

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended June 30, 2023

Knox County Mayor Glenn Jacobs

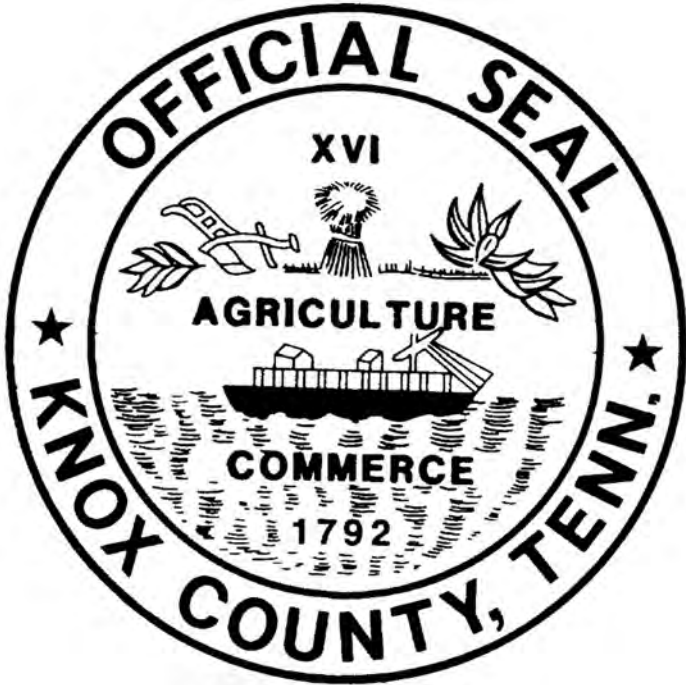


**KNOX COUNTY
TENNESSEE**

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Knox County, Tennessee



KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents

**INTRODUCTORY
SECTION**

i-x	Letter of Transmittal
xi	GFOA Certificate of Achievement
xii-xiii	Roster of Publicly Elected Officials/Organization Chart

**FINANCIAL
SECTION**

xiv-xvi	Independent Auditor's Report
xvii-xxxiv	Management's Discussion and Analysis (Unaudited)
	Basic Financial Statements:
	Government-wide Financial Statements:
1	Statement of Net Position
2	Statement of Activities
	Fund Financial Statements
3	Balance Sheet - Governmental Funds
4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
5	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
6	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
7	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
8	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Federal, State and Other Grants Fund
9	Statement of Net Position - Proprietary Funds
10	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
11	Statement of Cash Flows - Proprietary Funds
12	Statement of Fiduciary Net Position - Fiduciary Funds
13	Statement of Changes in Fiduciary Net Position
14-134	Notes to the Financial Statements

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

	Required Supplementary Information:
135	Schedule of Changes in County's Closed Defined Benefit Plan Net Position Liability and Related Ratios
136	Schedule of Changes in County's UOPP Plan Net Position Liability and Related Ratios
137	Schedule of Changes in County's Teacher's Plan Net Position Liability and Related Ratios
138	Schedule of County's Closed Defined Benefit Plan Employer Pension Contributions
139	Schedule of County's UOPP Plan Employer Pension Contributions
140	Schedule of Board's Employer Pension Contributions
141	Pension Funds Schedules of Investment Returns

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

REQUIRED SUPPLEMENTAL INFORMATION SECTION (Continued)	142	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
	143	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
	144	Schedule of Knox County Schools' Proportionate Share of the Net Pension Liability (Asset) Teacher Legacy Pension Plan of TCRS
	145	Schedule of Knox County Schools' Employer Contributions Teacher Legacy Pension Plan of TCRS
	146	Schedule of Knox County Schools' Proportionate Share of the Net Pension Liability (Asset) Teacher Retirement Plan of TCRS
	147	Schedule of Knox County Schools' Employer Contributions Teacher Retirement Plan of TCRS
	148	OPEB - Retiree Healthcare Plan - Schedule of Changes in the County's Net OPEB Liability and Related Ratios
	149	OPEB - Retiree Healthcare Plan - Schedule of County's OPEB Contributions
	150	OPEB - Retiree Healthcare Plan - Schedule of Annual Money-Weighted Rate of Return
	151	OPEB - Disability Plan - Schedule of Changes in the County's Net OPEB Liability and Related Ratios
	152	OPEB - Disability Plan - Schedule of County's OPEB Contributions
	153	OPEB - Disability Plan - Schedule of Annual Money-Weighted Rate of Return
	154	OPEB - Closed Teacher Group Insurance Plan - Schedule of Changes in the Board's Proportionate Share of Collective OPEB Liability and Related Ratios
	155	OPEB - Closed Tennessee Plan - Schedule of Changes in the Board's Proportionate Share of Collective OPEB Liability and Related Ratios
SUPPLEMENTAL SECTION		Combining and Individual Fund Statements and Schedules:
	156	Comparative Balance Sheets - General Fund
	157	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund
	158	Comparative Balance Sheets - Public Improvement Capital Projects Fund (Major)
	159	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Public Improvement Capital Projects Fund (Major)
	160-161	Schedule of Construction Project Expenditures - Budget and Actual - Public Improvement Capital Projects Fund (Major)

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

SUPPLEMENTAL SECTION	162	Comparative Balance Sheets - Debt Service Fund (Major)
(Continued)	163	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Debt Service Fund (Major)
	164	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund (Major)
	165	Comparative Balance Sheets - Federal, State and Other Grants Fund (Major)
	166	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Federal, State and Other Grants Fund (Major)
	167	Combining Balance Sheets - Nonmajor Governmental Funds
	168	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
	169	Combining Balance Sheets - Nonmajor Special Revenue Funds
	170	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
	171	Combining Balance Sheets - Constitutional Officers' Special Revenue Fund
	172	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Constitutional Officers' Special Revenue Fund
	173	Comparative Balance Sheets - Governmental Library Fund
	174	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Library Fund
	175	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Governmental Library Fund
	176	Comparative Balance Sheets - Public Library Fund
	177	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Public Library Fund
	178	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Library Fund
	179	Comparative Balance Sheets - Solid Waste Fund
	180	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Solid Waste Fund
	181	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Solid Waste Fund
	182	Comparative Balance Sheets - Hotel/Motel Tax Fund

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

SUPPLEMENTAL SECTION (Continued)	183	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Hotel/Motel Tax Fund
	184	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Hotel/Motel Tax Fund
	185	Comparative Balance Sheets - Drug Control Fund
	186	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Drug Control Fund
	187	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Drug Control Fund
	188	Comparative Balance Sheets - Engineering & Public Works Fund
	189	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Engineering & Public Works Fund
	190	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Engineering & Public Works Fund
	191	Comparative Balance Sheets - ADA Construction Capital Projects Fund
	192	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - ADA Construction Capital Projects Fund
	193	Comparative Statements of Net Position - Three Ridges Golf Course Fund
	194	Comparative Statements of Revenues, Expenses and Changes in Net Position - Three Ridges Golf Course Fund
	195	Comparative Statements of Cash Flows - Three Ridges Golf Course Fund
	196	Combining Statement of Net Position - Internal Service Funds
	197	Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds
	198	Combining Statement of Cash Flows - Internal Service Funds
	199	Comparative Statements of Net Position - Vehicle Service Center Fund
	200	Comparative Statements of Revenues, Expenses and Changes in Net Position - Vehicle Service Center Fund
	201	Comparative Statements of Net Position - Mailroom Fund
	202	Comparative Statements of Revenues, Expenses and Changes in Net Position - Mailroom Fund
	203	Comparative Statements of Net Position - Employee Benefits Fund
	204	Comparative Statements of Revenues, Expenses and Changes in Net Position - Employee Benefits Fund
	205	Comparative Statements of Net Position - Self Insurance Fund
	206	Comparative Statements of Revenues, Expenses and Changes in Net Position - Self Insurance Fund
	207	Comparative Statements of Net Position - Building Operations Fund

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

SUPPLEMENTAL SECTION (Continued)	208	Comparative Statements of Revenues, Expenses and Changes in Net Position - Building Operations Fund
	209	Comparative Statements of Net Position - Technical Support Service Fund
	210	Comparative Statements of Revenues, Expenses and Changes in Net Position - Technical Support Service Fund
	211	Comparative Statements of Net Position - Capital Leasing Fund
	212	Comparative Statements of Revenues, Expenses and Changes in Net Position - Capital Leasing Fund
	213	Comparative Statements of Net Position - Self Insurance Healthcare Fund
	214	Comparative Statements of Revenues, Expenses and Changes in Net Position - Self Insurance Healthcare Fund
	215	Combining Statement of Fiduciary Net Position - Pension, Retirement and Other Post-Employment Benefit Trust Funds
	216	Combining Statement of Changes in Fiduciary Net Position - Pension, Retirement and Other Post-Employment Benefit Trust Funds
	217	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Closed Defined Benefit Plan
	218	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Closed Defined Benefit Plan
	219	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Uniformed Officers Pension Plan
	220	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Uniformed Officers Plan
	221	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Asset Accumulation Plan
	222	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Asset Accumulation Plan
	223	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Sheriff's Total Accumulation Retirement Plan
	224	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Sheriff's Total Accumulation Retirement Plan
	225	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Voluntary 457 Plan
	226	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Voluntary 457 Plan
	227	Comparative Statements of Fiduciary Net Position - Other Employee Benefit Trust Fund - Employee Disability Plan
	228	Comparative Statements of Changes in Fiduciary Net Position - Other Employee Benefit Trust Fund - Employee Disability Plan
	229	Comparative Statements of Fiduciary Net Position - Other Employee Benefit Trust Fund - Retiree Healthcare Plan
	230	Comparative Statements of Changes in Fiduciary Net Position - Other Employee Benefit Trust Fund - Retiree Healthcare Plan

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

SUPPLEMENTAL SECTION (Continued)	231	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Medical Expense Retirement Plan
	232	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Medical Expense Retirement Plan
	233	Combining Statement of Fiduciary Net Position - Custodial Funds
	234	Combining Statement of Changes in Fiduciary Net Position - Custodial Funds
	235	Combining Statement of Net Position - Nonmajor Component Units
	236	Combining Statement of Activities - Nonmajor Component Units
	237	Schedule of Changes in Long-Term Debt by Individual Issue
	238-239	Schedule of Debt Service Requirements - Primary Government and Board
	240-241	Schedule of Debt Service Requirements - General Bonded Debt - Primary Government
	242-243	Schedule of Debt Service Requirements - General Bonded Debt - Discretely Presented Component Unit - Knox County Board of Education
	244-245	Schedule of Changes in Lease Obligations
	246	Schedule of Lease Obligations, Principals, and Interest Requirements by Fiscal Year
	247	Schedule of Salaries and Insurance Coverage of Principal Elected Officials
COMPONENT UNIT - BOARD OF EDUCATION SECTION		Discretely Presented Governmental Component Unit - Knox County Board of Education:
	248	Statement of Net Position
	249	Statement of Activities
	250	Balance Sheet - Governmental Funds
	251	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
	252	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
	253	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
	254	Comparative Balance Sheets - General Fund - General Purpose School
	255	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - General Fund - General Purpose School
	256	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - General Purpose School
	257	Comparative Balance Sheets - School Construction Capital Projects Fund
	258	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - School Construction Capital Projects Fund
	259	Schedule of Construction Project Expenditures - Budget and Actual - School Construction Capital Projects Fund

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

COMPONENT UNIT -	260	Comparative Balance Sheets - School Federal Projects Fund
BOARD OF EDUCATION	261	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - School Federal Projects Fund
SECTION		
(Continued)	262	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - School Federal Projects Fund
	263	Combining Balance Sheet - Nonmajor Governmental Funds
	264	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
	265	Comparative Balance Sheets - School General Projects Fund
	266	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - School General Projects Fund
	267	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - School General Projects Fund
	268	Comparative Balance Sheets - Central Cafeteria Fund
	269	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Central Cafeteria Fund
	270	Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Central Cafeteria Fund
	271	Comparative Balance Sheets - Internal School Funds
	272	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Internal School Funds
	273	Comparative Statements of Fiduciary Net Position - Pension Trust Fund - Teacher's Plan (Defined Benefit Plan)
	274	Comparative Statements of Changes in Fiduciary Net Position - Pension Trust Fund - Teacher's Plan (Defined Benefit Plan)
<u>STATISTICAL SECTION</u>		Financial Trends Information:
(UNAUDITED)	275	Net Position and Changes in Net Position
	276-277	Changes in Net Position
	278	Primary Government Activities Tax Revenues by Source
	279	Component Units Activities Tax Revenues by Source
	280	Reporting Unit Activities Tax Revenues by Source
	281	Fund Balances of Governmental Funds
	282	Changes in Fund Balances of Governmental Funds

KNOX COUNTY, TENNESSEE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Table of Contents (Continued)

STATISTICAL SECTION
(UNAUDITED)
(Continued)

Revenue Capacity Information:

283	Assessed Value and Estimated Actual Value of Taxable Property
284	Property Tax Rates
285	Principal Property Taxpayers
286	Property Tax Levies and Collections

Debt Capacity Information:

287	Ratios of Outstanding Debt by Type
288	Ratios of General Bonded Debt Outstanding
289	Direct and Overlapping Governmental Activities Debt

Demographic and Economic Information:

290	Demographic and Economic Statistics
291	Principal Employers

Operating Information:

292	Full-time Equivalent County Government Employees by Function
293	Operating Indicators by Function
294	Capital Asset Statistics by Function



OFFICE OF COUNTY MAYOR GLENN JACOBS

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

January 31, 2024

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, 2023, 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, 2023. 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 three new elementary schools
- 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
- Building Phase II and III of the Schaad Road Project concurrently and expect to begin Phase IV in Summer/Fall 2024.
- Coordinated the cleanup and completed Phase I 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, extended the county’s greenway system, 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
- Worked with Grateful Nation Project to create Hero Cards honoring local fallen veterans.
- Established the Night of Champions to honor and recognize high school championship teams across the county each year.
- Established the annual “camporee” at Melton Hill Park, an April camping event that features interactive nature programming for kids and adults, a sunset movie and local band campfire jam session, water sport rentals, and an information command center.

