116</u>	<u>547,519,074</u>
<b>Expenditures</b>		
Current:		
Education	533,181,530	500,079,599
Capital Outlay	1,309,594	2,073,915
Payments to Primary Government	14,931,933	11,449,356
Debt Service:		
Principal	1,225,640	-
Interest	46,842	-
	<u>550,695,539</u>	<u>513,602,870</u>
Total Expenditures		
Excess of Revenues		
Over Expenditures	<u>35,699,577</u>	<u>33,916,204</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	-	15,784
Transfers to Other Funds	(7,497,966)	(3,656,927)
Lease Financing	5,629,045	-
	<u>(1,868,921)</u>	<u>(3,641,143)</u>
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	33,830,656	30,275,061
Fund Balances, July 1	58,539,509	28,264,448
Fund Balances, June 30	<u>\$ 92,370,165</u>	<u>\$ 58,539,509</u>



KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -  
 Knox County Board of Education  
 General Fund - General Purpose School  
 Comparative Schedules of Revenues, Expenditures  
 and Changes in Fund Balances - Budget and Actual  
 For the Years Ended June 30, 2022 and 2021

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Property Taxes	\$ 106,950,400	\$ 106,950,400	\$ 108,418,760	\$ 1,468,360	\$ 104,570,000	\$ 106,153,334	\$ 1,583,334
Local Option Sales Taxes	176,886,000	186,178,035	215,237,167	29,059,132	167,125,000	186,716,867	19,591,867
Wheel Tax	1,750,000	1,750,000	1,808,993	58,993	1,775,000	1,790,760	15,760
Other Local Taxes	900,000	900,000	709,767	(190,233)	900,000	673,680	(226,320)
Licenses and Permits	36,000	36,000	37,427	1,427	35,000	34,999	(1)
Charges for Current Services	275,000	275,000	413,939	138,939	425,000	410,389	(14,611)
Other Local Revenues	5,721,100	5,721,100	7,335,126	1,614,026	4,247,000	3,819,895	(427,105)
State of Tennessee	246,089,000	245,983,000	247,760,383	1,777,383	239,703,000	242,268,770	2,565,770
Federal Government	600,000	600,000	678,572	78,572	600,000	615,460	15,460
Other Governments and Citizen Groups	-	-	5,318	5,318	-	215,335	215,335
Interest Earned	400,000	400,000	211,830	(188,170)	815,000	940,434	125,434
Payments from Primary Government	1,932,000	1,932,000	1,932,000	-	1,932,000	1,932,000	-
<b>Total Revenues</b>	<b>541,539,500</b>	<b>550,725,535</b>	<b>584,549,282</b>	<b>33,823,747</b>	<b>522,127,000</b>	<b>545,571,923</b>	<b>23,444,923</b>
<b>Expenditures</b>							
Current:							
Education:							
Personal Services	354,744,949	358,749,174	358,145,785	603,389	340,343,043	340,169,080	173,963
Employee Benefits	100,608,975	100,600,953	98,233,273	2,367,680	94,504,395	94,427,585	76,810
Contracted Services	33,601,730	35,212,428	34,040,136	1,172,292	31,068,526	28,660,108	2,408,418
Supplies and Materials	24,439,042	25,876,773	22,326,541	3,550,232	25,568,600	22,807,460	2,761,140
Other Charges	12,658,745	19,996,327	19,862,443	133,884	16,080,420	12,068,215	4,012,205
Capital Outlay	842,803	1,795,568	1,309,594	485,974	2,192,554	2,073,915	118,639
Payments to Primary Government	13,379,356	14,929,356	14,931,933	(2,577)	11,449,356	11,449,356	-
<b>Total Expenditures</b>	<b>540,275,600</b>	<b>557,160,579</b>	<b>548,849,705</b>	<b>8,310,874</b>	<b>521,206,894</b>	<b>511,655,719</b>	<b>9,551,175</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,263,900	(6,435,044)	35,699,577	42,134,621	920,106	33,916,204	32,996,098
<b>Other Financing Sources (Uses)</b>							
Transfers from Other Funds	-	-	-	-	-	15,784	15,784
Transfers to Other Funds	(1,724,400)	(4,402,900)	(7,497,966)	(3,095,066)	(1,478,000)	(3,656,927)	(2,178,927)
Lease Financing	-	5,629,045	5,629,045	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,724,400)</b>	<b>1,226,145</b>	<b>(1,868,921)</b>	<b>(3,095,066)</b>	<b>(1,478,000)</b>	<b>(3,641,143)</b>	<b>(2,163,143)</b>
<b>Net Change in Fund Balances</b>	<b>(460,500)</b>	<b>(5,208,899)</b>	<b>33,830,656</b>	<b>39,039,555</b>	<b>(557,894)</b>	<b>30,275,061</b>	<b>30,832,955</b>
Fund Balances, July 1	58,539,509	58,539,509	58,539,509	-	28,264,448	28,264,448	-
<b>Fund Balances, June 30</b>	<b>\$ 58,079,009</b>	<b>\$ 53,330,610</b>	<b>\$ 92,370,165</b>	<b>\$ 39,039,555</b>	<b>\$ 27,706,554</b>	<b>\$ 58,539,509</b>	<b>\$ 30,832,955</b>

Note: The revenue and expenditure totals in this statement do not include \$1,845,834 for FY '22 and \$1,947,151 for FY '21 of non-cash on-behalf payments that are not included in the budget.

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
School Construction Capital Projects Fund  
Comparative Balance Sheets  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,141,288	\$ -
Investments, at Fair Value	<u>19,610,898</u>	<u>32,763,075</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,752,186</u>	<u>\$ 32,763,075</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 10,675,015	\$ 5,073,261
Due to Other Funds	<u>-</u>	<u>6,000,970</u>
<b>TOTAL LIABILITIES</b>	<u>10,675,015</u>	<u>11,074,231</u>
<b>Fund Balances:</b>		
Restricted	<u>11,077,171</u>	<u>21,688,844</u>
<b>TOTAL FUND BALANCES</b>	<u>11,077,171</u>	<u>21,688,844</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 21,752,186</u>	<u>\$ 32,763,075</u>

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
School Construction Capital Projects Fund  
Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balances  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Payments from Primary Government	\$ 58,325,000	\$ 35,800,000
Total Revenues	<u>58,325,000</u>	<u>35,800,000</u>
<b>Expenditures</b>		
Capital Projects	<u>71,636,673</u>	<u>26,454,914</u>
Total Expenditures	<u>71,636,673</u>	<u>26,454,914</u>
Deficiency of Revenues Under Expenditures	<u>(13,311,673)</u>	<u>9,345,086</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	<u>2,700,000</u>	<u>-</u>
Net Change in Fund Balance	(10,611,673)	9,345,086
Fund Balances, July 1	<u>21,688,844</u>	<u>12,343,758</u>
Fund Balances, June 30	<u>\$ 11,077,171</u>	<u>\$ 21,688,844</u>

KNOX COUNTY, TENNESSEE

*Discretely Presented Component Unit -  
Knox County Board of Education  
School Construction Capital Projects Fund  
Schedule of Construction Project Expenditures -  
Budget and Actual  
For the Year Ended June 30, 2022*

	Project Budget	Expenditures			Available
		Prior Years	Current	Total	
<b>Expenditures</b>					
<i>Capital Projects:</i>					
<i>School Renovation:</i>					
Physical Plant Upgrades	\$ 13,424,794	\$ 10,341,883	\$ 1,811,122	\$ 12,153,005	\$ 1,271,789
Foundation Stabilization	500,000	328,550	30,910	359,460	140,540
Security Upgrades	14,975,000	11,972,905	1,399,087	13,371,992	1,603,008
Tech Upgrades Systemwide	2,046,876	1,288,476	314,034	1,602,509	444,367
School Accessibility	500,000	161,272	-	161,272	338,728
HVAC Upgrades	12,433,137	9,268,404	1,378,062	10,646,466	1,786,671
Roofing Upgrades	9,569,655	5,498,791	1,883,667	7,382,458	2,187,197
Land Acquisition	6,122,508	3,102,052	31,644	3,133,695	2,988,813
BEP Growth Mod Class Relocation	4,312,391	3,331,368	746,506	4,077,873	234,517
Drive Parking Upgrades	2,650,000	2,082,846	567,094	2,649,940	60
Env. Testing & Rem.	1,000,000	670,860	100,916	771,776	228,224
Inskip Elementary Addition	6,380,730	6,380,729	-	6,380,729	-
Analysis/Design: Tipton St. Road	1,557,790	1,549,190	8,600	1,557,790	-
Cafeteria Upgrades - Powell High School	3,176,260	2,559,823	600,757	3,160,580	15,680
Adrian Burnett Elementary	18,430,000	2,502,575	15,018,754	17,521,328	908,672
Lonsdale Construction	23,800,000	3,740,098	15,100,039	18,840,137	4,959,863
Halls High Renovation	2,700,000	-	649,079	649,079	2,050,921
Gibbs High Stadium Upgrade	3,600,000	107,359	2,097,781	2,205,140	1,394,860
Farragut Elementary	88,200	38,177	9,720	47,897	40,303
Title IX Solutions	6,500,000	353,802	2,346,176	2,699,978	3,800,022
Fire Alarm System Upgrades	2,000,000	912,096	754,816	1,666,912	333,088
Northwest Elementary	23,500,000	911,013	7,513,465	8,424,478	15,075,522
Brickey-McCloud Additions	500,000	152,064	85,537	237,601	262,399
Trane III (see note)	-	4,454,285	19,188,910	23,643,195	(23,643,195)
<i>Total Capital Projects</i>	<u>\$ 159,767,340</u>	<u>\$ 71,708,616</u>	<u>\$ 71,636,673</u>	<u>\$ 143,345,289</u>	<u>\$ 16,422,051</u>

NOTE:

The Trane III project consists of LED lighting upgrades being made for the purpose of generating energy savings, which have been guaranteed by the contractor. The project, which is self-funded from existing resources, has been approved by the Board and County Commission.

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KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -  
Knox County Board of Education  
School Federal Projects Fund  
Comparative Balance Sheets  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Receivables (Net of Allowance for Uncollectibles):		
Accounts	\$ 15,610,021	\$ 20,227,612
Prepaid Items	25,237	59,057
TOTAL ASSETS	<u>\$ 15,635,258</u>	<u>\$ 20,286,669</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 3,081,042	\$ 3,260,830
Due to Other Funds	12,730,767	14,313,794
Unearned Revenue	-	2,877,163
TOTAL LIABILITIES	<u>15,811,809</u>	<u>20,451,787</u>
<b>Fund Balances:</b>		
Nonspendable	25,237	59,057
Unassigned (Deficit)	<u>(201,788)</u>	<u>(224,175)</u>
TOTAL FUND BALANCES (DEFICIT)	<u>(176,551)</u>	<u>(165,118)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,635,258</u>	<u>\$ 20,286,669</u>

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
School Federal Projects Fund  
Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balances  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Federal Government	\$ 70,038,370	\$ 49,036,504
Total Revenues	<u>70,038,370</u>	<u>49,036,504</u>
<b>Expenditures</b>		
Current:		
Education	54,103,727	41,013,599
Capital Outlay	<u>13,720,169</u>	<u>6,252,401</u>
Total Expenditures	<u>67,823,896</u>	<u>47,266,000</u>
Excess of Revenues Over Expenditures	<u>2,214,474</u>	<u>1,770,504</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	20,006	33,661
Transfers to Other Funds	<u>(2,245,913)</u>	<u>(1,969,521)</u>
Total Other Financing Uses	<u>(2,225,907)</u>	<u>(1,935,860)</u>
Net Change in Fund Balances	(11,433)	(165,356)
Fund Balances, July 1	<u>(165,118)</u>	<u>238</u>
Fund Balances (Deficit), June 30	<u>\$ (176,551)</u>	<u>\$ (165,118)</u>

**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
School Federal Projects Fund  
Comparative Schedules of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Federal Government	\$ -	\$ 209,062,695	\$ 70,038,370	\$ (139,024,325)	\$ 104,665,674	\$ 49,036,504	\$ (55,629,170)
<b>Total Revenues</b>	-	209,062,695	70,038,370	(139,024,325)	104,665,674	49,036,504	(55,629,170)
<b>Expenditures</b>							
Current:							
Education:							
Personal Services	-	75,924,493	26,121,824	49,802,669	39,838,549	27,190,313	12,648,236
Employee Benefits	-	16,323,151	6,365,730	9,957,421	11,320,514	6,582,887	4,737,627
Contracted Services	-	13,355,658	2,290,536	11,065,122	5,417,352	1,547,311	3,870,041
Supplies and Materials	-	26,226,604	13,907,330	12,319,274	16,038,749	2,391,040	13,647,709
Other Charges	-	27,953,754	5,418,307	22,535,447	9,369,671	3,302,048	6,067,623
Capital Outlay	-	48,791,927	13,720,169	35,071,758	19,977,125	6,252,401	13,724,724
<b>Total Expenditures</b>	-	208,575,587	67,823,896	140,751,691	101,961,960	47,266,000	54,695,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	487,108	2,214,474	1,727,366	2,703,714	1,770,504	(933,210)
<b>Other Financing Sources (Uses)</b>							
Transfer from Other Funds	-	97,357	20,006	(77,351)	168,111	33,661	(134,450)
Transfer to Other Funds	-	(3,461,626)	(2,245,913)	1,215,713	(2,908,556)	(1,969,521)	939,035
<b>Total Other Financing Sources (Uses)</b>	-	(3,364,269)	(2,225,907)	1,138,362	(2,740,445)	(1,935,860)	804,585
<b>Net Change in Fund Balances</b>	-	(2,877,161)	(11,433)	2,865,728	(36,731)	(165,356)	(128,625)
Fund Balances, July 1	(165,118)	(165,118)	(165,118)	-	238	238	-
<b>Fund Balances (Deficit), June 30</b>	\$ (165,118)	\$ (3,042,279)	\$ (176,551)	\$ 2,865,728	\$ (36,493)	\$ (165,118)	\$ (128,625)

Note - Budgets are adopted throughout the year as grants are approved. See Note II. A.

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit

Knox County Board of Education

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

	<u>School General Projects</u>	<u>Central Cafeteria</u>	<u>Internal School Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 19,830,240	\$ 13,650,441	\$ 33,480,681
Receivables (Net of Allowance for Uncollectibles):				
Accounts	5,917,421	417,157	12,874	6,347,452
Due from Other Funds	-	60,020	-	60,020
Inventories	157,803	476,591	-	634,394
Prepaid Items	33,006	-	-	33,006
<b>TOTAL ASSETS</b>	<u>\$ 6,108,230</u>	<u>\$ 20,784,008</u>	<u>\$ 13,663,315</u>	<u>\$ 40,555,553</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 931,186	\$ 556,713	\$ 109,326	\$ 1,597,225
Accrued Liabilities	-	49,181	-	49,181
Due to Other Funds	3,716,324	291,876	-	4,008,200
Unearned Revenue	31,600	432,801	-	464,401
<b>TOTAL LIABILITIES</b>	<u>4,679,110</u>	<u>1,330,571</u>	<u>109,326</u>	<u>6,119,007</u>
<b>Fund Balances:</b>				
Nonspendable	190,809	476,591	-	667,400
Restricted	-	18,976,846	13,553,989	32,530,835
Committed	1,238,311	-	-	1,238,311
<b>TOTAL FUND BALANCES</b>	<u>1,429,120</u>	<u>19,453,437</u>	<u>13,553,989</u>	<u>34,436,546</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,108,230</u>	<u>\$ 20,784,008</u>	<u>\$ 13,663,315</u>	<u>\$ 40,555,553</u>



**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit**

**Knox County Board of Education**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

For the Year Ended June 30, 2022

	<b>School General Projects</b>	<b>Central Cafeteria</b>	<b>Internal School Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Charges for Current Services	\$ 1,144,843	\$ 1,314,856	\$ -	\$ 2,459,699
Other Local Revenues	132,363	460,049	17,173,933	17,766,345
Investment Revenues	-	1,221	-	1,221
State of Tennessee	8,764,654	229,543	-	8,994,197
Federal Government	-	36,027,055	-	36,027,055
Other Governments and Citizen Groups	665,630	-	-	665,630
<b>Total Revenues</b>	<b>10,707,490</b>	<b>38,032,724</b>	<b>17,173,933</b>	<b>65,914,147</b>
<b>Expenditures</b>				
Current:				
Education	15,062,447	27,181,672	18,227,253	60,471,372
Capital Outlay	-	600,532	-	600,532
<b>Total Expenditures</b>	<b>15,062,447</b>	<b>27,782,204</b>	<b>18,227,253</b>	<b>61,071,904</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,354,957)</b>	<b>10,250,520</b>	<b>(1,053,320)</b>	<b>4,842,243</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	4,114,465	-	2,959,408	7,073,873
Transfers to Other Funds	(50,000)	-	-	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>4,064,465</b>	<b>-</b>	<b>2,959,408</b>	<b>7,023,873</b>
<b>Net Change in Fund Balances</b>	<b>(290,492)</b>	<b>10,250,520</b>	<b>1,906,088</b>	<b>11,866,116</b>
<b>Fund Balances, July 1</b>	<b>1,719,612</b>	<b>9,202,917</b>	<b>11,647,901</b>	<b>22,570,430</b>
<b>Fund Balances, June 30</b>	<b>\$ 1,429,120</b>	<b>\$ 19,453,437</b>	<b>\$ 13,553,989</b>	<b>\$ 34,436,546</b>

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KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -  
Knox County Board of Education  
School General Projects Fund  
Comparative Balance Sheets  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Receivables (Net of Allowance for Uncollectibles):		
Accounts	\$ 5,917,421	\$ 5,963,547
Prepaid Items	33,006	9,033
Inventories	<u>157,803</u>	<u>181,495</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,108,230</u>	<u>\$ 6,154,075</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 931,186	\$ 97,996
Due to Other Funds	3,716,324	4,330,967
Unearned Revenue	<u>31,600</u>	<u>5,500</u>
<b>TOTAL LIABILITIES</b>	<u>4,679,110</u>	<u>4,434,463</u>
 <b>Fund Balances:</b>		
Nonspendable	190,809	190,528
Committed	<u>1,238,311</u>	<u>1,529,084</u>
<b>TOTAL FUND BALANCES</b>	<u>1,429,120</u>	<u>1,719,612</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,108,230</u>	<u>\$ 6,154,075</u>

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
School General Projects Fund  
Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balances  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Charges for Current Services	\$ 1,144,843	\$ 2,393,671
Other Local Revenues	132,363	99,837
State of Tennessee	8,764,654	8,862,399
Other Governments and Citizens Groups	665,630	766,069
	<hr/>	<hr/>
Total Revenues	10,707,490	12,121,976
	<hr/>	<hr/>
<b>Expenditures</b>		
Current:		
Education	15,062,447	14,265,061
Capital Outlay	-	36,735
	<hr/>	<hr/>
Total Expenditures	15,062,447	14,301,796
	<hr/>	<hr/>
Deficiency of Revenues Under Expenditures	(4,354,957)	(2,179,820)
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	4,114,465	3,548,052
Transfers to Other Funds	(50,000)	(889,528)
	<hr/>	<hr/>
Total Other Financing Sources	4,064,465	2,658,524
	<hr/>	<hr/>
Net Change in Fund Balances	(290,492)	478,704
Fund Balances, July 1	1,719,612	1,240,908
	<hr/>	<hr/>
Fund Balances, June 30	\$ 1,429,120	\$ 1,719,612
	<hr/> <hr/>	<hr/> <hr/>

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -  
 Knox County Board of Education  
 School General Projects Fund  
 Comparative Schedules of Revenues, Expenditures  
 and Changes in Fund Balances - Budget and Actual  
 For the Years Ended June 30, 2022 and 2021