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, 2022. At the recommendation of the County Mayor, the five-year capital plan represents a road map of anticipated major capital projects. 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
- EPW New Facility

Road Construction/Improvements:

- General Road Improvements
- Schaad Road Phase II
- Coward Mill Project
- State Road Projects

School Construction/Renovations:

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

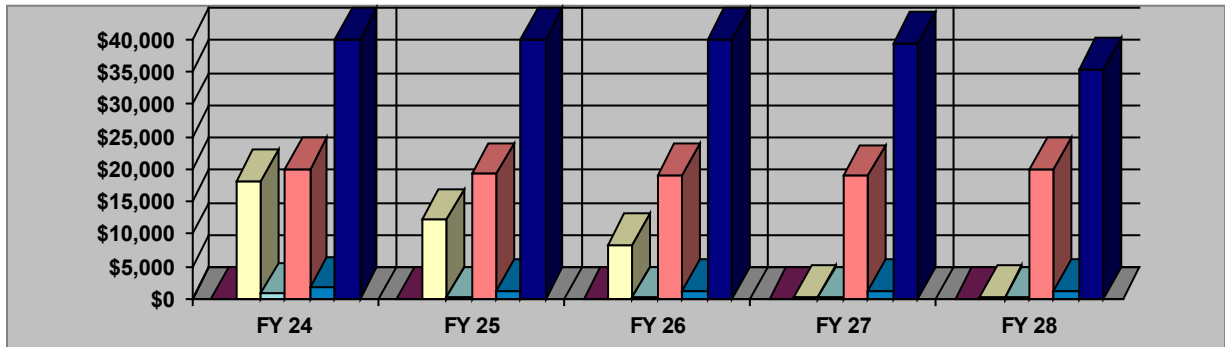
School Construction/Renovations:

- HVAC Upgrades
- Title IX Solutions
- 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):

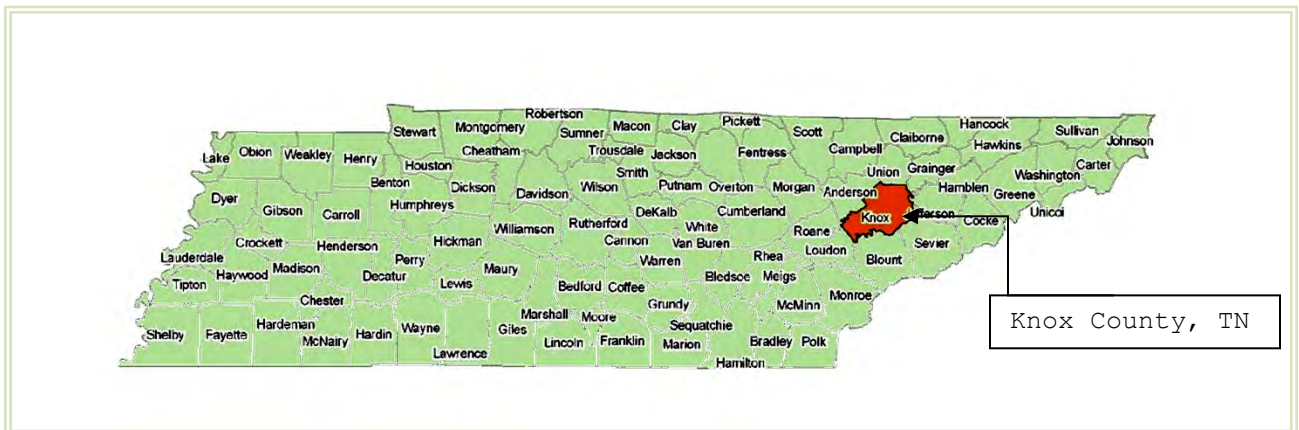
Project Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTAL
Public Libraries	\$ 2	\$ 100	\$ 100	\$ 100	\$ 100	\$ 402
Countywide Projects	18,200	12,200	8,300	300	300	39,300
Parks & Recreation	800	200	200	200	200	1,600
Engineering & Public Works	19,968	19,200	19,150	18,900	19,950	96,868
Building Improvements & Other	1,751	1,200	1,200	1,200	1,200	6,551
Schools	51,350	82,150	44,800	39,350	35,250	252,900
Total – Approved Projects	\$ 92,071	\$ 115,050	\$ 73,750	\$ 60,050	\$ 56,700	\$ 397,621

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, Southwest Virginia and Western North Carolina. This area encompasses over two million people. The U.S. Census Bureau’s 2022 census demographic population data reported that 497,745 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,

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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 2022 population was reported at 195,889. It is the largest incorporated municipality in the County. Farragut, the only other municipality in the County, has an estimated population of 24,817. 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 2022 estimates, there were approximately 1,267 wholesale establishments, 226 retail establishments, and 10,620 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 2023, the Knoxville MSA ranked 12 amongst the top MSAs nationally. The Knoxville MSA ranks comparably to the Nashville MSA which ranked number 1 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.

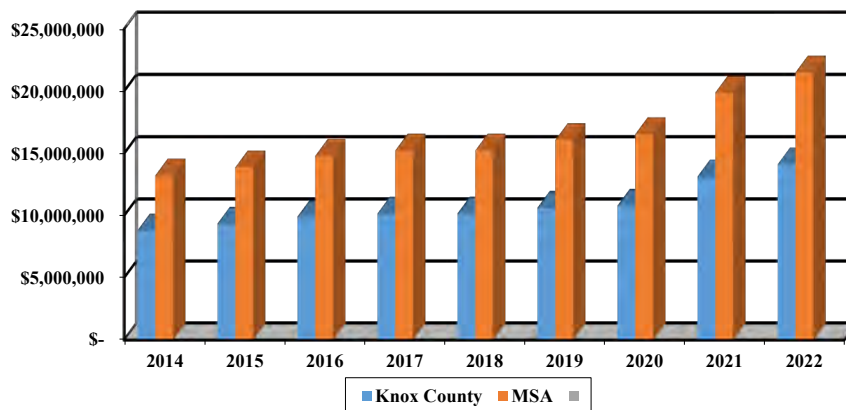
The area is also gaining a reputation as a prime location for corporate headquarters. High profile companies headquartered here in the MSA include the Tennessee Valley Authority, Jewelry Television, AC Entertainment, DeRoyal Industries, PetSafe/Radio Systems Corporation, and Regal Entertainment. Knox 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 2022 retail sales in the MSA grossed over \$21.5 billion, with approximately 66% of that total generated in Knox County.

RETAIL SALES

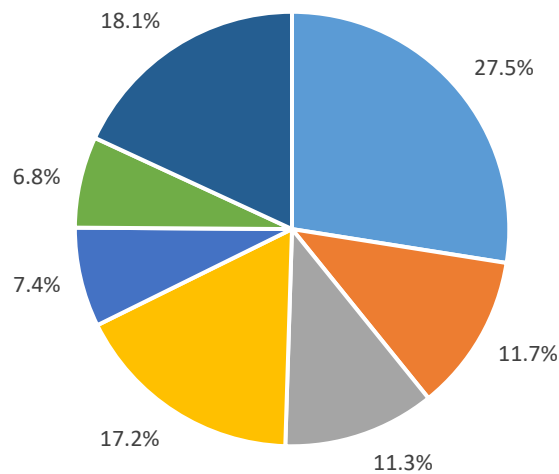
(in thousands)



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 12.9 million guests in 2022.

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

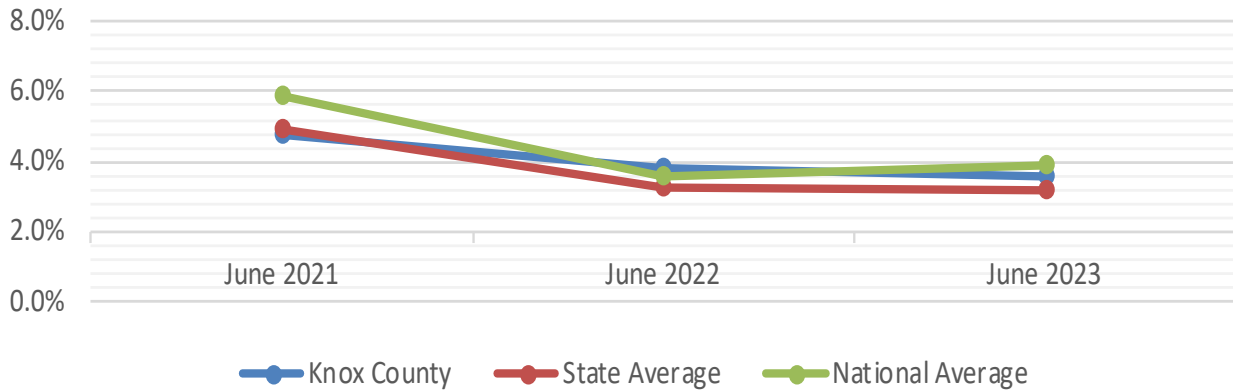
Per Capita Income

In 2022, Knox County's per capita income was \$63,494. This represents an increase of 2.4 percent compared to 2021.

Unemployment

Historically, Knox County's unemployment rate has been low relative to the state and national rates. For the month of June 2023, the seasonally adjusted unemployment rates for the County, state and nation stood at 3.6%, 3.2% and 3.9%, respectively, a much-improved average over the prior year pandemic rates. The County's rate remained lower than the 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 2023 adopted budget provided for a moderate increase of 2.18% 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 9.13%. 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, 2023 is \$727,388,676 after the issuance of \$70,000,000 in new debt, with \$29,878,000 allocated to the County and \$40,122,000 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, 2022. This was the twenty-seventh 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-eighth consecutive time, the GFOA Award for Distinguished Budget Presentation for its 2023 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, 2022. 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