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Charges for Current Services	\$ -	\$ 1,139,447	\$ 1,144,843	\$ 5,396	\$ 2,097,363	\$ 2,393,671	\$ 296,308
Other Local Revenues	-	95,775	132,363	36,588	130,400	99,837	(30,563)
State of Tennessee	-	12,440,872	8,764,654	(3,676,218)	12,088,477	8,862,399	(3,226,078)
Other Governments and Citizens Groups	-	731,550	665,630	(65,920)	1,610,783	766,069	(844,714)
<b>Total Revenues</b>	-	14,407,644	10,707,490	(3,700,154)	15,927,023	12,121,976	(3,805,047)
<b>Expenditures</b>							
Current:							
Education:							
Personal Services	-	10,305,072	8,452,135	1,852,937	10,000,491	9,413,916	586,575
Employee Benefits	-	2,770,667	2,237,417	533,250	2,259,680	1,749,111	510,569
Contracted Services	-	1,519,600	904,765	614,835	3,626,563	1,283,182	2,343,381
Supplies and Materials	-	5,330,075	2,867,702	2,462,373	3,756,038	1,131,659	2,624,379
Other Charges	-	735,524	600,428	135,096	1,039,091	687,193	351,898
Capital Outlay	-	123,529	-	123,529	114,509	36,735	77,774
<b>Total Expenditures</b>	-	20,784,467	15,062,447	5,722,020	20,796,372	14,301,796	6,494,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,376,823)	(4,354,957)	2,021,866	(4,869,349)	(2,179,820)	2,689,529
<b>Other Financing Sources (Uses)</b>							
Transfers from Other Funds	-	5,154,782	4,114,465	(1,040,317)	4,183,929	3,548,052	(635,877)
Transfers to Other Funds	-	-	(50,000)	(50,000)	(6,000)	(889,528)	(883,528)
<b>Total Other Financing Sources (Uses)</b>	-	5,154,782	4,064,465	(1,090,317)	4,177,929	2,658,524	(1,519,405)
<b>Net Change in Fund Balances</b>	-	(1,222,041)	(290,492)	931,549	(691,420)	478,704	1,170,124
Fund Balances, July 1	1,719,612	1,719,612	1,719,612	-	1,240,908	1,240,908	-
Fund Balances, June 30	\$ 1,719,612	\$ 497,571	\$ 1,429,120	\$ 931,549	\$ 549,488	\$ 1,719,612	\$ 1,170,124

Note - Budgets are adopted throughout the year as grants are approved. See Note II. A.

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
Central Cafeteria Fund  
Comparative Balance Sheets  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 19,830,240	\$ 6,693,341
Receivables (Net of Allowance for Uncollectibles):		
Accounts	417,157	2,376,591
Due from Other Funds	60,020	-
Inventories	476,591	802,637
<b>TOTAL ASSETS</b>	<u>\$ 20,784,008</u>	<u>\$ 9,872,569</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 556,713	\$ 91,114
Accrued Liabilities	49,181	50,099
Due to Other Funds	291,876	-
Unearned Revenue	432,801	528,439
<b>TOTAL LIABILITIES</b>	<u>1,330,571</u>	<u>669,652</u>
<b>Fund Balances:</b>		
Nonspendable	476,591	802,637
Restricted	18,976,846	8,400,280
<b>TOTAL FUND BALANCES</b>	<u>19,453,437</u>	<u>9,202,917</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 20,784,008</u>	<u>\$ 9,872,569</u>

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
Central Cafeteria Fund  
Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balances  
For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Charges for Current Services	\$ 1,314,856	\$ 814,146
Other Local Revenues	460,049	656,150
Investment Revenues	1,221	37,585
State of Tennessee	229,543	238,386
Federal Government	36,027,055	19,784,317
Total Revenues	<u>38,032,724</u>	<u>21,530,584</u>
<b>Expenditures</b>		
Current:		
Education:		
Food Service	27,181,672	20,789,034
Capital Outlay	600,532	6,258
Total Expenditures	<u>27,782,204</u>	<u>20,795,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,250,520</u>	<u>735,292</u>
Net Change in Fund Balances	10,250,520	735,292
Fund Balances, July 1	<u>9,202,917</u>	<u>8,467,625</u>
Fund Balances, June 30	<u>\$ 19,453,437</u>	<u>\$ 9,202,917</u>

**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
Central Cafeteria Fund  
Comparative Schedules of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
For the Years Ended June 30, 2022 and 2021**

	2022				2021		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>							
Charges for Current Services	\$ 1,300,000	\$ 1,300,000	\$ 1,314,856	\$ 14,856	\$ 5,575,000	\$ 814,146	\$ (4,760,854)
Other Local Revenues	300,000	300,000	460,049	160,049	285,000	656,150	371,150
Investment Revenue	-	-	1,221	1,221	140,000	37,585	(102,415)
State of Tennessee	250,000	250,000	229,543	(20,457)	250,000	238,386	(11,614)
Federal Government	25,510,000	25,510,000	36,027,055	10,517,055	21,355,000	19,784,317	(1,570,683)
<b>Total Revenues</b>	<b>27,360,000</b>	<b>27,360,000</b>	<b>38,032,724</b>	<b>10,672,724</b>	<b>27,605,000</b>	<b>21,530,584</b>	<b>(6,074,416)</b>
<b>Expenditures</b>							
Current:							
Education:							
Food Service:							
Personal Services	9,350,000	8,770,000	8,670,192	99,808	8,990,000	8,175,640	814,360
Employee Benefits	2,902,000	2,602,000	2,509,883	92,117	2,757,000	2,481,972	275,028
Contracted Services	1,433,000	1,695,500	1,578,576	116,924	1,448,000	1,140,894	307,106
Supplies & Materials	11,905,000	12,996,400	12,917,414	78,986	12,655,000	8,990,478	3,664,522
Other Charges	1,520,000	1,520,000	1,505,607	14,393	1,555,000	50	1,554,950
Capital Outlay	250,000	1,025,600	600,532	425,068	200,000	6,258	193,742
<b>Total Expenditures</b>	<b>27,360,000</b>	<b>28,609,500</b>	<b>27,782,204</b>	<b>827,296</b>	<b>27,605,000</b>	<b>20,795,292</b>	<b>6,809,708</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,249,500)	10,250,520	11,500,020	-	735,292	735,292
Fund Balances, July 1	9,202,917	9,202,917	9,202,917	-	8,467,625	8,467,625	-
Fund Balances, June 30	\$ 9,202,917	\$ 7,953,417	\$ 19,453,437	\$ 11,500,020	\$ 8,467,625	\$ 9,202,917	\$ 735,292

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
Internal School Funds  
Comparative Balance Sheets  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 13,650,441	\$ 11,988,729
Receivables (Net of Allowance for Uncollectibles):		
Accounts	<u>12,874</u>	<u>24,975</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 13,663,315</u></u>	<u><u>\$ 12,013,704</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	<u>\$ 109,326</u>	<u>\$ 365,803</u>
<b>TOTAL LIABILITIES</b>	<u>109,326</u>	<u>365,803</u>
<b>Fund Balances:</b>		
Restricted for Education	<u>13,553,989</u>	<u>11,647,901</u>
<b>TOTAL FUND BALANCES</b>	<u>13,553,989</u>	<u>11,647,901</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 13,663,315</u></u>	<u><u>\$ 12,013,704</u></u>



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KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -  
Knox County Board of Education  
Internal School Funds  
Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balances  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Other Local Revenues	<u>\$ 17,173,933</u>	<u>\$ 10,207,336</u>
Total Revenues	<u>17,173,933</u>	<u>10,207,336</u>
<b>Expenditures</b>		
Current:		
Operation of Non-instructional Services	<u>18,227,253</u>	<u>13,386,166</u>
Total Expenditures	<u>18,227,253</u>	<u>13,386,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,053,320)</u>	<u>(3,178,830)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from Other Funds	<u>2,959,408</u>	<u>2,918,479</u>
Net Change in Fund Balances	1,906,088	(260,351)
Fund Balances, July 1, as restated	<u>11,647,901</u>	<u>11,908,252</u>
Fund Balances, June 30	<u>\$ 13,553,989</u>	<u>\$ 11,647,901</u>

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
Comparative Statements of Fiduciary Net Position  
Pension Trust Fund - Teacher's Plan (Defined Benefit Plan)  
June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Investments, at Fair Value:		
Mutual Funds	<u>\$ 43,086,272</u>	<u>\$ 54,635,543</u>
Total Assets	<u>43,086,272</u>	<u>54,635,543</u>
<b>LIABILITIES</b>		
Accounts Payable - Administrative Expenses	<u>12,156</u>	<u>27,902</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<u><u>\$ 43,074,116</u></u>	<u><u>\$ 54,607,641</u></u>

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**KNOX COUNTY, TENNESSEE**

**Discretely Presented Component Unit -  
Knox County Board of Education  
Comparative Statements of Changes in Fiduciary Net Position  
Pension Trust Fund - Teacher's Plan (Defined Benefit Plan)  
For the Years Ended June 30, 2022 and 2021**

---

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Total Contributions	<u>1,200,000</u>	<u>1,200,000</u>
Investment Income (Loss):		
Interest and Dividend Income	2,575,893	1,450,209
Net Appreciation (Depreciation) in Fair Value of Investments	<u>(8,739,015)</u>	<u>10,857,998</u>
Total Investment Income (Loss)	(6,163,122)	12,308,207
Less Investment Expense	<u>-</u>	<u>(25,160)</u>
Net Investment Income (Loss)	<u>(6,163,122)</u>	<u>12,283,047</u>
Total Additions	<u>(4,963,122)</u>	<u>13,483,047</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds	6,478,244	6,460,308
Administrative Expenses	<u>92,159</u>	<u>128,334</u>
Total Deductions	<u>6,570,403</u>	<u>6,588,642</u>
<b>CHANGE IN NET POSITION</b>	(11,533,525)	6,894,405
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>54,607,641</u>	<u>47,713,236</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR</b>	<u><u>\$ 43,074,116</u></u>	<u><u>\$ 54,607,641</u></u>

## STATISTICAL SECTION (Unaudited)

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

<b>Contents</b>	<b>Page</b>
Financial Trends	281-289
<i>These schedules contain trend information to help the reader understand how Knox County Government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	290-293
<i>These schedules contain information to help the reader assess Knox County Government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	294-296
<i>These schedules present information to help the reader assess the affordability of Knox County Government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	297-298
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Knox County Government’s financial activities take place.</i>	
Operating Information	299-301
<i>These schedules contain service and infrastructure data to help the reader understand how the information in Knox County Government’s financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

KNOX COUNTY, TENNESSEE

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary government										
Governmental activities										
Net investment in capital assets	\$ 290,649,727	\$ 284,908,028	\$ 267,497,791	\$ 267,670,250	\$ 262,771,208	\$ 269,818,927	\$ 236,006,482	\$ 239,026,759	\$ 239,891,274	\$ 259,092,443
Restricted	9,075,310	15,250,562	8,583,223	9,000,894	9,090,050	10,349,925	11,744,112	13,323,605	14,756,724	18,540,577
Unrestricted	(224,499,180)	(247,035,437)	(262,043,799)	(259,493,264)	(311,592,681)	(304,099,280)	(288,502,236)	(279,162,030)	(270,054,056)	(293,574,111)
Total governmental activities net position	\$ 75,225,857	\$ 53,123,153	\$ 14,037,215	\$ 17,177,880	\$ (39,731,423)	\$ (23,930,428)	\$ (40,751,642)	\$ (26,811,666)	\$ (15,406,058)	\$ (15,941,091)
Business-type activities										
Three Ridges Golf Course										
Investment in capital assets	\$ 503,880	\$ 453,946	\$ 568,919	\$ 509,820	\$ 489,809	\$ 489,551	\$ 455,210	\$ 417,533	\$ 415,134	\$ 429,428
Unrestricted	99,523	73,842	18,491	2,719	(45,569)	(46,609)	(50,958)	(63,750)	(30,989)	(27,216)
Total business-type activities net position	\$ 603,403	\$ 527,788	\$ 587,410	\$ 512,539	\$ 444,240	\$ 442,942	\$ 404,252	\$ 353,783	\$ 384,145	\$ 402,212
Total primary government net position	\$ 75,829,260	\$ 53,650,941	\$ 14,624,625	\$ 17,690,419	\$ (39,287,183)	\$ (23,487,486)	\$ (40,347,390)	\$ (26,457,883)	\$ (15,021,913)	\$ (15,538,879)
Component units										
Investment in capital assets	\$ 397,859,173	\$ 412,116,052	\$ 411,265,432	\$ 407,165,376	\$ 426,604,984	\$ 461,226,296	\$ 451,838,252	\$ 437,029,370	\$ 440,842,682	\$ 494,005,425
Restricted	32,705,925	19,608,463	7,845,805	8,503,912	32,804,551	9,565,733	16,137,739	23,027,055	87,721,941	184,315,831
Unrestricted	59,856,270	51,357,504	(3,452,157)	23,021,644	33,422,590	17,660,214	55,515,890	55,638,521	74,796,586	87,447,188
Total component units activities net position	\$ 490,421,368	\$ 483,082,019	\$ 415,659,080	\$ 438,690,932	\$ 492,832,125	\$ 488,452,243	\$ 523,491,881	\$ 515,694,946	\$ 603,361,209	\$ 765,768,444
Total reporting unit activities net position	\$ 566,250,628	\$ 536,732,960	\$ 430,283,705	\$ 456,381,351	\$ 453,544,942	\$ 464,964,757	\$ 483,144,491	\$ 489,237,063	\$ 588,339,296	\$ 750,229,565

NOTE: Knox County implemented GASB Statement Number 68 in fiscal year 2015.  
Knox County implemented GASB Statement Number 75 in fiscal year 2018.

KNOX COUNTY, TENNESSEE

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Primary government:										
Governmental activities:										
Finance and Administration	\$ 30,903,236	\$ 30,943,555	\$ 36,112,276	\$ 36,885,718	\$ 37,614,449	\$ 38,288,802	\$ 42,393,875	\$ 39,060,713	\$ 39,808,990	\$ 40,650,265
Finance and Administration - payment to component unit	6,653,874	6,753,874	6,553,874	9,553,874	5,603,874	5,253,874	5,048,874	5,333,874	4,432,000	4,432,000
Administration of Justice	22,734,428	23,299,693	24,414,379	25,571,043	26,713,176	30,358,240	31,566,137	29,577,327	29,053,536	29,594,750
Public Safety	73,855,455	77,888,346	82,717,157	88,917,847	90,286,734	92,113,909	99,394,187	103,392,117	95,264,684	111,010,280
Public Safety - payment to component unit	326,200	326,200	326,200	485,002	856,322	1,191,595	1,191,595	1,191,595	1,166,603	1,166,603
Public Health and Welfare	32,492,041	33,693,888	33,739,935	34,280,078	36,369,021	36,918,889	38,237,450	36,605,343	37,358,134	38,157,264
Public Health and Welfare - payment to component unit	256,628	211,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628
Social and Cultural Services	19,130,136	19,921,048	20,521,029	21,782,470	24,626,710	21,717,942	22,500,037	22,086,229	22,062,342	23,852,168
Agricultural and Natural Resources	435,231	519,433	470,977	490,451	518,339	520,063	483,133	488,941	391,064	487,814
Other General Government	22,832,602	23,803,616	23,802,139	28,462,563	22,918,688	26,252,797	22,292,787	23,937,272	31,269,894	72,469,910
Other General Government - payment to component unit	675,000	600,000	600,000	625,000	665,000	700,000	725,000	730,500	730,500	693,499
Engineering & Public Works	23,555,325	25,155,488	26,515,062	26,950,361	30,849,914	34,327,784	33,709,187	32,611,211	38,100,893	38,602,515
Education - payment to component unit	28,092,391	38,763,934	24,271,315	19,385,000	80,718,536	5,407,868	39,410,750	15,800,000	35,800,000	58,325,000
Debt Service - interest and fees	26,688,921	25,205,819	22,801,729	23,272,301	23,918,523	25,918,382	26,095,623	27,521,163	21,787,904	20,150,879
Debt Service - other	-	745,863	-	-	-	-	-	-	-	-
Total governmental activities	<u>288,631,468</u>	<u>307,832,385</u>	<u>303,012,700</u>	<u>316,828,336</u>	<u>381,825,914</u>	<u>319,136,773</u>	<u>363,215,263</u>	<u>338,502,913</u>	<u>357,393,172</u>	<u>439,759,575</u>
Business-type activities:										
Three Ridges Golf Course	1,124,565	937,604	1,000,090	1,063,627	1,137,700	1,181,011	1,205,496	1,307,289	1,568,841	1,671,446
Total primary government expenses	<u>\$ 289,756,033</u>	<u>\$ 308,769,989</u>	<u>\$ 304,012,790</u>	<u>\$ 317,891,963</u>	<u>\$ 382,963,614</u>	<u>\$ 320,317,784</u>	<u>\$ 364,420,759</u>	<u>\$ 339,810,202</u>	<u>\$ 358,962,013</u>	<u>\$ 441,431,021</u>
Component units:										
Board of Education	\$ 526,960,365	\$ 560,610,890	\$ 525,410,160	\$ 529,205,667	\$ 545,621,091	\$ 556,728,759	\$ 583,598,104	\$ 614,346,388	\$ 605,347,710	\$ 623,144,333
Nonmajor Component Units	7,194,181	7,397,708	7,538,326	9,131,983	10,332,635	10,576,258	10,825,133	11,992,603	18,239,930	16,941,766
Total component units expenses	<u>\$ 534,154,546</u>	<u>\$ 568,008,598</u>	<u>\$ 532,948,486</u>	<u>\$ 538,337,650</u>	<u>\$ 555,953,726</u>	<u>\$ 567,305,017</u>	<u>\$ 594,423,237</u>	<u>\$ 626,338,991</u>	<u>\$ 623,587,640</u>	<u>\$ 640,086,099</u>
Total reporting unit expenses	<u>\$ 823,910,579</u>	<u>\$ 876,778,587</u>	<u>\$ 836,961,276</u>	<u>\$ 856,229,613</u>	<u>\$ 938,917,340</u>	<u>\$ 887,622,801</u>	<u>\$ 958,843,996</u>	<u>\$ 966,149,193</u>	<u>\$ 982,549,653</u>	<u>\$ 1,081,517,120</u>

Note: Knox County implemented GASB Statement Number 75 in fiscal year 2018.  
Note: Knox County implemented GASB Statement Number 68 in fiscal year 2015.