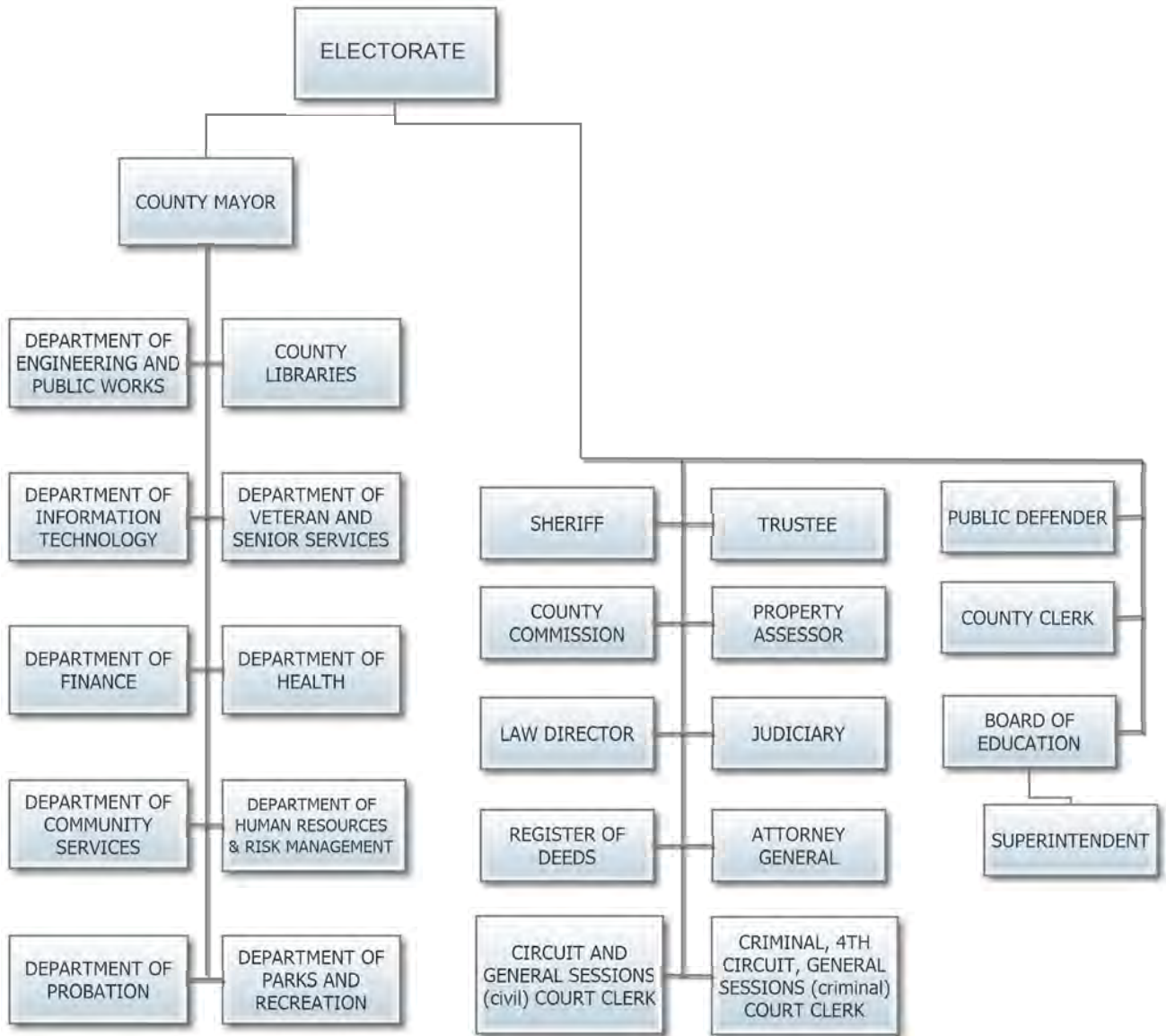
June 30, 2022

Christopher P. Morill

Executive Director/CEO



KNOX COUNTY, TENNESSEE
 COUNTY ORGANIZATIONAL STRUCTURE
 As of June 30, 2023





KNOX COUNTY, TENNESSEE
ROSTER OF ELECTED OFFICIALS AND OTHERS
As of June 30, 2023

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 - Justin Biggs

Board of Commissioners:

Richie Beeler	Rhonda Lee
Carson Dailey	Dr.Dasha Lundy
Courtney Durrett, Chair	Gina Oster
Kim Frazier	John Schoonmaker
Terry Hill, Vice Chair	Kyle Ward
Larsen Jay	

Finance Director:

Chris Caldwell, MBA, CCFO

Pension Board:

Chris Caldwell (Proxy for Glenn Jacobs,
Chairman)
Richie Beeler, Secretary
Larsen Jay, Vice Chairman
Terry Hill
Zac Fullerton
Chris Simons
Matthew Schlosshan
James Snowden
Kyle Ward

Board of Education:

John Butler	Kristi Kristy, Chair
Katherine Bike	Mike McMillan
Betsy Henderson, Vice Chair	Jennifer Owen
Susan Horn	Steve Triplett
Daniel Watson	

Superintendent of Schools:

Dr. Jon Rysewyk

Audit Committee:

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

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

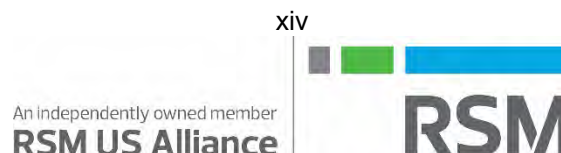
We have audited the financial statements of the governmental activities; the business-type activities; the aggregate discretely presented component units; each major fund; budgetary comparison statements of the general fund and the federal, state and other grants fund; and the aggregate remaining fund information of Knox County, Tennessee (the "County"), as of and for the year ended June 30, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison statements for the general fund and the federal, state and other grants 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, 5.7% of net position and 0.5% of the revenues of the County as of June 30, 2023. 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.



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 135 through 155 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 of 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 financial 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, 2024, 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, 2024, 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, 2024

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

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, 2023 and 2022. 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 \$2,633,443 (deficit net position). This amount includes a negative \$318,093,538 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 an increase of \$13,307,648. Total net position for the Primary Government (governmental and business-type activities) increased by \$13,380,271.
- The Primary Government's governmental funds reported total fund balances of \$203,690,366, an increase of \$29,633,846 for the fiscal year.
- The Knox County Government's total bonded debt at the end of the year totaled \$727,388,676, an increase of 3.6% compared to the prior year total of \$701,872,957. Of the current year total, \$377,889,904 pertains to County general government activities and \$349,498,772 pertains to the Knox County Board of Education component unit. Bond principal paid in the current year totaled \$44,484,281 and debt issued totaled \$70,000,000.
- The County Property Tax Rate was \$1.554 for the fiscal year compared to \$2.12 in the prior year. The rate changed due to the reappraisal of property values.

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, 2023

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, 2023

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 3-8 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 9-11 of this report.

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

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 12-13 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 14-134 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 135-155 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and the individual fund statements are presented on pages 156-192. Combining and individual fund statements for proprietary funds can be found on pages 193-214 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Knox County Primary Government
Condensed Statement of Net Position - Governmental Activities
June 30,

	2023	2022	Variance
Current and Other Assets	\$ 582,124,506	\$ 567,596,776	\$ 14,527,730
Capital Assets	662,399,003	631,347,396	31,051,607
Total Assets	<u>1,244,523,509</u>	<u>1,198,944,172</u>	<u>45,579,337</u>
Deferred Outflows of Resources	<u>73,300,314</u>	<u>77,217,943</u>	<u>(3,917,629)</u>
Other Liabilities	183,620,385	218,738,957	(35,118,572)
Long-term Liabilities Outstanding	<u>923,945,033</u>	<u>871,857,913</u>	<u>52,087,120</u>
Total Liabilities	<u>1,107,565,418</u>	<u>1,090,596,870</u>	<u>16,968,548</u>
Deferred Inflows of Resources	<u>212,891,848</u>	<u>201,506,336</u>	<u>11,385,512</u>
Net Position:			
Net Investment in Capital Assets	293,112,141	259,092,443	34,019,698
Restricted	22,347,954	18,540,577	3,807,377
Unrestricted (Deficit)	<u>(318,093,538)</u>	<u>(293,574,111)</u>	<u>(24,519,427)</u>
Total Net Position (Deficit)	<u>\$ (2,633,443)</u>	<u>\$ (15,941,091)</u>	<u>\$ 13,307,648</u>

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

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, Pensions and Other Purposes. The remaining balance of unrestricted net position deficit of \$318,093,538 reflects a negative change of (\$24,519,427) compared to the prior year unrestricted net position deficit of \$293,574,111.

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

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Net Investment in Capital Assets	\$ 293,112,141	\$ 259,092,443	\$ 34,019,698
Restricted:			
Debt Service	5,388,988	3,415,615	1,973,373
Public Health and Welfare	2,062,194	1,726,765	335,429
Public Safety	5,432,584	4,959,006	473,578
Social and Cultural Services	5,524,953	4,008,830	1,516,123
Pensions	328,904	871,639	(542,735)
Other Purposes	3,610,331	3,558,722	51,609
Total Restricted Net Position	<u>22,347,954</u>	<u>18,540,577</u>	<u>3,807,377</u>
Unrestricted (Deficit)	<u>(318,093,538)</u>	<u>(293,574,111)</u>	<u>(24,519,427)</u>
Total Net Position (Deficit)	<u>\$ (2,633,443)</u>	<u>\$ (15,941,091)</u>	<u>\$ 13,307,648</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, 2023 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

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

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

At June 30, 2023, the amount of bonds, leases and loans issued by the County on behalf of the Board still outstanding was \$357,376,568, compared to the prior year amount of \$338,016,990. 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 \$39,283,030 in 2023 and a positive unrestricted net position of \$44,442,879 in 2022.

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 a decrease in deferred inflows of resources.

Governmental activities. Governmental activities increased the Knox County Primary Government's net position by \$13,307,648 in 2023. This increase is mainly found in general revenues with positive results in property and sales taxes and in investment revenue that experienced higher interest rates. The increase in tax revenues helped offset the increase in expenditures with a \$7.0 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, 2023 and 2022.

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Knox County Primary Government
Governmental Activities

Year Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Program Revenues:			
Charges for Services	\$ 56,808,961	\$ 55,369,400	\$ 1,439,561
Operating Grants and Contributions	66,351,420	69,493,628	(3,142,208)
Capital Grants and Contributions	14,697,956	21,782,423	(7,084,467)
General Revenues			
Local Taxes	267,095,827	258,724,496	8,371,331
Payments from Component Units	18,186,683	14,931,933	3,254,750
Intergovernmental Revenues	13,227,756	10,434,713	2,793,043
Other General Revenues	18,043,513	8,333,201	9,710,312
Total Revenues	<u>454,412,116</u>	<u>439,069,794</u>	<u>15,342,322</u>
Expenses:			
Finance and Administration	47,986,929	40,650,265	7,336,664
Administration of Justice	31,168,136	29,594,750	1,573,386
Public Safety	123,370,527	111,010,280	12,360,247
Public Health and Welfare	39,258,041	38,157,264	1,100,777
Social and Cultural Services	25,279,930	23,852,168	1,427,762
Agricultural and Natural Resources	491,522	487,814	3,708
Other General Government	59,612,700	72,469,910	(12,857,210)
Engineering & Public Works	42,136,022	38,602,515	3,533,507
Debt Service	33,448,059	20,150,879	13,297,180
Payments to Component Units	44,047,602	64,783,730	(20,736,128)
Total Expenses	<u>446,799,468</u>	<u>439,759,575</u>	<u>7,039,893</u>
Excess (Deficiency) of Revenues over (under)			
Expenses before Transfers	7,612,648	(689,781)	8,302,429
Special Item - Sale of Capital Asset	6,000,000	-	6,000,000
Transfers to Other Funds	(305,000)	(115,000)	(190,000)
Change in Net Position	13,307,648	(804,781)	14,112,429
Net Position, July 1 (Deficit)	<u>(15,941,091)</u>	<u>(15,136,310)</u>	<u>(804,781)</u>
Net Position, June 30 (Deficit)	<u>\$ (2,633,443)</u>	<u>\$ (15,941,091)</u>	<u>\$ 13,307,648</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 decrease in operating grants and contributions is due mainly to fewer revenues recognized from grants from CDBG and ARPA. Program revenues also include

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

capital grants and contributions. During the prior year the County received a substantial portion in this category related to miscellaneous revenues. During the current year the County received \$11,652,883 in contributions from developers related to road projects compared to \$11,676,895 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 2023, combined property and sales tax revenue was \$219,755,931. The 2022 corresponding total was \$215,682,347, for a net increase of \$4,073,584. 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 the current year was largely attributable to the increase in the amounts expended on projects related to the ARPA program, mainly in the finance and administration category. Another increase was in the public safety category related to pension expenses. 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 (\$40M in the current year) 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 \$305,000 in the current year to the golf course fund for additional support. The change in net position of \$72,623 for the golf course fund includes the effects of depreciation and amortization, a noncash expense, totaling \$93,502. Of the ending net position, \$458,879 was invested in capital assets, with the remaining amount of \$15,956 unrestricted. These amounts reflect the results of ordinary business operations.