Continued

KNOX COUNTY, TENNESSEE

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Program Revenues</b>										
Primary government:										
Governmental activities:										
Charges for Services:										
Finance and Administration	\$ 21,290,699	\$ 20,581,958	\$ 20,505,947	\$ 32,374,363	\$ 22,201,488	\$ 22,983,398	\$ 23,139,167	\$ 24,317,270	\$ 27,616,419	\$ 26,862,209
Administration of Justice	10,382,380	10,042,760	9,774,864	2,908,229	11,398,813	11,035,260	11,007,055	9,857,384	9,092,938	11,302,042
Public Safety	2,759,919	3,305,146	4,012,396	4,680,091	5,500,881	6,110,734	6,367,212	5,544,054	7,365,806	7,163,087
Public Health and Welfare	4,997,021	5,834,345	6,163,000	6,854,390	7,310,677	7,467,973	7,512,402	7,124,729	3,927,295	6,075,388
Social and Cultural Services	950,683	885,537	778,733	771,108	890,986	816,249	762,846	603,244	545,902	616,245
Other General Government	290,846	282,845	298,127	303,569	318,940	280,504	260,242	306,041	312,346	75,146
Engineering & Public Works	883,998	267,125	122,259	142,101	473,550	154,050	154,100	184,268	3,081,970	3,275,283
Operating grants and contributions	14,465,074	15,068,332	22,712,505	21,710,980	21,644,878	27,856,773	22,934,361	26,916,372	34,132,084	69,493,628
Capital grants and contributions	-	-	-	-	-	3,440,398	6,215,851	6,548,486	8,020,823	21,782,423
Total governmental activities	56,020,620	56,268,048	64,367,831	69,744,831	69,740,213	80,145,339	78,353,236	81,401,848	94,095,583	146,645,451
Business-type activities:										
Charges for Services	877,775	861,989	798,212	788,756	759,401	814,837	819,556	956,820	1,461,267	1,515,263
Capital grants and contributions	-	-	-	-	35,000	44,876	27,250	-	37,936	57,950
Total business-type activities	877,775	861,989	798,212	788,756	794,401	859,713	846,806	956,820	1,499,203	1,573,213
Total primary government program revenues	\$ 56,898,395	\$ 57,130,037	\$ 65,166,043	\$ 70,533,587	\$ 70,534,614	\$ 81,005,052	\$ 79,200,042	\$ 82,358,668	\$ 95,594,786	\$ 148,218,664
Component units:										
Charges for Services:										
Board of Education	\$ 16,681,836	\$ 15,155,847	\$ 14,073,126	\$ 18,407,724	\$ 14,437,600	\$ 13,724,007	\$ 14,737,649	\$ 9,541,097	\$ 15,853,777	\$ 22,641,034
Nonmajor Component Units	6,499,035	6,078,468	6,035,939	6,533,341	6,912,184	7,168,044	7,762,305	6,932,698	9,511,643	9,863,126
Operating grants and contributions	70,894,629	68,863,832	71,924,758	71,824,933	72,648,463	67,449,517	68,461,001	73,280,896	94,739,443	130,674,633
Capital grants and contributions	747,638	883,814	-	-	-	4,515,483	48,000	122,959	1,872,063	781,411
Total component units program revenues	\$ 94,823,138	\$ 90,981,961	\$ 92,033,823	\$ 96,765,998	\$ 93,998,247	\$ 92,857,051	\$ 91,008,955	\$ 89,877,650	\$ 121,976,926	\$ 163,960,204
Total reporting unit program revenues	\$ 151,721,533	\$ 148,111,998	\$ 157,199,866	\$ 167,299,585	\$ 164,532,861	\$ 173,862,103	\$ 170,208,997	\$ 172,236,318	\$ 217,571,712	\$ 312,178,868
Net (expenses)/revenues										
Primary government activities	\$ (232,857,638)	\$ (251,639,952)	\$ (238,846,747)	\$ (247,358,376)	\$ (312,429,000)	\$ (239,312,732)	\$ (285,220,717)	\$ (257,451,534)	\$ (263,367,227)	\$ (293,212,357)
Component units	(439,331,408)	(477,026,637)	(440,914,663)	(441,571,652)	(461,955,479)	(474,447,966)	(503,414,282)	(536,461,341)	(501,610,714)	(476,125,895)
Total net (expenses) revenues for reporting unit	\$ (672,189,046)	\$ (728,666,589)	\$ (679,761,410)	\$ (688,930,028)	\$ (774,384,479)	\$ (713,760,698)	\$ (788,634,999)	\$ (793,912,875)	\$ (764,977,941)	\$ (769,338,252)

Note: Knox County implemented GASB Statement Number 75 in fiscal year 2018.  
Note: Knox County implemented GASB Statement Number 68 in fiscal year 2015.

Continued

KNOX COUNTY, TENNESSEE

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Primary government:										
Governmental activities:										
Taxes										
Property taxes	\$ 144,007,522	\$ 145,415,011	\$ 166,869,259	\$ 170,481,050	\$ 172,140,229	\$ 177,170,109	\$ 180,659,537	\$ 182,568,574	\$ 186,269,007	\$ 192,451,265
Sales taxes	11,815,046	11,133,979	12,650,210	11,960,270	12,761,525	15,240,875	15,766,312	17,000,901	20,394,798	23,231,082
Lodging taxes	5,547,738	5,860,554	6,602,861	7,993,988	7,993,966	8,294,714	8,816,132	7,095,209	7,404,768	12,176,694
Business taxes	8,709,692	7,566,636	8,210,298	9,301,725	9,535,521	9,681,404	10,492,518	10,809,938	11,541,602	13,635,096
Wheel taxes	10,936,500	11,448,102	11,421,728	11,552,326	11,909,088	12,060,159	12,410,744	12,252,460	12,923,782	13,055,373
Other local taxes	4,942,341	4,970,986	5,000,245	5,102,439	5,032,357	4,862,190	4,780,980	4,288,109	4,085,296	4,174,986
Investment revenue	7,779,556	2,248,955	2,201,014	702,349	5,884,298	6,248,527	4,906,718	4,934,060	5,845,263	5,018,160
Other revenues	50,760,348	47,499,852	31,022,620	32,287,205	30,181,532	30,113,083	29,190,083	30,293,302	25,160,648	27,790,116
Contracts - other governments and citizens	264,452	728,102	381,842	296,117	308,350	428,174	352,694	309,730	300,542	290,606
Miscellaneous	262,735	966,103	828,323	746,701	1,443,103	1,176,215	788,341	1,788,758	877,491	600,965
Transfers	-	-	(250,000)	(200,000)	(275,000)	(320,000)	(320,000)	(300,000)	(100,000)	(115,000)
Total governmental activities	245,025,930	237,838,280	244,938,400	250,224,170	256,914,969	264,955,450	267,844,059	271,041,041	274,703,197	292,309,343
Business-type activities:										
Transfers	-	-	250,000	200,000	275,000	320,000	320,000	300,000	100,000	115,000
Total primary government	\$ 245,025,930	\$ 237,838,280	\$ 245,188,400	\$ 250,424,170	\$ 257,189,969	\$ 265,275,450	\$ 268,164,059	\$ 271,341,041	\$ 274,803,197	\$ 292,424,343
Component units:										
Taxes										
Property taxes	\$ 113,862,764	\$ 115,339,172	\$ 97,227,919	\$ 98,932,121	\$ 99,362,165	\$ 100,682,583	\$ 102,449,449	\$ 103,878,545	\$ 105,713,245	\$ 109,479,499
Sales taxes	127,612,963	128,518,755	136,469,187	144,321,391	146,399,387	151,819,824	157,968,631	163,255,052	186,716,867	215,237,167
Wheel taxes	1,515,396	1,561,822	1,607,094	1,600,726	1,650,161	1,671,093	1,719,672	1,697,739	1,790,760	1,808,993
Other local taxes	1,019,405	1,073,324	1,033,373	1,082,452	1,083,847	1,065,230	1,038,560	787,312	673,680	709,767
Investment revenue	166,662	229,295	286,000	498,372	501,758	946,448	1,704,749	1,144,891	1,176,814	370,609
Payments from component units	-	-	2,162,546	-	-	-	-	-	-	-
Payments from primary government	36,044,093	46,655,636	31,918,017	30,215,504	88,148,301	12,719,965	46,542,847	23,222,597	39,795,731	62,283,730
Intergovernmental and Other revenues	1,913,690	1,369,610	2,822,218	2,309,611	2,090,702	5,834,968	2,485,689	2,544,152	3,150,981	3,804,438
Contracts - other governments and citizens	78,725	90,080	5,658,174	368,295	96,520	2,787,924	101,290	101,300	101,300	101,300
Miscellaneous	377,361	219,340	122,317	88,892	110,930	388,502	337,268	89,248	829	82,542
Grants and Contributions Not Restricted for Specific Programs	171,210,229	175,368,140	176,444,300	185,186,140	1,719,140	1,719,140	1,719,140	1,719,140	1,719,140	1,919,140
State of Tennessee - Basic Education Program	-	-	-	-	197,263,894	210,692,256	222,386,625	230,224,430	236,529,378	243,215,659
Total component units	\$ 453,801,288	\$ 470,425,174	\$ 455,751,145	\$ 464,603,504	\$ 538,426,805	\$ 490,327,933	\$ 538,453,920	\$ 528,664,406	\$ 577,368,725	\$ 639,012,844
Total reporting unit	\$ 698,827,218	\$ 708,263,454	\$ 700,939,545	\$ 715,027,674	\$ 795,616,774	\$ 755,603,383	\$ 806,617,979	\$ 800,005,447	\$ 852,171,922	\$ 931,437,187
<b>Change in Net Position</b>										
Primary government activities	\$ 12,168,292	\$ (13,801,672)	\$ 6,341,653	\$ 3,065,794	\$ (55,239,031)	\$ 25,962,718	\$ (17,056,658)	\$ 13,889,507	\$ 11,435,970	\$ (788,014)
Component units activities	14,469,880	(6,601,463)	14,836,482	23,031,852	76,471,326	15,879,967	35,039,638	(7,796,935)	75,758,011	162,886,949
Total reporting unit	\$ 26,638,172	\$ (20,403,135)	\$ 21,178,135	\$ 26,097,646	\$ 21,232,295	\$ 41,842,685	\$ 17,982,980	\$ 6,092,572	\$ 87,193,981	\$ 162,098,935

Note: Knox County implemented GASB Statement Number 75 in fiscal year 2018.  
Note: Knox County implemented GASB Statement Number 68 in fiscal year 2015.