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

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

June 30,

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Current and Other Assets	\$ 122,278	\$ 96,223	\$ 26,055
Capital Assets	472,768	485,049	(12,281)
Total Assets	<u>595,046</u>	<u>581,272</u>	<u>13,774</u>
Current Liabilities	118,299	164,776	(46,477)
Noncurrent Liabilities	1,912	14,284	(12,372)
Total Liabilities	<u>120,211</u>	<u>179,060</u>	<u>(58,849)</u>
Net Position:			
Invested in Capital Assets	458,879	429,428	29,451
Unrestricted (Deficit)	15,956	(27,216)	43,172
Total Net Position	<u>\$ 474,835</u>	<u>\$ 402,212</u>	<u>\$ 72,623</u>

Condensed Statement of Primary Government-Business-type Activities

Year Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Program Revenues:			
Charges for Services	\$ 1,600,904	\$ 1,515,263	\$ 85,641
Expenses:			
Operating Expenses	1,872,040	1,671,032	201,008
Operating Income (Loss)	<u>(271,136)</u>	<u>(155,769)</u>	<u>(115,367)</u>
Nonoperating Income (Loss)	<u>(201)</u>	<u>(414)</u>	<u>213</u>
Capital Contributions and Transfers:			
Capital Contributions	38,960	57,950	(18,990)
Transfer from Other Funds	305,000	115,000	190,000
Total Capital Contributions and Transfers	<u>343,960</u>	<u>172,950</u>	<u>171,010</u>
Change in Net Position	72,623	16,767	55,856
Net Position, July 1	<u>402,212</u>	<u>385,445</u>	<u>16,767</u>
Net Position, June 30	<u>\$ 474,835</u>	<u>\$ 402,212</u>	<u>\$ 72,623</u>

Knox County, Tennessee
Management’s Discussion and Analysis (Unaudited)
June 30, 2023

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

June 30,

	2023	2022	Variance
Nonspendable	\$ 10,205,336	\$ 9,073,594	\$ 1,131,742
Restricted	60,589,648	34,802,866	25,786,782
Committed	39,366,128	39,000,081	366,047
Assigned	8,544,629	9,193,647	(649,018)
Unassigned	84,984,625	81,986,332	2,998,293
Total Fund Balances	\$ 203,690,366	\$ 174,056,520	\$ 29,633,846

Knox County, Tennessee
Management’s Discussion and Analysis (Unaudited)
June 30, 2023

As of the end of the current fiscal year, the Knox County Government’s governmental funds reported combined ending fund balances of \$203,690,366, an increase of \$29,633,846 in comparison with the prior year total of \$174,056,520. 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 42.1% of actual expenditures compared to 41.4% last year. This increase is primarily attributed to increased tax revenues and investment income. 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

	June 30,		
	2023	2022	Variance
	<u> </u>	<u> </u>	<u> </u>
Nonspendable	\$ 10,046,040	\$ 8,978,205	\$ 1,067,835
Restricted	3,934,908	3,716,666	218,242
Committed	8,784,210	3,929,315	4,854,895
Assigned	2,502,599	2,581,315	(78,716)
Unassigned	<u>84,984,625</u>	<u>81,986,332</u>	<u>2,998,293</u>
 Total Fund Balances	 <u>\$ 110,252,382</u>	 <u>\$ 101,191,833</u>	 <u>\$ 9,060,549</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. During the current year, the fund had a decrease in fund balance of \$2,380,208, compared to the prior year increase of \$7,606,603. The difference of \$9,986,811 is primarily attributable to swap termination payments totaling \$9,311,638 that were made in 2023. These one-time payments were made for the purpose of simplifying the County’s debt portfolio and reducing future costs.

**Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023**

Debt Service Fund - Fund Balances

	June 30,		
	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Restricted	\$ 5,388,988	\$ 3,415,615	\$ 1,973,373
Committed	<u>15,314,092</u>	<u>19,667,673</u>	<u>(4,353,581)</u>
Total Fund Balances	<u><u>\$ 20,703,080</u></u>	<u><u>\$ 23,083,288</u></u>	<u><u>\$ (2,380,208)</u></u>

The Public Improvement Capital Projects Fund experienced a net increase in fund balance in 2023, 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 \$40,122,000 (a \$18.2M decrease over the prior year) to the Board's construction fund for new school construction and renovations. The fund also received \$13.8M (a \$9.4M increase over the prior year) in transfers from the general fund, debt service fund and the engineering and public works 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 being done to help keep interest charges as low as practicable.

Public Improvement Capital Projects Fund - Fund Balances

	June 30,		
	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Nonspendable	\$ -	\$ 18,307	\$ (18,307)
Restricted	38,570,598	17,133,928	21,436,670
Committed	<u>75,000</u>	<u>100,000</u>	<u>(25,000)</u>
Total Fund Balance	<u><u>\$ 38,645,598</u></u>	<u><u>\$ 17,252,235</u></u>	<u><u>\$ 21,393,363</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 2023, 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 \$37M. 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:

**Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023**

Federal, State and Other Grants Fund - Fund Balances

June 30,

	2023	2022	Variance
Nonspendable	\$ 143,966	\$ 69,151	\$ 74,815
Restricted	2,857,718	2,732,715	125,003
Total Fund Balances	\$ 3,001,684	\$ 2,801,866	\$ 199,818

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

Net position of all the internal service funds at year-end 2023 is shown in the table below. Most of the variance was due primarily to fewer workers' compensation and other claims within the self insurance fund. 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,

	2023	2022	Variance
Net Position - All ISF	\$ 35,885,832	\$ 31,200,545	\$ 4,685,287
Charges for Services	\$ 89,305,658	\$ 90,506,271	\$ (1,200,613)
Net Position as a % of Charges for Services	40.2%	34.5%	

GENERAL FUND BUDGETARY HIGHLIGHTS

The total fund balance of the County's General Fund increased by \$9,060,549 during 2023, compared to last year's \$1,056,859 increase. The General Fund's original budget planned for a net use of fund balance for the year of \$5,482,071. Therefore, the actual results were a \$14,542,620 positive variance 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:

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

General Fund - Budget vs. Actual

	Year Ended June 30, 2023		
	Final Budget	Actual	Variance
Local Taxes	\$ 163,178,688	\$ 167,420,753	\$ 4,242,065
State of Tennessee	8,830,056	12,707,618	3,877,562
Federal Government	2,142,817	1,835,077	(307,740)
Other Local Revenues	21,660,918	25,764,387	4,103,469
Equity Interest in Joint Venture	-	1,010,759	1,010,759
Total Revenues	\$ 195,812,479	\$ 208,738,594	\$ 12,926,115
Finance and Administration	\$ 34,717,799	\$ 33,156,329	\$ 1,561,470
Administration of Justice	22,662,772	22,007,307	655,465
Public Safety	96,309,737	95,773,968	535,769
Public Health and Welfare	21,057,896	20,515,117	542,779
Social and Cultural Services	7,599,722	7,273,673	326,049
Agricultural and Natural Resources	501,366	491,522	9,844
Other General Government	22,901,365	22,554,039	347,326
Total Expenditures	\$ 205,750,657	\$ 201,771,955	\$ 3,978,702

Local taxes include business taxes which made up most of the increase shown in the table above. Business taxes had an increase over budget of \$3,370,065 due to a better-than-expected economic growth during the year. The increase in the State of Tennessee is related to various state shared revenues. The increase in other local revenues was a combination of items but mainly fines and forfeitures, other revenues, and investment income. 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 less than the budget in most categories. The expenditure variances were mostly 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 \$5,127,258 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 \$4.5M related to the implementation of GASB 96 on subscription based technology arrangements. Key elements in the comparison of the original budget to final budget for the General Fund are shown in the following table:

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

General Fund - Original Budget vs. Final Amended Budget

	Year Ended June 30, 2023		Variance
	Original	Final	
Local Taxes	\$ 157,338,000	\$ 163,178,688	\$ 5,840,688
State of Tennessee	8,646,664	8,830,056	183,392
Federal Government	2,142,817	2,142,817	-
Other Local Revenues	18,263,068	21,660,918	3,397,850
Total Revenues	<u>\$ 186,390,549</u>	<u>\$ 195,812,479</u>	<u>\$ 9,421,930</u>
Finance and Administration	\$ 34,560,039	\$ 34,717,799	\$ (157,760)
Administration of Justice	22,526,805	22,662,772	(135,967)
Public Safety	101,301,578	96,309,737	4,991,841
Public Health and Welfare	22,897,574	21,057,896	1,839,678
Social and Cultural Services	7,975,588	7,599,722	375,866
Agricultural and Natural Resources	592,966	501,366	91,600
Other General Government	10,768,849	22,901,365	(12,132,516)
Total Expenditures	<u>\$ 200,623,399</u>	<u>\$ 205,750,657</u>	<u>\$ (5,127,258)</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, 2023, of \$1,191,434,947, which compares to the prior year total of \$1,133,347,968. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges, leases and SBITAs. The net increase in the investment in capital assets for the current fiscal year was \$58,086,979 or 5.13%, 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: Adrian Burnett Elementary School construction, Lonsdale School construction, Northwest Elementary 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.

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

The County reported capital assets for its governmental activities as of June 30, 2023 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 and infrastructure 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

	2023	2022	Variance
Beginning Balance, July 1	\$ 1,208,272,214	\$ 1,141,916,636	\$ 66,355,578
Current Year Change	56,859,100	66,355,578	(9,496,478)
Capital Assets	1,265,131,314	1,208,272,214	56,859,100
Less: Accumulated Depreciation and Amortization	602,732,311	576,924,818	25,807,493
Ending Balance, June 30	\$ 662,399,003	\$ 631,347,396	\$ 31,051,607

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 \$727,388,676, compared to \$701,872,957 at the end of 2022. All the bonded debt was backed by the full faith and credit of the County government. In the current year \$349,498,772 of the total is outstanding debt which the government issued on behalf of the Board for school purposes. The remaining \$377,889,904 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.

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Knox County Government's
Bonded Debt Changes

FY 2023:	Primary		
Rollforward of Debt:	Government	Board	Total
Beginning Balance	\$ 372,492,019	\$ 329,380,938	\$ 701,872,957
Principal Paid	(24,480,115)	(20,004,166)	(44,484,281)
Proceeds From Debt Issuances	29,878,000	40,122,000	70,000,000
Ending Balance - Bonds	<u>\$ 377,889,904</u>	<u>\$ 349,498,772</u>	<u>\$ 727,388,676</u>

FY 2022:	Primary		
Rollforward of Debt:	Government	Board	Total
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>

Knox County's total bonded debt increased by \$25,515,719 or 3.6% 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

FY 2023:	Primary		
Rollforward of Debt:	Government	Board	Total
Beginning Balance	\$ 52,602,724	\$ 7,461,597	\$ 60,064,321
Additions	13,897,431	1,719,378	15,616,809
Deductions	(8,281,752)	(1,794,254)	(10,076,006)
Ending Balance	<u>\$ 58,218,403</u>	<u>\$ 7,386,721</u>	<u>\$ 65,605,124</u>

FY 2022:	Primary		
Rollforward of Debt:	Government	Board	Total
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>

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

Knox County, Tennessee
Management’s Discussion and Analysis (Unaudited)
June 30, 2023

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, 2023.

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 \$727,388,676. This translates to approximately \$1,461 per capita. This compares to the FY 2022 per capita amount of \$1,442.

Additional information on Knox County’s long-term debt can be found in Note III.J to the Financial Statements of this report and on pages 237-245.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The unemployment rate for Knox County for June 2023 was 3.6%, compared to the unemployment rate of 3.8% for June 2022. For comparison, the state’s average rate was 3.2% for June 2023, and 3.3% for June 2022. The national unemployment averages were 3.9% for June 2023 and 3.6% for June 2022.
- The General Fund budget adopted for 2024 reflects a budget totaling \$222,353,020. The budget anticipates using \$3.5 million from fund balance.
- The property tax rate for FY 2024 is \$1.554. The allocation of the rate is \$0.6524 to the general fund, \$0.5464 to the general purpose school fund and \$0.3552 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. 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, 2023

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Knox County Board of Education	Nonmajor Component Units	Total Reporting Unit
Assets						
Cash and Cash Equivalents	\$ 200,845,262	\$ 25,809	\$ 200,871,071	\$ 54,735,349	\$ 32,801,805	\$ 288,408,225
Investments, at Fair Value	123,505,922	-	123,505,922	102,074,119	999,931	226,579,972
Accounts Receivable	28,757,989	6,752	28,764,741	28,556,296	123,465	57,444,502
Local Taxes Receivable, net	209,011,687	-	209,011,687	151,443,537	-	360,455,224
Lease Receivable	6,271,307	-	6,271,307	17,678	-	6,288,985
Loans Receivable	715,714	-	715,714	-	-	715,714
Contributions Receivable	-	-	-	-	192,741	192,741
Advances to Other Governments	2,268,320	-	2,268,320	-	-	2,268,320
Inventories	690,358	89,717	780,075	2,064,851	-	2,844,926
Land Held for Resale	-	-	-	-	39,084,453	39,084,453
Prepaid Items	247,456	-	247,456	807,424	136,849	1,191,729
Other Assets	-	-	-	-	1,000	1,000
Net Pension Asset	328,904	-	328,904	76,643,586	-	76,972,490
Equity Interest in Joint Venture	9,481,587	-	9,481,587	-	-	9,481,587
Capital Assets:						
Land and Construction in Process	208,276,577	880	208,277,457	89,140,375	7,885,346	305,303,178
Other Capital Assets, Net of Accumulated Depreciation	454,122,426	471,888	454,594,314	421,154,871	10,382,584	886,131,769
Total Assets	1,244,523,509	595,046	1,245,118,555	926,638,086	91,608,174	2,263,364,815
Deferred Outflows of Resources						
Deferred Outflows Related to Pensions	70,093,377	-	70,093,377	87,751,108	1,220,208	159,064,693
Deferred Outflows Related to Other Post-Employment Benefits	932,387	-	932,387	17,229,108	-	18,161,495
Deferred Outflows of Unamortized Amount on Refundings	2,274,550	-	2,274,550	-	-	2,274,550
Total Deferred Outflows of Resources	73,300,314	-	73,300,314	104,980,216	1,220,208	179,500,738
Liabilities						
Accounts Payable and Accrued Liabilities	28,067,706	66,658	28,134,364	60,316,547	1,104,206	89,555,117
Unearned Revenue	84,488,100	-	84,488,100	591,754	-	85,079,854
Accrued Interest	2,666,263	6	2,666,269	5,919	-	2,672,188
Noncurrent Liabilities:						
Portion Due in Less than One Year:						
Self-insurance Liability	5,339,882	-	5,339,882	70,000	-	5,409,882
Other Long-term Obligations	63,058,434	51,635	63,110,069	8,042,844	451,872	71,604,785
Portion Due in More Than One Year:						
Net Pension Liability	173,251,120	-	173,251,120	15,707,550	-	188,958,670
Net Other Post-Employment Benefits Liability	2,881,774	-	2,881,774	-	-	2,881,774
Total Other Post-Employment Benefits Liability	-	-	-	43,715,449	-	43,715,449
Self-insurance Liability	14,213,917	-	14,213,917	2,310,595	-	16,524,512
Other Long-term Obligations	733,598,222	1,912	733,600,134	21,016,254	1,134,554	755,750,942
Total Liabilities	1,107,565,418	120,211	1,107,685,629	151,776,912	2,690,632	1,262,153,173
Deferred Inflows of Resources						
Deferred Inflows Related to Pensions	2,518,104	-	2,518,104	15,678,304	9,404	18,205,812
Deferred Inflows Related to Other Post-Employment Benefits	3,158,807	-	3,158,807	11,806,731	-	14,965,538
Deferred Inflows of Unamortized Amount on Refundings	474,656	-	474,656	-	-	474,656
Deferred Inflows of Property Taxes and Other Receivables	206,740,281	-	206,740,281	108,858,434	-	315,598,715
Total Deferred Inflows of Resources	212,891,848	-	212,891,848	136,343,469	9,404	349,244,721
Net Position						
Investment in Capital Assets	-	-	-	502,816,941	18,249,272	521,066,213
Net Investment in Capital Assets (see note below)	293,112,141	458,879	293,571,020	91,586	-	(63,713,962)
Restricted for:						
Debt Service	5,388,988	-	5,388,988	-	-	5,388,988
Public Health and Welfare Purposes	2,062,194	-	2,062,194	-	-	2,062,194
Public Safety Purposes	5,432,584	-	5,432,584	-	-	5,432,584
Education Purposes	-	-	-	44,763,262	347,970	45,111,232
Capital Purposes-Education	-	-	-	14,814,671	-	14,814,671
Social and Cultural Purposes	5,524,953	-	5,524,953	-	-	5,524,953
Pensions	328,904	-	328,904	148,716,390	-	149,045,294
Other Purposes	3,610,331	-	3,610,331	-	115,920	3,726,251
Unrestricted (see note below)	(318,093,538)	15,956	(318,077,582)	32,295,071	71,415,184	143,009,241
Total Net Position (Deficit)	\$ (2,633,443)	\$ 474,835	\$ (2,158,608)	\$ 743,497,921	\$ 90,128,346	\$ 831,467,659

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 \$357,376,568 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 \$357,376,568 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.

KNOX COUNTY, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2023

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	
Primary government:										
Governmental activities:										
Finance and Administration	\$ 47,986,929	\$ 27,535,153	\$ 4,922,467	\$ 3,045,073	\$ (12,484,236)		\$ (12,484,236)			\$ (12,484,236)
Finance and Administration-Payment to Component Unit	2,500,000	-	-	-	(2,500,000)		(2,500,000)			(2,500,000)
Administration of Justice	31,168,136	11,446,233	787,105	-	(18,934,798)		(18,934,798)			(18,934,798)
Public Safety	123,370,527	7,889,151	2,821,414	-	(112,659,962)		(112,659,962)			(112,659,962)
Public Safety-Payment to Component Unit	1,166,603	-	-	-	(1,166,603)		(1,166,603)			(1,166,603)
Public Health and Welfare	39,258,041	5,896,667	12,710,688	-	(20,650,686)		(20,650,686)			(20,650,686)
Public Health and Welfare-Payment to Component Unit	166,628	-	-	-	(166,628)		(166,628)			(166,628)
Social and Cultural Services	25,279,930	703,333	1,063,012	-	(23,513,585)		(23,513,585)			(23,513,585)
Agricultural and Natural Resources	491,522	-	-	-	(491,522)		(491,522)			(491,522)
Other General Government	59,612,700	71,061	31,551,936	-	(27,989,703)		(27,989,703)			(27,989,703)
Engineering and Public Works	42,136,022	3,267,363	12,494,798	11,652,883	(14,720,978)		(14,720,978)			(14,720,978)
Education - Payment to Component Unit	40,214,371	-	-	-	(40,214,371)		(40,214,371)			(40,214,371)
Debt Service - Interest and Fees	33,448,059	-	-	-	(33,448,059)		(33,448,059)			(33,448,059)
Total governmental activities	446,799,468	56,808,961	66,351,420	14,697,956	(308,941,131)		(308,941,131)			(308,941,131)
Business-type activities:										
Three Ridges Golf Course	1,872,241	1,600,904	-	38,960	-	\$ (232,377)	(232,377)			(232,377)
Total primary government	\$ 448,671,709	\$ 58,409,865	\$ 66,351,420	\$ 14,736,916	(308,941,131)		(309,173,508)			(309,173,508)
Component units:										
Board of Education	\$ 729,643,143	\$ 35,262,341	\$ 115,022,364	\$ 30,000			\$ (579,328,438)	\$ -		(579,328,438)
Nonmajor Component Units	18,519,494	9,946,551	5,374,986	48,000			-	(3,149,957)		(3,149,957)
Total component units	\$ 748,162,637	\$ 45,208,892	\$ 120,397,350	\$ 78,000			(579,328,438)	(3,149,957)		(582,478,395)
General Revenues:										
Property Taxes					195,534,484	-	195,534,484	111,667,830	-	307,202,314
Sales Taxes					24,221,447	-	24,221,447	231,296,010	-	255,517,457
Lodging Taxes					13,309,431	-	13,309,431	-	-	13,309,431
Business Taxes					15,755,440	-	15,755,440	-	-	15,755,440
Wheel Taxes					13,609,363	-	13,609,363	1,885,756	-	15,495,119
Other Local Taxes					4,665,662	-	4,665,662	819,734	-	5,485,396
Investment Revenue					11,556,554	-	11,556,554	4,337,354	1,073,955	16,967,863
Payments from Component Units					18,186,683	-	18,186,683	-	-	18,186,683
Payments from Primary Government					-	-	-	40,214,371	1,333,231	41,547,602
Intergovernmental Revenues					13,227,756	-	13,227,756	3,941,843	-	17,169,599
Other Revenues					5,551,604	-	5,551,604	-	-	5,551,604
Other Governments and Citizens Groups					302,390	-	302,390	-	333,548	635,938
Miscellaneous					632,965	-	632,965	57,327	-	690,292
Grants and Contributions Not Restricted for Specific Programs					-	-	-	-	2,019,140	2,019,140
State of Tennessee - Basic Education Program					-	-	-	251,356,119	-	251,356,119
Gain on Sale of Capital Asset					6,000,000	-	6,000,000	-	-	6,000,000
Transfers					(305,000)	305,000	-	-	-	-
Total General Revenues and Transfers					322,248,779	305,000	322,553,779	645,576,344	4,759,874	972,889,997
Change in Net Position					13,307,648	72,623	13,380,271	66,247,906	1,609,917	81,238,094
Net Position (Deficit), July 1					(15,941,091)	402,212	(15,538,879)	677,250,015	88,518,429	750,229,565
Net Position (Deficit), June 30					\$ (2,633,443)	\$ 474,835	\$ (2,158,608)	\$ 743,497,921	\$ 90,128,346	\$ 831,467,659

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

KNOX COUNTY, TENNESSEE

**Balance Sheet
Governmental Funds
June 30, 2023**

	General	Capital Projects Public Improvement	Debt Service	Federal, State and Other Grants	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 5,569,793	\$ 7,610,291	\$ 16,357,859	\$ 84,692,595	\$ 32,522,483	\$ 146,753,021
Investments, at Fair Value	90,747,505	32,758,417	-	-	-	123,505,922
Receivables, (Net):						
Accounts	6,999,565	5,115,886	1,630,402	6,031,901	6,329,601	26,107,355
Local Taxes	135,173,631	-	72,142,713	-	1,695,343	209,011,687
Leases	1,806,750	-	-	-	-	1,806,750
Notes and Loans	-	75,000	-	640,714	-	715,714
Due from Other Funds	4,049,708	1,726,160	-	-	-	5,775,868
Advances to Other Entity	-	-	2,268,320	-	-	2,268,320
Inventories	356,240	-	-	139,642	-	495,882
Prepaid Items	208,213	-	-	4,324	15,330	227,867
Investments in Joint Venture	9,481,587	-	-	-	-	9,481,587
TOTAL ASSETS	\$ 254,392,992	\$ 47,285,754	\$ 92,399,294	\$ 91,509,176	\$ 40,562,757	\$ 526,149,973
LIABILITIES						
Accounts Payable	\$ 7,254,230	\$ 8,640,156	\$ 8,561	\$ 2,231,011	\$ 4,591,338	\$ 22,725,296
Accrued Liabilities	2,811,506	-	-	491,550	834,089	4,137,145
Due to Other Funds	-	-	-	1,726,160	4,049,708	5,775,868
Unearned Revenue	429,329	-	-	84,058,771	-	84,488,100
TOTAL LIABILITIES	10,495,065	8,640,156	8,561	88,507,492	9,475,135	117,126,409
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes and Other Receivables	133,645,545	-	71,687,653	-	-	205,333,198
FUND BALANCES						
Nonspendable	10,046,040	-	-	143,966	15,330	10,205,336
Restricted	3,934,908	38,570,598	5,388,988	2,857,718	9,837,436	60,589,648
Committed	8,784,210	75,000	15,314,092	-	15,192,826	39,366,128
Assigned	2,502,599	-	-	-	6,042,030	8,544,629
Unassigned	84,984,625	-	-	-	-	84,984,625
TOTAL FUND BALANCES	110,252,382	38,645,598	20,703,080	3,001,684	31,087,622	203,690,366
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 254,392,992	\$ 47,285,754	\$ 92,399,294	\$ 91,509,176	\$ 40,562,757	\$ 526,149,973

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

KNOX COUNTY, TENNESSEE

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

June 30, 2023

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

Ending Fund Balance - Governmental Funds	\$	203,690,366	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		654,682,478	
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.		328,904	
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.		35,885,832	
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	\$	727,388,676	
Unamortized Bond Premium		33,608,060	
Loans Payable		470,797	
Accrued Interest		2,627,198	
Financed Purchases		9,924,964	
Lease Obligations		2,873,998	
Subscription Obligations		3,426,751	
Net Pension Liability		173,251,120	
Net Other Post-Employment Benefits Liability		2,881,774	
Compensated Absences		10,836,942	(967,290,280)
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.			2,920,510
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		70,093,377	
Deferred Outflows Related to Other Post-employment Benefits		932,387	
Deferred Outflows Related to Unamortized Amount on Refundings		2,274,550	
Deferred Inflows Related to Pensions		(2,518,104)	
Deferred Inflows Related to Other Post-employment Benefits		(3,158,807)	
Deferred Inflows Related to Unamortized Amount on Refundings		(474,656)	67,148,747
Net Position of Governmental Activities			\$ (2,633,443)