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KNOX COUNTY, TENNESSEE

Primary Government Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Lodging Tax</b>	<b>Business Tax</b>	<b>Wheel Tax</b>	<b>Other Local Tax</b>	<b>Total</b>
2013	\$ 144,007,522	\$ 11,815,046	\$ 5,547,738	\$ 8,709,692	\$ 10,936,500	\$ 4,942,341	\$ 185,958,839
2014	145,415,011	11,133,979	5,860,554	7,566,636	11,448,102	4,970,986	186,395,268
2015	166,869,259	12,650,210	6,602,861	8,210,298	11,421,728	5,000,245	210,754,601
2016	170,481,050	11,960,270	7,993,988	9,301,725	11,552,326	5,102,439	216,391,798
2017	172,140,229	12,761,525	7,993,966	9,535,521	11,909,088	5,032,357	219,372,686
2018	177,170,109	15,240,875	8,294,714	9,681,404	12,060,159	4,862,190	227,309,451
2019	180,659,537	15,766,312	8,816,132	10,492,518	12,410,744	4,780,980	232,926,223
2020	182,568,574	17,000,901	7,095,209	10,809,938	12,252,460	4,288,109	234,015,191
2021	186,269,007	20,394,798	7,404,768	11,541,602	12,923,782	4,085,296	242,619,253
2022	192,451,265	23,231,082	12,176,694	13,635,096	13,055,373	4,174,986	258,724,496

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KNOX COUNTY, TENNESSEE

Component Units Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

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<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Wheel Tax</u>	<u>Other Local Tax</u>	<u>Total</u>
2013	\$ 113,862,764	\$ 127,612,963	\$ 1,515,396	\$ 1,019,405	\$ 244,010,528
2014	115,339,172	128,518,755	1,561,822	1,073,324	246,493,073
2015	97,227,919	136,469,187	1,607,094	1,033,373	236,337,573
2016	98,932,121	144,321,391	1,600,726	1,082,452	245,936,690
2017	99,362,165	146,399,387	1,650,161	1,083,847	248,495,560
2018	100,682,583	151,819,824	1,671,093	1,065,230	255,238,730
2019	102,449,449	157,968,631	1,719,672	1,038,560	263,176,312
2020	103,878,545	163,255,052	1,697,739	787,312	269,618,648
2021	105,713,245	186,716,867	1,790,760	673,680	294,894,552
2022	109,479,499	215,237,167	1,808,993	709,767	327,235,426

**KNOX COUNTY, TENNESSEE**

**Reporting Unit Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Lodging Tax</b>	<b>Business Tax</b>	<b>Wheel Tax</b>	<b>Other Local Tax</b>	<b>Total</b>
2013	\$ 257,870,286	\$ 139,428,009	\$ 5,547,738	\$ 8,709,692	\$ 12,451,896	\$ 5,961,746	\$ 429,969,367
2014	260,754,183	139,652,734	5,860,554	7,566,636	13,009,924	6,044,310	432,888,341
2015	264,097,178	149,119,397	6,602,861	8,210,298	13,028,822	6,033,618	447,092,174
2016	269,413,171	156,281,661	7,993,988	9,301,725	13,153,052	6,184,891	462,328,488
2017	271,502,394	159,160,912	7,993,966	9,535,521	13,559,249	6,116,204	467,868,246
2018	277,852,692	167,060,699	8,294,714	9,681,404	13,731,252	5,927,420	482,548,181
2019	283,108,986	173,734,943	8,816,132	10,492,518	14,130,416	5,819,540	496,102,535
2020	286,447,119	180,255,953	7,095,209	10,809,938	13,950,199	5,075,421	503,633,839
2021	291,982,252	207,111,665	7,404,768	11,541,602	14,714,542	4,758,976	537,513,805
2022	301,930,764	238,468,249	12,176,694	13,635,096	14,864,366	4,884,753	585,959,922

**KNOX COUNTY, TENNESSEE**

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ 7,249,342	\$ 6,760,134	\$ 5,933,564	\$ 5,962,005	\$ 5,628,804	\$ 5,927,091	\$ 6,449,546	\$ 6,805,381	\$ 7,676,023	\$ 8,978,205
Restricted	2,798,061	2,557,432	2,426,638	2,450,091	2,381,149	2,417,264	2,812,084	2,956,169	3,241,148	3,716,666
Committed	3,675,473	2,342,583	4,405,300	2,297,348	2,525,359	4,874,481	3,993,667	5,200,000	7,297,773	3,929,315
Assigned	1,089,640	1,401,378	1,130,360	789,441	387,963	921,525	251,677	695,016	761,483	2,581,315
Unassigned	51,452,742	53,026,996	55,853,075	60,783,057	63,901,759	65,921,820	68,113,362	72,582,889	81,158,547	81,986,332
Total general fund	<u>\$ 66,265,258</u>	<u>\$ 66,088,523</u>	<u>\$ 69,748,937</u>	<u>\$ 72,281,942</u>	<u>\$ 74,825,034</u>	<u>\$ 80,062,181</u>	<u>\$ 81,620,336</u>	<u>\$ 88,239,455</u>	<u>\$ 100,134,974</u>	<u>\$ 101,191,833</u>
All other governmental funds										
Nonspendable	\$ 5,762,434	\$ 3,953,715	\$ 3,958,516	\$ 114,681	\$ 104,525	\$ 93,419	\$ 79,623	\$ 67,892	\$ 70,220	\$ 95,389
Restricted	6,277,249	12,693,130	18,807,905	12,528,271	12,681,604	7,932,661	13,987,983	29,524,835	26,573,536	31,086,200
Committed	25,942,402	29,062,822	27,427,505	31,353,805	21,979,815	23,328,510	21,867,673	20,697,919	24,179,355	35,070,766
Assigned	3,657,378	3,986,924	4,490,319	5,226,787	5,532,748	5,182,159	4,857,918	3,873,478	5,118,696	6,612,332
Unassigned	-	-	-	-	-	(13,247,367)	-	-	-	-
Total all other governmental funds	<u>\$ 41,639,463</u>	<u>\$ 49,696,591</u>	<u>\$ 54,684,245</u>	<u>\$ 49,223,544</u>	<u>\$ 40,298,692</u>	<u>\$ 23,289,382</u>	<u>\$ 40,793,197</u>	<u>\$ 54,164,124</u>	<u>\$ 55,941,807</u>	<u>\$ 72,864,687</u>

KNOX COUNTY, TENNESSEE

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 186,718,795	\$ 187,406,586	\$ 210,705,075	\$ 216,489,866	\$ 219,996,778	\$ 227,228,862	\$ 233,006,041	\$ 233,889,655	\$ 243,343,861	\$ 256,974,280
Licenses and permits	3,701,844	3,827,598	4,214,130	4,415,268	4,893,377	5,220,162	5,043,155	5,340,198	3,270,600	3,018,879
Fines, forfeitures and penalties	3,635,407	2,949,034	3,209,888	3,530,766	3,455,831	3,291,616	2,668,034	2,621,303	2,540,900	2,991,481
Charges for current services	30,445,612	31,070,318	31,212,825	35,719,504	35,342,852	36,002,670	37,374,131	35,329,041	42,106,403	44,772,429
Other local revenues	10,503,513	8,535,982	7,897,144	8,949,632	9,599,313	10,675,630	11,778,526	12,295,033	10,270,851	17,223,635
State of Tennessee	19,339,165	18,137,895	23,753,472	22,036,568	23,647,475	30,330,826	24,224,383	28,434,549	28,376,132	878,885
Federal government	10,233,153	11,238,152	11,797,202	10,245,233	9,378,719	9,297,355	10,559,255	14,523,817	21,505,279	25,671,405
Other governments and citizen groups	1,103,013	723,019	646,219	1,210,967	592,769	1,748,187	998,711	1,028,405	704,699	54,318,734
Investment earnings	2,214,606	2,023,800	15,686	18,121	-	-	-	-	1,750,402	1,137,320
Payments from component units	32,601,668	31,929,023	10,000,000	13,022,088	12,870,448	13,774,686	13,297,034	11,072,668	11,449,356	14,931,933
Increase in equity interest in joint venture	918,162	-	-	-	-	406,204	298,686	408,316	930,016	1,270,769
<b>Total revenues</b>	<b>301,414,938</b>	<b>297,841,407</b>	<b>303,451,641</b>	<b>315,638,013</b>	<b>319,777,562</b>	<b>337,976,198</b>	<b>339,247,956</b>	<b>344,942,985</b>	<b>366,248,499</b>	<b>423,189,750</b>
<b>Expenditures</b>										
Finance and administration	30,320,994	30,536,305	32,274,270	32,919,977	33,562,156	33,204,331	37,206,179	37,059,413	37,548,220	38,276,278
Finance and administration - payments to component unit	6,653,874	6,753,874	6,553,874	9,553,874	5,603,874	5,253,874	5,048,874	5,333,874	4,432,000	4,432,000
Administration of justice	22,221,820	22,787,276	23,901,527	25,031,458	25,941,874	29,488,754	30,621,729	28,600,524	28,044,738	28,592,696
Public safety	72,956,418	74,958,904	77,669,646	81,167,409	82,951,081	85,541,830	89,231,140	89,169,015	88,980,683	93,560,870
Public safety - payments to component unit	326,200	326,200	326,200	485,002	856,322	1,191,595	1,191,595	1,191,595	1,166,603	1,166,603
Public health and welfare	31,366,064	32,819,696	32,936,876	33,506,591	35,506,558	36,013,476	37,355,729	35,624,784	36,351,870	37,429,109
Public health and welfare - payments to component unit	256,628	211,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628
Social and cultural services	16,367,637	17,294,876	17,763,250	19,111,368	19,095,258	18,969,381	19,715,397	19,301,575	19,089,417	21,070,479
Agricultural and natural resources	435,231	519,433	470,977	490,451	518,339	520,063	483,133	488,941	391,064	487,814
Other general government	20,439,302	21,365,998	22,879,165	23,518,670	24,743,043	23,860,502	25,365,505	25,272,822	31,255,427	73,721,045
Other general government - payments to component unit	-	600,000	600,000	625,000	665,000	700,000	725,000	730,500	730,500	693,499
Engineering & Public Works	10,873,216	11,782,056	12,203,508	13,454,304	14,825,664	16,474,241	16,744,661	15,899,714	20,313,014	22,062,626
Decrease in equity interest in joint venture	-	493,210	931,800	153,036	180,513	-	-	-	-	-
Debt proceeds paid to component unit	13,182,024	38,763,934	24,271,315	19,385,000	70,750,000	2,000,000	-	-	-	-
Debt issuance cost	-	745,863	209,442	196,957	481,587	-	461,032	210,558	284,964	847,106
Education - Payments to component unit	-	-	-	-	9,968,536	-	39,410,750	15,800,000	35,800,000	58,325,000
Capital Outlay	29,757,038	18,415,728	18,251,855	26,594,126	29,382,609	23,645,303	15,555,038	15,132,968	37,590,290	48,440,823
Debt Service:										
Principal	37,766,083	40,630,308	43,975,347	44,203,336	43,456,544	42,929,342	45,633,419	44,738,834	45,465,648	44,656,987
Interest	24,982,926	23,577,780	20,716,774	20,742,805	21,369,057	24,358,994	24,519,749	25,284,411	21,805,079	20,680,897
Other charges	2,517,892	2,308,689	2,987,837	2,608,420	2,597,903	2,868,774	2,482,120	3,222,224	3,326,885	2,732,906
<b>Total expenditures</b>	<b>320,423,347</b>	<b>344,891,758</b>	<b>339,090,291</b>	<b>353,914,412</b>	<b>422,622,546</b>	<b>347,187,088</b>	<b>391,917,678</b>	<b>363,228,380</b>	<b>412,743,030</b>	<b>497,343,366</b>
Excess (deficiency) of revenues over (under) expenditures	(19,008,409)	(47,050,351)	(35,638,650)	(38,276,399)	(102,844,984)	(9,210,890)	(52,669,722)	(18,285,395)	(46,494,531)	(74,153,616)
<b>Other financing sources (uses)</b>										
Transfers in	17,216,767	15,910,827	12,166,476	15,138,360	16,369,595	19,345,615	20,244,487	22,035,902	17,522,230	22,997,874
Transfers out	(21,326,873)	(21,240,907)	(12,810,239)	(17,334,687)	(19,180,797)	(22,298,236)	(21,504,787)	(24,398,402)	(21,168,855)	(28,588,874)
Capital lease proceeds	13,182,024	14,872,404	12,450,000	-	-	-	-	-	-	-
Refunding bonds issued	-	-	72,860,000	-	-	57,780,000	12,860,000	55,510,000	56,105,000	-
Bonds issued	-	39,075,000	30,040,000	35,900,000	90,265,000	-	65,915,000	37,230,000	55,155,000	87,040,000
Loan issued	-	5,962,500	-	-	-	-	-	-	-	-
Premium on debt issued	-	350,920	1,484,442	2,206,016	8,436,587	-	6,867,466	3,057,567	8,127,804	6,771,413
Premium on refunding bonds	-	-	1,716,531	-	-	3,980,220	1,127,772	6,293,281	689,393	-
Payments to holders of refunded debt	-	-	(74,181,478)	-	-	(61,368,872)	(13,975,000)	(61,452,907)	(56,262,839)	-
Lease Financing	-	-	-	-	-	-	-	-	-	3,646,192
<b>Total other financing sources (uses)</b>	<b>9,071,918</b>	<b>54,930,744</b>	<b>43,725,732</b>	<b>35,909,689</b>	<b>95,890,385</b>	<b>(2,561,273)</b>	<b>71,534,938</b>	<b>38,275,441</b>	<b>60,167,733</b>	<b>91,866,605</b>
<b>Net change in fund balances</b>	<b>\$ (9,936,491)</b>	<b>\$ 7,880,393</b>	<b>\$ 8,087,082</b>	<b>\$ (2,366,710)</b>	<b>\$ (6,954,599)</b>	<b>\$ (11,772,163)</b>	<b>\$ 18,865,216</b>	<b>\$ 19,990,046</b>	<b>\$ 13,673,202</b>	<b>\$ 17,712,989</b>
Debt service as a percentage of noncapital expenditures	20.75%	19.67%	20.16%	19.92%	16.44%	20.67%	18.60%	20.43%	17.88%	15.09%