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, 2023

	General	Capital Projects Public Improvement	Debt Service	Federal, State and Other Grants	Other Governmental Funds	Total Governmental Funds
Revenues						
County Property Taxes	\$ 137,163,697	\$ -	\$ 60,820,590	\$ -	\$ -	\$ 197,984,287
Local Option Sales Taxes	11,756,501	-	-	-	12,464,946	24,221,447
Lodging Taxes	-	-	-	-	13,309,431	13,309,431
Business Taxes	15,755,440	-	-	-	-	15,755,440
Wheel Taxes	627,552	-	-	-	12,981,811	13,609,363
Other Local Taxes	2,117,563	-	-	-	2,548,099	4,665,662
Licenses and Permits	3,000,164	-	-	-	-	3,000,164
Fines, Forfeitures and Penalties	2,516,936	-	-	71,732	880,902	3,469,570
Charges for Current Services	9,594,349	-	-	511,683	36,212,793	46,318,825
Other Local Revenues	4,813,648	5,121,281	1,336,572	311,745	926,528	12,509,774
Investment Revenue	5,379,826	-	2,231,332	-	436,898	8,048,056
State of Tennessee	12,707,618	1,939,997	-	3,217,941	8,992,247	26,857,803
Federal Government	1,835,077	2,217,493	-	48,274,249	73,517	52,400,336
Other Governments and Citizen Groups	459,464	975,632	-	131,472	135,704	1,702,272
Payments from Component Units	-	-	18,186,683	-	-	18,186,683
Increase in Equity Interest in Joint Venture	1,010,759	-	-	-	-	1,010,759
Total Revenues	208,738,594	10,254,403	82,575,177	52,518,822	88,962,876	443,049,872
Expenditures						
Current:						
Finance and Administration	30,656,329	-	-	4,388,101	10,040,420	45,084,850
Finance and Administration - Payments to Component Unit	2,500,000	-	-	-	-	2,500,000
Administration of Justice	22,007,307	-	-	806,071	7,547,697	30,361,075
Public Safety	94,607,365	-	-	1,305,519	441,980	96,354,864
Public Safety - Payments to Component Unit	1,166,603	-	-	-	-	1,166,603
Public Health and Welfare	20,348,489	-	-	13,126,170	4,755,522	38,230,181
Public Health and Welfare - Payments to Component Unit	166,628	-	-	-	-	166,628
Social and Cultural Services	7,273,673	-	-	305,162	14,894,163	22,472,998
Agricultural and Natural Resources	491,522	-	-	-	-	491,522
Other General Government	21,022,181	4,507	-	32,063,386	10,195,765	63,285,839
Engineering and Public Works	-	-	-	984,737	24,469,609	25,454,346
Education - Payment to Component Unit	-	40,214,371	-	-	-	40,214,371
Debt Issuance Costs	-	443,145	-	-	-	443,145
Capital Projects	-	41,370,421	-	-	601,233	41,971,654
Debt Service	-	-	1,231,746	-	-	1,231,746
Trustee's Commission	-	-	45,353,729	23,694	321,264	47,159,736
Principal	1,461,049	-	24,974,774	198	19,457	25,065,238
Interest	70,809	-	10,895,136	-	-	10,895,136
Other Debt Service	-	-	-	-	-	-
Total Expenditures	201,771,955	82,032,444	82,455,385	53,003,038	73,287,110	492,549,932
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,966,639	(71,778,041)	119,792	(484,216)	15,675,766	(49,500,060)
Other financing sources (uses)						
Transfers from Other Funds	16,958,778	13,774,176	-	684,034	4,885,000	36,301,988
Transfers to Other Funds	(19,754,803)	-	(2,500,000)	-	(20,089,185)	(42,343,988)
Proceeds from Sale of Capital Asset	-	6,000,000	-	-	-	6,000,000
Leases and Subscription Financing	4,889,935	-	-	-	888,743	5,778,678
Long-term Bonds Issued	-	70,000,000	-	-	-	70,000,000
Premium on Long-term Debt Issued	-	3,397,228	-	-	-	3,397,228
Total Other Financing Sources (Uses)	2,093,910	93,171,404	(2,500,000)	684,034	(14,315,442)	79,133,906
Net Change in Fund Balances	9,060,549	21,393,363	(2,380,208)	199,818	1,360,324	29,633,846
Fund Balances, July 1	101,191,833	17,252,235	23,083,288	2,801,866	29,727,298	174,056,520
Fund Balances, June 30	\$ 110,252,382	\$ 38,645,598	\$ 20,703,080	\$ 3,001,684	\$ 31,087,622	\$ 203,690,366

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, 2023

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

Net Change in Fund Balances - Total Governmental Funds		\$ 29,633,846
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 or amortization expense. This is the amount by which capital outlays (\$47,464,543) exceeded depreciation and amortization (\$32,117,748) in the current period.		15,346,795
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.		11,652,883
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.		2,920,510
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.		(5,370,313)
Debt proceeds for bonds, loans and financed purchases 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 (\$70,000,000) exceeded debt principal payments (\$45,353,729) by this amount.		(24,646,271)
Governmental funds report other financing sources and capital assets regarding the commencement of lease and subscription financing arrangements, and report the payments on those arrangements as expenditures. However, the inception of lease and subscription financing arrangements increases long-term liabilities for governmental activities, and payments reduce the related long-term liabilities for governmental activities.		(3,172,822)
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.		4,280,760
Debt issued at a premium provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position.		(3,397,228)
The decrease in the fair value of an interest rate swap accounted for as an investment derivative instrument, which was terminated during the year, did not provide current resources to governmental funds.		2,159,164
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.		4,685,287
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 focus 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	\$ (542,735)	
Deferred Outflows Related to Deferred Amount on Refundings	(773,801)	
Deferred Outflows Related to Pensions	6,588,828	
Deferred Outflows Related to Other Post-employment Benefits	<u>(270,836)</u>	5,001,456
(Increase) decrease in liabilities and deferred inflows:		
Accrued Interest	(34,252)	
Net Pension Liability	(28,683,713)	
Deferred Inflows Related to Pensions	1,282,084	
Deferred Inflows Related to Deferred Amount on Refundings	141,252	
Net Other Post-Employment Benefit Liability	964,645	
Deferred Inflows Related to Other Post-employment Benefits	(272,670)	
Compensated Absences Liability	<u>816,235</u>	<u>(25,786,419)</u>
Change in Net Position of Governmental Activities		<u>\$ 13,307,648</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, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
County Property Taxes	\$ 133,638,000	\$ 136,438,000	\$ 137,163,697	\$ 725,697
Local Option Sales Taxes	10,211,000	11,811,000	11,756,501	(54,499)
Business Taxes	11,000,000	12,385,375	15,755,440	3,370,065
Wheel Taxes	575,000	575,000	627,552	52,552
Other Local Taxes	1,914,000	1,969,313	2,117,563	148,250
Licenses and Permits	3,162,200	3,162,200	3,000,164	(162,036)
Fines, Forfeitures and Penalties	1,014,700	1,174,089	2,516,936	1,342,847
Charges for Current Services	9,009,803	9,034,838	9,594,349	559,511
Other Local Revenues	3,418,365	3,420,673	4,813,648	1,392,975
Investment Revenue	1,450,000	4,550,000	5,379,826	829,826
State of Tennessee	8,646,664	8,830,056	12,707,618	3,877,562
Federal Government	2,142,817	2,142,817	1,835,077	(307,740)
Other Governments and Citizen Groups	208,000	319,118	459,464	140,346
Increase in Equity Interest in Joint Venture	-	-	1,010,759	1,010,759
Total Revenues	<u>186,390,549</u>	<u>195,812,479</u>	<u>208,738,594</u>	<u>12,926,115</u>
Expenditures				
Current:				
Finance and Administration	32,160,039	32,217,799	30,656,329	1,561,470
Finance and Administration - Payments to Component Unit	2,400,000	2,500,000	2,500,000	-
Administration of Justice	22,526,805	22,662,772	22,007,307	655,465
Public Safety	100,109,983	95,118,142	94,607,365	510,777
Public Safety - Payments to Component Unit	1,191,595	1,191,595	1,166,603	24,992
Public Health and Welfare	22,730,946	20,891,268	20,348,489	542,779
Public Health and Welfare - Payments to Component Unit	166,628	166,628	166,628	-
Social and Cultural Services	7,975,588	7,599,722	7,273,673	326,049
Agricultural and Natural Resources	592,966	501,366	491,522	9,844
Other General Government	10,768,849	22,901,365	22,554,039	347,326
Total Expenditures	<u>200,623,399</u>	<u>205,750,657</u>	<u>201,771,955</u>	<u>3,978,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,232,850)</u>	<u>(9,938,178)</u>	<u>6,966,639</u>	<u>16,904,817</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	13,035,000	13,035,000	16,958,778	3,923,778
Transfers to Other Funds	(4,284,221)	(19,891,010)	(19,754,803)	136,207
Lease and Subscription Financing	-	4,889,935	4,889,935	-
Total Other Financing Sources	<u>8,750,779</u>	<u>(1,966,075)</u>	<u>2,093,910</u>	<u>4,059,985</u>
Net Change in Fund Balances	<u>\$ (5,482,071)</u>	<u>\$ (11,904,253)</u>	<u>9,060,549</u>	<u>\$ 20,964,802</u>
Fund Balances, July 1			<u>101,191,833</u>	
Fund Balances, June 30			<u>\$ 110,252,382</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
Federal, State and Other Grants Fund
For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for Current Services	\$ 160,000	\$ 398,697	\$ 489,897	\$ 91,200
Other Local Revenues	-	-	70,330	70,330
Federal Government	-	333,606	201,031	(132,575)
Total Revenues	160,000	732,303	761,258	28,955
Expenditures				
Personal Services	-	690,643	680,761	9,882
Employee Benefits	-	202,237	201,202	1,035
Contracted Services	145,334	139,786	139,414	372
Supplies and Materials	-	36,798	36,535	263
Other Charges	14,666	84,996	84,996	-
Total Expenditures	160,000	1,154,460	1,142,908	11,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(422,157)	(381,650)	40,507
Other Financing Sources				
Transfers from Other Funds	-	74,632	300,000	225,368
Net Change in Fund Balances	-	(347,525)	(81,650)	265,875
Fund Balances, July 1	292,256	292,256	292,256	-
Fund Balances, June 30	<u>\$ 292,256</u>	<u>\$ (55,269)</u>	<u>\$ 210,606</u>	<u>\$ 265,875</u>

Reconciliation of Fund Balances (Budget Basis) to Fund Balances (GAAP Basis):

Fund Balances (Budget Basis)	\$ 210,606
Entity Difference:	
Unbudgeted Funds	2,791,078
Fund Balances (GAAP Basis)	<u>\$ 3,001,684</u>

KNOX COUNTY, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2023

	Enterprise Fund	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 25,809	\$ 54,092,241
Receivables:		
Accounts	6,752	2,650,634
Leases	-	432,317
Inventories	89,717	194,476
Prepaid Items	-	19,589
TOTAL CURRENT ASSETS	122,278	57,389,257
Noncurrent Assets:		
Lease Receivable	-	4,032,240
Capital Assets:		
Land	880	-
Buildings	803,446	-
Machinery and Equipment	643,524	429,231
Computer Software	25,448	-
Land Improvements	66,463	-
Leases	96,806	6,118,075
Subscriptions	-	2,480,397
Accumulated Depreciation & Amortization	(1,163,799)	(1,311,178)
Capital Assets (Net of Accumulated Depreciation & Amortization)	472,768	7,716,525
TOTAL NONCURRENT ASSETS	472,768	11,748,765
TOTAL ASSETS	595,046	69,138,022
LIABILITIES		
Current Liabilities:		
Accounts Payable	40,812	1,032,321
Accrued Liabilities	25,846	172,944
Accrued Interest	6	39,065
Claims Liability	-	5,339,882
Compensated Absences Payable	39,547	224,257
Lease Liability	12,088	335,270
Subscription Liability	-	628,699
TOTAL CURRENT LIABILITIES	118,299	7,772,438
Noncurrent Liabilities:		
Compensated Absences Payable	111	2,267
Claims Liability	-	14,213,917
Leases Liability	1,801	5,648,515
Subscription Liability	-	1,287,460
TOTAL NONCURRENT LIABILITIES	1,912	21,152,159
TOTAL LIABILITIES	120,211	28,924,597
DEFERRED INFLOW OF RESOURCES		
Leases	-	4,327,593
NET POSITION		
Net Investment in Capital Assets	458,879	41,974
Unrestricted	15,956	35,843,858
TOTAL NET POSITION	\$ 474,835	\$ 35,885,832

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, 2023

	Enterprise Fund	Internal Service Funds
Operating Revenues		
Charges for Services	\$ 1,600,904	\$ 89,305,658
Operating Expenses		
Cost of Services	1,662,927	27,217,906
Depreciation and Amortization	93,502	884,878
Medical Claims	-	29,589,225
Retirement Contributions	-	29,107,945
OPEB 35% Health Contributions	-	600,000
Other Employee Benefits	-	1,385,014
Worker's Compensation & Other Claims	-	1,269,840
Other Expenses	115,611	253,689
Total Operating Expenses	1,872,040	90,308,497
Operating Income (Loss)	<u>(271,136)</u>	<u>(1,002,839)</u>
Nonoperating Revenue (Expenses)		
Interest Income	-	100,874
Interest Expense	(201)	(149,748)
Total Nonoperating Revenue (Expenses)	<u>(201)</u>	<u>(48,874)</u>
Income (Loss) before Contributions and Transfers	<u>(271,337)</u>	<u>(1,051,713)</u>
Capital Contributions and Transfers		
Capital Contributions	38,960	-
Transfers from Other Funds	305,000	5,737,000
Total Capital Contributions and Transfers	<u>343,960</u>	<u>5,737,000</u>
Change in Net Position	72,623	4,685,287
Total Net Position, July 1	<u>402,212</u>	<u>31,200,545</u>
Total Net Position, June 30	<u>\$ 474,835</u>	<u>\$ 35,885,832</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, 2023