**KNOX COUNTY, TENNESSEE**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Tax Years  
(Unaudited)**

<b>Lien Date January 1 (See Note)</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Public Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Residential Property</b>	<b>Commercial Property</b>						
2012	\$ 6,399,446,723	\$ 3,281,312,762	\$ 586,781,514	\$ 269,579,260	\$ 10,537,120,259	2.36	\$ 36,755,304,285	28.67%
2013	6,451,266,717	3,492,130,886	614,695,320	271,557,298	10,829,650,221	2.36	37,588,675,791	28.81%
2014	6,523,049,465	3,559,988,339	635,273,978	277,646,472	10,995,958,254	2.36	38,201,668,654	28.78%
2015	6,602,696,134	3,637,719,125	620,960,725	281,892,638	11,143,268,622	2.32	38,620,160,562	28.85%
2016	6,700,523,882	3,690,273,187	651,161,070	277,926,658	11,319,884,797	2.32	39,239,135,540	28.85%
2017	7,373,997,407	4,261,667,687	699,473,564	268,585,449	12,603,724,107	2.12	43,506,373,393	28.97%
2018	7,524,945,835	4,315,865,608	723,203,308	272,720,518	12,836,735,269	2.12	44,361,036,120	28.94%
2019	7,698,619,320	4,411,768,237	672,797,525	238,958,027	13,022,143,109	2.12	45,023,159,819	28.92%
2020	7,847,852,391	4,510,514,179	695,596,126	243,333,142	13,297,295,838	2.12	45,967,322,280	28.93%
2021	8,051,380,190	4,619,238,270	782,817,320	231,246,630	13,684,682,410	2.12	46,369,699,400	29.51%

**Source:** Knox County, Tennessee Trustee Department.

**Notes:** Assessment rates are set by Tennessee State Law as follows:

- Real Property: Residential and Farm at 25% of value  
Commercial and Industrial at 40% of value
- Personal property at 30% of value
- Public Utilities at 55% of value (Railroads 40%)

The lien date of January 1 represents the date that the legal claim to the taxable property is recognized. The related property tax revenue is levied for the subsequent fiscal year.

**KNOX COUNTY, TENNESSEE**

**Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Unaudited)**

	Year Taxes Are Payable									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Knox County Direct Rates										
General	\$ 0.97	\$ 0.97	\$ 0.96	\$ 0.96	\$ 0.97	\$ 0.97	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.89
Debt Service	0.31	0.31	0.30	0.48	0.47	0.47	0.43	0.43	0.43	0.43
Schools	1.08	1.08	1.06	0.88	0.88	0.88	0.80	0.80	0.80	0.80
Total direct rate	2.36	2.36	2.32	2.32	2.32	2.32	2.12	2.12	2.12	2.12
City of Knoxville Rates	2.46	2.46	2.39	2.73	2.73	2.73	2.46	2.46	2.46	2.46
Total direct & overlapping rates	<u>\$ 4.82</u>	<u>\$ 4.82</u>	<u>\$ 4.71</u>	<u>\$ 5.05</u>	<u>\$ 5.05</u>	<u>\$ 5.05</u>	<u>\$ 4.58</u>	<u>\$ 4.58</u>	<u>\$ 4.58</u>	<u>\$ 4.58</u>

Sources: *Knox County, Tennessee.*  
*City of Knoxville, Tennessee.*

**KNOX COUNTY, TENNESSEE**

**Principal Property Taxpayers  
Tax Year 2021 and Nine Years Ago  
(Unaudited)**

<u><b>Taxpayer</b></u>	<b>Tax Year 2021</b>			<b>Tax Year 2012</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Comcast	\$ 58,338,434	1	0.39%	-		-
Pilot Corporation	58,773,999	2	0.39%	-		-
Exedy America Corporation	49,609,056	3	0.33%	-		-
Metro Knoxville	49,164,640	4	0.32%	\$ 59,665,480	1	0.57%
West Town Mall	35,247,400	5	0.23%	26,700,440	4	0.25%
Rohm & Haas	32,176,824	6	0.21%	-		-
Hart TC	29,894,195	7	0.20%	12,721,600	10	0.12%
AT&T Mobbility	29,706,553	8	0.20%	26,274,904	5	0.25%
Fort Sander Regional Medical Center	29,558,660	9	0.20%	-		-
SREIT Forest Ridge Apartments	27,836,960	10	0.18%	-		-
Verizon	-		-	30,226,000	3	0.29%
Bellsouth Communications	-		-	59,333,800	2	0.56%
Tennessee Holding	-		-	17,720,000	6	0.17%
Hertz Knoxville One	-		-	15,978,800	7	0.15%
Concord Telephone Exchange	-		-	14,011,995	8	0.13%
JWR Holdings Lic & University Residences Knoxville	-		-	12,982,360	9	0.12%
<b>Totals</b>	<b>\$ 400,306,721</b>		<b>2.65%</b>	<b>\$ 275,615,379</b>		<b>2.61%</b>

Source: Knox County, Tennessee Trustee Department.



**KNOX COUNTY, TENNESSEE**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)  
(Unaudited)**

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2013	\$ 248,405	\$ 239,847	96.6%	\$ 8,002	\$ 247,849	99.8%
2014	251,002	243,519	97.0%	6,846	250,365	99.7%
2015	254,902	246,882	96.9%	7,389	254,271	99.8%
2016	258,416	252,032	97.5%	5,631	257,663	99.7%
2017	262,498	255,342	97.3%	6,245	261,587	99.7%
2018	266,924	260,052	97.4%	5,850	265,902	99.6%
2019	471,804	264,933	56.2%	5,576	270,509	57.3%
2020	275,510	268,208	97.3%	5,478	273,686	99.3%
2021	282,087	274,735	97.4%	3,251	277,986	98.5%
2022	287,411	279,595	97.3%	-	279,595	97.3%

Source: Knox County, Tennessee Trustee Department.