	Enterprise Fund	Internal Service Funds
Operating Activities		
Cash Received from Customers	\$ 1,609,428	\$ -
Cash Received from Interfund Services Provided	-	90,093,117
Cash Paid to Employees	(626,667)	(2,500,663)
Cash Paid for Goods and Services	(1,074,001)	(30,276,067)
Cash Paid on Behalf of Employees	(125,841)	(60,399,614)
Net Cash Provided by (Used in) Operating Activities	(217,081)	(3,083,227)
Noncapital Financing Activities		
Transfers from Other Funds	305,000	5,737,000
Net Cash Provided by Noncapital Financing Activities	305,000	5,737,000
Capital and Related Financing Activities		
Capital Contributions	38,960	-
Acquisition and Construction of Capital Assets	(81,221)	-
Principal Paid on Liabilities	(41,732)	(699,035)
Interest Paid on Liabilities	(201)	(149,748)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(84,194)	(848,783)
Investing Activities		
Investment Earnings	-	100,874
Net Cash Provided (Used) in Investing Activities	-	100,874
Net Increase (Decrease) in Cash and Cash Equivalents	3,725	1,905,864
Cash and Cash Equivalents Beginning of Year	22,084	52,186,377
End of Year	\$ 25,809	\$ 54,092,241
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ (271,136)	\$ (1,002,839)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	93,502	884,878
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	8,524	848,601
(Increase) Decrease in Other Receivables	-	403,258
(Increase) Decrease in Inventories	(31,263)	(63,174)
(Increase) Decrease in Prepaid Items	409	113,230
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(17,304)	204,674
Increase (Decrease) in Compensated Absences	187	(11,025)
Increase (Decrease) in Claims Liabilities	-	(3,996,430)
Increase (Decrease) in Unearned Revenue	-	(464,400)
Total Adjustments	54,055	(2,080,388)
Net Cash Provided by (Used in) Operating Activities	\$ (217,081)	\$ (3,083,227)
Noncash Capital and Related Financing Activities:		
Acquisition of Lease & SBITA Assets	\$ -	\$ (4,936,807)

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, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 149,498	\$ 44,362,778
Investments, at Fair Value:		
Money Market Funds	129,274	-
Mutual Funds	565,306,712	-
Collective Investment Trusts	21,301,740	-
Investments, at Contract Value:		
Guaranteed Investment Contracts	105,884,401	-
Total Investments	692,622,127	-
Receivables:		
Accounts	-	13,245,407
Notes Receivable from Participants	3,143,530	-
Total Receivables	3,143,530	13,245,407
Accrued Interest and Dividends	17,560	-
Accrued Income	7,282	-
Total Assets	695,939,997	57,608,185
LIABILITIES		
Accounts Payable	-	124,470
Accounts Payable - Administrative Expenses	75,797	-
Accounts Payable - Investments Purchased	5,316,146	-
Due to Other Governments	-	12,322,557
Total Liabilities	5,391,943	12,447,027
NET POSITION - RESTRICTED FOR PENSION BENEFITS	240,220,706	-
NET POSITION - RESTRICTED FOR OPEB BENEFITS	15,151,902	-
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	435,175,446	-
NET POSITION - RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	-	45,161,158
TOTAL NET POSITION	\$ 690,548,054	\$ 45,161,158

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, 2023

	Pension, Retirement, and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Employer Contributions	\$ 24,602,720	\$ -
Employee Contributions	16,241,105	-
Rollover Contributions	690,213	-
Collected for Other Offices/Governments	-	180,794,178
Litigants, Heirs, & Others	-	39,417,841
Charges for Goods/Services	-	2,970,937
Bonds for New Developments	-	858,550
Interest Income	-	66,985
Grant Proceeds/Match	-	48,495,892
Community Contributions/Sponsorships	-	825,378
Other	-	2,165,056
Sub-total	<u>41,534,038</u>	<u>275,594,817</u>
Investment Income:		
Interest and Dividend Income	24,791,894	-
Interest on Notes Receivable from Participants	160,572	-
Net Appreciation (Depreciation) in Fair Value of Investments	32,801,954	-
Total Investment Income	<u>57,754,420</u>	<u>-</u>
Total Additions	<u>99,288,458</u>	<u>275,594,817</u>
DEDUCTIONS		
Benefits and Refunds	51,588,462	-
Administrative Expenses	1,709,879	-
Distributed to Other Offices/Governments	-	177,133,209
Trustee's Commission	-	2,936,046
Release of Funds upon Completion of New Developments	-	300,700
Salary & Fringe Benefits	-	32,779,290
Purchase Capital Assets	-	785,777
Operating Expenditures	-	21,133,311
Indirect Costs	-	59,579
Jail Commissary Expenditures	-	1,479,224
Litigants, Heirs, and Others	-	24,619,851
Other	-	738,592
Total Deductions	<u>53,298,341</u>	<u>261,965,579</u>
CHANGE IN NET POSITION	45,990,117	13,629,238
NET POSITION - RESTRICTED, BEGINNING OF YEAR	<u>644,557,937</u>	<u>31,531,920</u>
NET POSITION - RESTRICTED, END OF YEAR	<u>\$ 690,548,054</u>	<u>\$ 45,161,158</u>

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

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

Index

Note I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.	Reporting Entity	14-16
B.	Government-wide and Fund Financial Statements	16
C.	Measurement Focus, Basis of Accounting, and Financial Statement Presentation	17-20
D.	Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity	20-27
E.	Additional Information	27

Note II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A.	Budgetary Data	28-31
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Note III - DETAILED NOTES ON ALL FUNDS

A.	Deposits and Investments	32-43
B.	Receivables	44-45
C.	Capital Assets	46-48
D.	Interfund and Component Unit Receivables and Payables	49
E.	Transfers and Similar Transactions	50-52
F.	Unearned Revenue	53
G.	Deferred Inflows	53
H.	Subscriptions	54
I.	Leases	55-56
J.	Long-Term Liabilities	57-62
K.	Termination Benefits	62
L.	Fund Equity	63-65
M.	Property Taxes	66
N.	Tax Abatements	67-68

Note IV - OTHER INFORMATION

A.	Joint Ventures	68-70
B.	Related Organizations	71
C.	Risk Management	71-72
D.	On-Behalf Payments	73
E.	Commitments and Contingencies	73-74
F.	Constitutional Officers	75
G.	Accounting Pronouncements	76

Note V - OTHER POSTEMPLOYMENT BENEFIT PLANS

A.	Single-Employer Defined Benefit OPEB Plans	77-97
B.	Single-Employer Defined Contribution OPEB Plan	98

Note VI - EMPLOYEE RETIREMENT PLANS

A.	General Information	99-100
B.	Single-Employer Defined Benefit Plans	100-110
C.	Agent Multiple-Employer Defined Benefit Plan	111-117
D.	Cost Sharing Multiple-Employer Defined Benefit Plans	118-129
E.	Aggregate Pension Plans Note Disclosure	130
F.	Single-Employer Defined Contribution Plans	130-133
G.	Multiple-Employer Defined Contribution Plans	134

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 91 vocational and handicapped centers, primary, intermediate, middle and high schools. The full-time equivalent average daily membership during the 2022 – 2023 school year was 58,575 with a full time equivalent average daily attendance of 54,338. During the previous year, the full time equivalent average daily membership was 58,433 with a full time equivalent average daily attendance of 53,745.

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, 2023

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, 2023

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, 2023

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, 2023

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, (7) accounting for the payment of employee health insurance claims, and (8) accounting for the vehicle leasing program.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023

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, 2023

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 1st, 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 1st 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 30th.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 30th 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 30th. 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, 2023

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.J. 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 2023 revenues comprising 1.4% 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, 2023

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, 2023

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, 2023 include \$911,174 for the County's General Fund and \$6,413,891 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, 2023:

Fund	Original Budget	Revisions	Final Budget
Governmental Funds:			
General Fund	\$ 204,907,620	\$ 20,734,047	\$ 225,641,667
Special Revenue Funds:			
State, Federal and Other Grants	160,000	994,460	1,154,460
Governmental Library	119,526	50	119,576
Public Library	14,761,148	742,703	15,503,851
Solid Waste	4,787,958	-	4,787,958
Hotel/Motel Tax	9,000,000	2,839,048	11,839,048
Drug Control	603,000	13,561	616,561
Engineering & Public Works	23,522,316	3,865,554	27,387,870
Total Special Revenue Funds	52,953,948	8,455,376	61,409,324
Debt Service Fund	77,500,000	2,500,000	80,000,000
Total - Governmental Funds	\$ 335,361,568	\$ 31,689,423	\$ 367,050,991

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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	\$ 591,500,000	\$ 26,608,775	\$ 618,108,775
Special Revenue Fund:			
Central Cafeteria	27,855,000	1,730,175	29,585,175
Total - the Board	\$ 619,355,000	\$ 28,338,950	\$ 647,693,950

Remaining supplemental appropriations primarily represent funds designated during the previous fiscal year, encumbrances outstanding at June 30, 2022 reappropriated during fiscal year 2023, 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, 2023

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, 2023

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	\$ 487,823		\$ -	
Certificates of Deposit held greater than 90 days	250,000		-	
Collective Investment Trusts	-		21,301,740	
Mutual Funds	-		606,981,903	
Fixed Income Securities				
U.S. Treasuries	156,849,223	0.715	-	
Federal Agency Mortgage Backed Securities	38,817,793	0.839	-	
Municipal Bonds	20,019,845	1.111	-	
Total Fixed Income Securities	<u>215,686,861</u>		<u>-</u>	
Investments, at Contract Value				
Guaranteed Investment Contracts	<u>-</u>		<u>105,884,401</u>	
Total Investments	<u>\$ 216,424,684</u>		<u>\$ 734,168,044</u>	

The Fiduciary Activities investments are allocated to the County's and Board's pension trust funds of \$692,622,127 and \$41,545,917, 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, 2023

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, 2023 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, 2023, 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, 2023

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	\$ 129,955,419	Aaa	Moody's
U.S. Treasuries	26,893,804	NR	
Federal Agency Mortgage Backed Securities	1,992,360	Aaa	Moody's
Federal Agency Mortgage Backed Securities	16,781,024	AA+	S&P
Federal Agency Mortgage Backed Securities	20,044,409	NR	
Municipal Bonds	2,000,000	AAA	S&P
Municipal Bonds	8,640,239	AA+	S&P
Municipal Bonds	1,998,500	AA-	S&P
Municipal Bonds	7,381,106	AA	S&P
Total Fixed Income Securities	<u>\$ 215,686,861</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, 2023

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, 2023

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, 2023 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	\$ 156,849,223	\$ 156,849,223	\$ -	\$ -
Fixed Government Agency	38,817,793	-	38,817,793	-
Municipal Bonds	20,019,845	-	20,019,845	-
Total Debt Securities by Fair Value Level	215,686,861	156,849,223	58,837,638	-
Interest-earning Investment Contracts - Certificates of Deposit	250,000	-	250,000	-
Total Investment by Fair Value Level	\$ 215,936,861	\$ 156,849,223	\$ 59,087,638	\$ -

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 and 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	\$ 606,981,903	\$ 606,981,903	\$ -	\$ -
Investments Measured at NAV	21,301,740			
Total Investments Measured at Fair Value	\$ 628,283,643			

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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	\$ 21,301,740	Daily	12 Months

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023

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, 2023, 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, 2023

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, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust (Continued)

At June 30, 2023, the Board had the following investments held by the TCRS Stabilization Reserve Trust on its behalf.

Investment by Fair Value Level	Fair Value 6-30-23	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 Developed Market	\$ 2,876,742	\$ 2,876,742	\$ -	\$ -
International Equity Emerging Market	1,299,174	1,299,174	-	-
International Equity	371,192	371,192	-	-
U.S. Fixed Income	1,855,962	-	1,855,962	-
Real Estate	927,981	-	-	927,981
Short-term Securities	92,798	-	92,798	-
Total Investments by Fair Value Level	7,423,849	\$ 4,547,108	\$ 1,948,760	\$ 927,981
Investments Measured at NAV	1,855,962			
Total Investments Measured at Fair Value	\$ 9,279,811			

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023

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								Trust and Custodial
	General	Debt Service	Capital Projects Public Improvement	Federal State and Other Grants Fund	Nonmajor Governmental Funds	Internal Service	Enterprise Fund	Total Primary Government	
Receivables:									
Taxes	\$ 137,152,749	\$ 73,130,898	\$ -	\$ -	\$ 1,695,343	\$ -	\$ -	\$ 211,978,990	\$ -
Accounts and Other	6,999,565	1,630,402	5,115,886	6,031,901	6,329,601	2,650,634	6,752	28,764,741	13,245,407
Notes and Loans	-	-	75,000	640,714	-	-	-	715,714	3,143,530
Leases	1,806,750	-	-	-	-	4,464,557	-	6,271,307	-
Gross Receivables	145,959,064	74,761,300	5,190,886	6,672,615	8,024,944	7,115,191	6,752	247,730,752	16,388,937
Less: Allowances for Uncollectibles	(1,979,118)	(988,185)	-	-	-	-	-	(2,967,303)	-
Net Total Receivables	\$ 143,979,946	\$ 73,773,115	\$ 5,190,886	\$ 6,672,615	\$ 8,024,944	\$ 7,115,191	\$ 6,752	\$ 244,763,449	\$ 16,388,937

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

<u>Component Units:</u>	Government-wide Totals		
	The Board	KEF	The Corporation
Receivables:			
Taxes	\$ 153,190,485	\$ -	\$ -
Accounts	28,556,296	211,040	106,192
Leases	17,678	-	-
Gross Receivables	181,764,459	211,040	106,192
Less: Allowances for Uncollectibles	(1,746,948)	(3,000)	-
Net Total Receivables	\$ 180,017,511	\$ 208,040	\$ 106,192

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

The County's Public Improvement Fund has the following loan receivable at June 30, 2023:

- (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, 2023, \$75,000 remained outstanding.