**KNOX COUNTY, TENNESSEE**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)  
(Unaudited)**

<b>Fiscal Year</b>	<b>Primary Government</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
	<b>General Obligation Bonds</b>	<b>Financed Purchases and Loans</b>	<b>Leases</b>			
2013	\$ 639,169	\$ 4,640	\$ 13,182	\$ 656,991	3.56%	\$ 1,480
2014	638,895	8,709	27,245	674,849	3.50%	1,506
2015	630,512	6,813	38,931	676,256	3.34%	1,499
2016	623,116	4,913	37,571	665,600	3.15%	1,460
2017	677,324	3,010	35,921	716,255	3.22%	1,550
2018	635,773	2,595	34,179	672,547	2.85%	1,446
2019	660,942	2,176	32,343	695,461	2.86%	1,492
2020	674,054	1,755	11,147	686,956	2.64%	1,462
2021	689,823	1,330	10,770	701,923	2.41%	1,475
2022	736,365	11,265	6,846	754,476	2.59% (2)	1,549 (2)

*Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.*

*(1) See the Schedule of Demographic and Economic Statistics on page 297 for personal income and population data.*

*(2) Estimated, schedule will be updated when the information becomes available.*

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**KNOX COUNTY, TENNESSEE**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)  
(Unaudited)**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2013	\$ 639,169	1.68%	1,422
2014	638,895	1.66%	1,412
2015	630,512	1.63%	1,397
2016	623,116	1.59%	1,366
2017	677,324	1.56%	1,467
2018	635,773	1.43%	1,366
2019	660,942	1.49%	1,418
2020	674,054	1.50%	1,433
2021	689,823	1.49%	1,440
2022	736,365	1.49% (3)	1,513

*Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.*

*(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 290 for property value data.*

*(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 297.*

*(3) Estimated, schedule will be updated when the information becomes available.*

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KNOX COUNTY, TENNESSEE

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2022  
(amounts expressed in thousands)  
(Unaudited)

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 754,476	100.00%	\$ 754,476
Subtotal, direct debt	<u>754,476</u>		<u>754,476</u>
City of Knoxville overlapping debt	125,259	100.00%	125,259
Town of Farragut overlapping debt	-	100.00%	-
Subtotal, overlapping debt	<u>125,259</u>		<u>125,259</u>
Total direct and overlapping debt	<u>\$ 879,735</u>		<u>\$ 879,735</u>

Note: Percentage of overlap based on assessed property values.

**KNOX COUNTY, TENNESSEE**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Population</b> (1)	<b>Personal Income</b> (amounts expressed in thousands) (1)	<b>Per Capita Personal Income</b> (1)	<b>Median Age</b> (3)	<b>School Enrollment</b> (3)	<b>Unemployment Rate</b> (2)
2013	444,194	\$ 18,466,333	41,533	37.3	111,661	7.3%
2014	447,939	19,297,297	43,012	37.3	112,176	6.3%
2015	451,321	20,241,530	44,849	37.4	112,467	5.3%
2016	456,114	21,121,133	46,305	37.4	114,029	3.2%
2017	461,860	22,243,142	48,102	37.5	115,681	3.7%
2018	465,289	23,560,638	50,531	37.3	125,236	3.6%
2019	466,258	24,342,690	51,758	37.5	115,119	2.9%
2020	470,313	25,988,024	54,642	37.4	119,216	8.1%
2021	478,971	29,168,574	59,250	37.7	119,216 (4)	4.8%
2022	486,677 (4)	29,168,574 (4)	59,934	37.7 (4)	119,216 (4)	3.8%

*Data sources:*

(1) US Census Bureau/Data.Census.Gov most recent data

(2) Tennessee Department of Labor and Workforce Development.

(3) US Census Bureau/Data.Census.Gov

(4) Estimated, schedule will be updated when the information becomes available. This includes public and private schools through college level.

**KNOX COUNTY, TENNESSEE**

**Principal Employers  
Calendar Year 2021 and Nine Years Ago  
(Unaudited)**

<b>Employer (1)</b>	<b>2021</b>			<b>2012</b>		
	<b>Employees (2)</b>	<b>Rank</b>	<b>Percentage of Total Knoxville MSA Employment (3)</b>	<b>Employees (2)</b>	<b>Rank</b>	<b>Percentage of Total Knoxville MSA Employment (3)</b>
U.S. Department of Energy, Oak Ridge Operations	15,388	1	3.68%	12,947	1	3.62%
Covenant Health	11,357	2	2.71%	9,328	2	2.61%
Knox County Public Schools	9,558	3	2.28%	6,771	3	1.89%
The University of Tennessee	8,959	4	2.14%	6,409	4	1.79%
Walmart Stores	6,863	5	1.64%	5,326	5	1.49%
University Health System	5,290	7	1.26%	3,986	7	1.11%
K-VA-T Food Stores	4,227	9	1.01%	3,537	8	0.99%
The Dollywood Company	4,000	10	0.96%	-		-
Clayton Homes	5,436	6	1.30%	-		-
DENSO Mfg	4,500	8	1.08%			
State of Tennessee, Regional Office	-		-	3,468	9	0.97%
Mercy Health Partners	-		-			
Knox County Government	-		-	3,037	10	0.85%
Tennova Healthcare	-		-	4,613	6	1.29%
<b>Total</b>	<b>75,578</b>		<b>18.08%</b>	<b>59,422</b>		<b>16.61%</b>

(1) Based on employers in the Knoxville area which includes Anderson, Blount, Grainger, Jefferson, Knox, Loudon, Monroe, Roane, Sevier and Union Counties.

(2) Greater Knoxville Chamber of Commerce.

(3) Tennessee Department of Labor and Workforce Development.

**KNOX COUNTY, TENNESSEE**

**Full-time Equivalent County Government Employees by Function  
Last Ten Fiscal Years  
(Unaudited)**

	<b>Full-time Equivalent Employees by Function</b>									
<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government	504	508	529	547	552	549	553	555	535	526
Public safety	1,037	1,038	1,041	1,054	1,063	1,040	1,069	1,084	1,086	1,118
Public health and welfare	291	283	286	298	306	290	294	292	287	307
Highways	116	113	115	117	116	118	123	125	151	153
Social, cultural, and recreation	197	197	200	200	202	198	204	210	208	209
<b>Total</b>	<b>2,145</b>	<b>2,139</b>	<b>2,171</b>	<b>2,216</b>	<b>2,239</b>	<b>2,195</b>	<b>2,243</b>	<b>2,266</b>	<b>2,267</b>	<b>2,313</b>

Source: Knox County Budget.

**KNOX COUNTY, TENNESSEE**

**Operating Indicators by Function  
Last Ten Fiscal Years  
(Unaudited)**

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Sheriff (1)</b>										
Arrests	25,533	24,969	23,400	23,498	11,722	10,802	10,461	8,283	8,902	*
Accidents	2,793	2,903	2,861	3,097	3,131	3,365	2,840	2,256	2,619	*
Incidents	30,949	30,707	29,653	28,960	31,366	30,868	28,160	26,890	27,610	*
<b>Health services (2)</b>										
Community Health:										
Presentations performed by Community Health Division	-	-	-	-	-	-	119	144	114	163
Attendees at Community Health Presentations	-	-	-	-	-	-	2,667	3,209	1,711	3,070
Air Quality:										
Compliance evaluations/complaint investigations conducted	-	-	-	-	-	-	752	864	704	845
Environmental Health:										
Inspections on food establishments, mobile food units, childcare facilities, school cafeterias conducted	-	-	-	-	-	-	2,786	7,024	3,827	3,948
Communicable and Environmental Disease:										
Reportable disease investigations conducted	-	-	-	-	-	-	7,564	11,774	90,017	89,469
Health Services:										
Patient encounters	-	-	-	-	-	-	83,048	76,073	128,859	59,628
Vaccines administered	-	-	-	-	-	-	34,487	27,993	65,719	29,407
Dental Services:										
Patient encounters	-	-	-	-	-	-	4,768	6,365	4,178	3,533
Children served through school-based sealant program	-	-	-	-	-	-	1,671	1,504	224	6,037
Emergency Preparedness:										
Outreach events	-	-	-	-	-	-	30	45	127	48
Regional exercises	-	-	-	-	-	-	4	9	2	5
Epidemiology data reports	-	-	-	-	-	-	6	5	2	6
<b>Engineering &amp; public works (2)</b>										
Street resurfacing (miles)	22	21	12	25	48	50	27	9	34	38
Road maintenance service orders processed	2,876	2,563	2,302	2,653	2,560	2,471	2,872	3,815	2,017	2,133
Litter reduction from right of way (miles)	839	1,035	906	1,040	766	749	779	719	773	700
<b>Parks &amp; recreation (2)</b>										
Number of park shelter reservations	4,500	5,500	6,000	7,000	4,875	4,854	5,467	5,705	5,832	6,205
Total all participants on all teams	37,000	40,000	60,000	22,750	39,668	32,135	31,026	28,235	30,130	33,146
Total number of attendees at events	125,084	160,000	170,000	63,600	114,801	101,792	104,076	99,972	104,490	107,261

\* Information not yet available.

(1) Information kept by calendar year.

(2) Information kept by fiscal year.

NOTE: Beginning in FY17, Knox County Sheriff's Office maintains and reports only county arrest numbers. Prior to FY17 both county and city arrest numbers were maintained and reported by KCSO.

NOTE: Knox County Health Department changed operating indicators by function in FY19 from those previously reported due to program changes.

Source: Knox County, Tennessee Sheriff, Health, Engineering & Public Works and the Parks & Recreation Departments.



**KNOX COUNTY, TENNESSEE**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years  
(Unaudited)**

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Sheriff										
Detention Facility	1	1	1	1	1	1	1	1	1	1
DUI Facility	1	1	1	1	1	1	1	1	1	1
Penal Farm	1	1	1	1	1	1	1	1	1	1
Fleet Services	1	1	1	1	1	1	1	1	1	1
Training Facility	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	9	9	9	9
K-9 Training Facility	-	-	-	-	-	-	1	1	1	1
Work Release Center	1	1	1	1	1	1	1	1	1	1
Seizure Lot	-	1	1	1	1	1	1	1	1	1
Engineering & Public Works										
Streets (lane miles)	2,107	2,230	2,236	2,241	2,244	2,248	2,256	2,263	2,265	2,279
Bridges	142	143	143	143	143	145	148	148	149	149
Traffic signals	68	70	73	75	76	81	81	85	86	87
Parks & Recreation										
Parks acreage	3,347	2,600	2,025	2,169	2,169	2,169	2,176	2,262	2,262	2,275
Parks	51	49	48	48	48	48	49	52	52	52
Spray pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	7	13	13	13	13	13	13	13	13	13

Source: Knox County, Tennessee Public Safety, Engineering & Public Works and the Parks & Recreation Departments.