The State, Federal and Other Grants Special Revenue Fund had \$640,714 of notes receivable at June 30, 2023. 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 \$3,731,680 leaving an outstanding balance of \$2,268,320 as of June 30, 2023.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023 was the following:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 115,450,450	\$ 5,920,151	\$ 1,226,295	\$ 120,144,306
Construction in Progress	63,243,487	30,828,423	5,939,639	88,132,271
Total Capital Assets, not being depreciated	178,693,937	36,748,574	7,165,934	208,276,577
Capital Assets being depreciated and amortized:				
Buildings	247,527,627	740,400	4,282,578	243,985,449
Land Improvements	31,833,083	1,216,815	-	33,049,898
Machinery and Equipment	86,813,318	9,592,304	2,304,735	94,100,887
Intangible Assets	16,298,171	700,693	457,306	16,541,558
Infrastructure	639,798,221	11,666,590	-	651,464,811
Lease Assets				
Buildings	5,352,507	1,782,124	196,315	6,938,316
Land	464,469	-	59,456	405,013
Equipment	1,490,881	-	-	1,490,881
Vehicles	-	1,010,063	-	1,010,063
Subscription Software Assets	-	7,867,861	-	7,867,861
Total Capital Assets being Depreciated and Amortized	1,029,578,277	34,576,850	7,300,390	1,056,854,737
Less Accumulated Depreciation and Amortization for:				
Buildings	141,846,422	5,309,999	4,268,165	142,888,256
Land Improvements	22,403,142	1,159,669	-	23,562,811
Machinery and Equipment	61,326,413	6,261,085	2,266,435	65,321,063
Intangible Assets	11,544,610	1,231,158	456,242	12,319,526
Infrastructure	339,149,413	16,253,630	-	355,403,043
Lease Assets				
Buildings	374,861	459,533	196,315	638,079
Land	32,524	38,629	7,976	63,177
Equipment	247,433	249,222	-	496,655
Vehicles	-	78,210	-	78,210
Subscription Software Assets	-	1,961,491	-	1,961,491
Total Accumulated Depreciation and Amortization	576,924,818	33,002,626	7,195,133	602,732,311
Total Capital Assets being depreciated and amortized, net	452,653,459	1,574,224	105,257	454,122,426
Governmental Activities Capital Assets, net	\$ 631,347,396	\$ 38,322,798	\$ 7,271,191	\$ 662,399,003

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Three Ridges Golf Course:				
Capital Assets, not being depreciated:				
Land	\$ 880	\$ -	\$ -	\$ 880
Total Capital Assets, not being depreciated	880	-	-	880
Capital Assets being depreciated and amortized:				
Buildings	754,504	48,942	-	803,446
Land Improvements	66,463	-	-	66,463
Machinery and Equipment	611,245	32,279	-	643,524
Intangible Assets	25,448	-	-	25,448
Lease Assets - Equipment	96,806	-	-	96,806
Total Capital Assets being depreciated and amortized	1,554,466	81,221	-	1,635,687
Less Accumulated Depreciation and Amortization for:				
Buildings	546,810	15,033	-	561,843
Land Improvements	66,463	-	-	66,463
Machinery and Equipment	389,408	36,301	-	425,709
Intangible Assets	25,448	-	-	25,448
Lease Assets - Equipment	42,168	42,168	-	84,336
Total Accumulated Depreciation and Amortization	1,070,297	93,502	-	1,163,799
Total Capital Assets being depreciated and amortized, net	484,169	(12,281)	-	471,888
Business-type Activities Capital Assets, net	\$ 485,049	\$ (12,281)	\$ -	\$ 472,768

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

Finance and Administration	\$ 5,190,554
Administration of Justice	783,354
Public Safety	4,859,118
Public Health and Welfare	1,021,829
Social and Cultural Services	2,806,237
Other General Government	918,037
Engineering & Public Works	17,423,497
Total Depreciation and Amortization Expense	
Governmental Activities	<u>\$ 33,002,626</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Component Unit – the Board

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 25,964,244	\$ -	\$ 4,700	\$ 25,959,544
Construction in Progress	54,235,775	38,844,293	29,899,237	63,180,831
Total Capital Assets, not being depreciated	80,200,019	38,844,293	29,903,937	89,140,375
Capital Assets being depreciated and amortized:				
Buildings	644,917,168	27,660,363	956,181	671,621,350
Land Improvements	18,756,636	2,899,340	38,024	21,617,952
Machinery and Equipment	156,593,804	11,852,762	383,379	168,063,187
Intangible Assets	2,619,370	54,871	200,000	2,474,241
Infrastructure	6,954,376	-	-	6,954,376
Lease Assets				
Land	323,652	-	-	323,652
Equipment	4,967,179	-	-	4,967,179
Vehicles	338,214	233,484	-	571,698
Subscription Software Assets	-	1,528,144	-	1,528,144
Total Capital Assets being Depreciated and Amortized	835,470,399	44,228,964	1,577,584	878,121,779
Less Accumulated Depreciation and Amortization for:				
Buildings	312,640,439	15,328,172	841,574	327,127,037
Land Improvements	7,795,319	1,352,374	21,883	9,125,810
Machinery and Equipment	103,760,160	11,155,196	247,299	114,668,057
Intangible Assets	2,445,034	16,726	40,000	2,421,760
Infrastructure	649,967	183,303	-	833,270
Lease Assets				
Land	52,484	52,484	-	104,968
Equipment	1,093,672	1,093,775	-	2,187,447
Vehicles	102,300	138,277	-	240,577
Subscription Software Assets	-	257,982	-	257,982
Total Accumulated Depreciation and Amortization	428,539,375	29,578,289	1,150,756	456,966,908
Total Capital Assets being depreciated and amortized, net	406,931,024	14,650,675	426,828	421,154,871
Governmental Activities Capital Assets, net	\$ 487,131,043	\$ 53,494,968	\$ 30,330,765	\$ 510,295,246

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, is as follows:

Due to/from Other Funds - Primary Government:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Major Funds:</u>		
General	Constitutional Officers' Special Revenue Fund	\$ 4,049,708
Public Improvement	State, Federal and Other Grants	1,726,160
Total Major Governmental Funds		<u>\$ 5,775,868</u>

Due to/from Other Funds - The Board:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Major Funds:</u>		
General Purpose Schools School	Central Cafeteria	\$ 387,810
	School Federal Projects	11,870,599
	School General Projects	3,350,293
		<u>15,608,702</u>
<u>Nonmajor Special Revenue Funds:</u>		
Central Cafeteria	General Purpose School	389,001
Total Board of Education		<u>\$ 15,997,703</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, is as follows:

Primary Government:

Transfers - In	Transfers - Out	Amount
<u>Major Funds:</u>		
General	Constitutional Officers - Special Revenue Public Library	\$ 16,658,778 300,000 <u>16,958,778</u>
Federal, State and Other Grants	General	<u>384,034</u>
Public Improvement	General Engineering & Public Works Debt Service	9,743,770 1,530,406 2,500,000 <u>13,774,176</u>
Total Major Governmental Funds		<u>31,116,988</u>
<u>Nonmajor Governmental Funds:</u>		
Special Revenue Funds:		
Governmental Library	General	35,000
Public Library	Hotel/Motel	1,600,000
Solid Waste	General	1,000,000
Federal, State and Other Grants	General	300,000
Engineering & Public Works	General	<u>2,250,000</u>
Total Nonmajor Special Revenue Funds		<u>5,185,000</u>
Total Governmental Funds		<u>\$ 36,301,988</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Transfers and Similar Transactions (Continued)

Transfers - In	Transfers - Out	Amount
<u>Internal Service Funds:</u>		
Mailroom	General	\$ 137,000
Employee Benefits	General	600,000
Building Operations	General	3,800,000
Technical Support	General	<u>1,200,000</u>
Total Internal Service Funds		<u>\$ 5,737,000</u>
<u>Enterprise Fund:</u>		
Three Ridges Golf Course	General	<u>\$ 305,000</u>

In addition, payments of \$1,689,969 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	\$ 9,643,622
	Internal School Funds	<u>88,000</u>
		9,731,622
School Federal Projects	General Purpose School	81,381
General Purpose School	School General Projects	<u>393</u>
Total Major Funds		<u>9,813,396</u>
<u>Special Revenue Funds (Nonmajor):</u>		
School General Projects	General Purpose School	1,707,418
	School Federal Projects	<u>2,245,647</u>
		3,953,065
Central Cafeteria	General Purpose School	<u>15,000</u>
Total Nonmajor Special Revenue Funds		<u>3,968,065</u>
Total Board of Education		<u>\$ 13,781,461</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Transfers and Similar Transactions (Continued)

Transactions between Primary Government and Component Units:

Primary Government - Debt Service (Major Fund)	Component Unit - the Board, General Purpose School	\$ 18,186,683
Total Primary Government		\$ 18,186,683
Component Unit - School Construction	Primary Government - Public Improvement	\$ 40,214,371
Component Unit - KEF	Primary Government - General	2,500,000
	General Purpose School	700,250
Total Component Unit - KEF		3,200,250
Component Unit - The District	Primary Government - General	1,333,231
Total Component Units		\$ 44,747,852

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	\$ 64,030
The Board, School Nutrition	Component Unit, KEF	88
The Board, School General Projects	Component Unit, KEF	172,582
Total Board		\$ 236,700

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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	\$ 429,329
<u>Federal, State, and Other Grant Funds:</u>	
Unexpended grant funds	84,058,771
Total - Primary Government	\$ 84,488,100
<u>School General Projects:</u>	
Unexpended grant funds	\$ 181,065
<u>Central Cafeteria:</u>	
Unearned revenue	410,689
Total Component Unit - the Board	\$ 591,754

G. Deferred Inflows (Other than Pension or OPEB)

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	\$ 1,969,140	\$ -
Taxes receivable, applicable to subsequent fiscal year	129,922,161	129,922,161
Leases	1,754,244	1,754,244
	133,645,545	131,676,405
<u>Debt Service Fund - Major Fund</u>		
Taxes receivable, delinquent	951,370	-
Taxes receivable, applicable to subsequent fiscal year	70,736,283	70,736,283
	71,687,653	70,736,283
<u>Building Operations Fund - Nonmajor Fund</u>		
Leases	4,327,593	4,327,593
Total - Primary Government	\$ 209,660,791	\$ 206,740,281
Component Unit - the Board - Major Fund		
<u>General Purpose School:</u>		
STEM Salaries	\$ 28,261	\$ 28,261
Taxes receivable, delinquent	1,769,940	-
Taxes receivable, applicable to subsequent fiscal year	108,812,797	108,812,797
Leases	17,376	17,376
Total - Component Unit - the Board	\$ 110,628,374	\$ 108,858,434

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Subscriptions

For the year ended June 30, 2023, the County’s financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology software. The value of the right to use asset as of June 30, 2023, of \$9,396,005 with accumulated amortization of \$2,219,473 is included with Subscriptions – Software on the capital asset schedule. The County’s SBITA liability has interest rates ranging from 1.71% to 3.238% due to the length of the terms. The maturity dates range from 2024 to 2032. The following schedule includes both the County and the Board.

The future SBITA payments for the County and Board are as follows:

Principal and Interest Requirements to Maturity

Fiscal Year	Total SBITA Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 2,621,358	\$ 152,116	\$ 2,773,474
2025	2,210,656	89,264	2,299,920
2026	990,287	38,036	1,028,323
2027	117,467	21,106	138,573
2028	124,046	17,742	141,788
2029 - 2033	547,974	33,356	581,330
Total	\$ 6,611,788	\$ 351,620	\$ 6,963,408

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Leases

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 \$15,803,608, less accumulated amortization of \$3,893,449.

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
2024	\$ 2,082,610	\$ 213,461	\$ 2,296,071
2025	1,819,780	186,852	2,006,632
2026	1,858,035	160,409	2,018,444
2027	911,086	137,795	1,048,881
2028	467,271	123,906	591,177
2029 - 2033	1,580,787	521,521	2,102,308
2034 - 2038	616,032	405,234	1,021,266
2039 - 2043	431,667	348,661	780,328
2044 - 2048	533,526	286,606	820,132
2049 - 2053	651,576	210,391	861,967
2054 - 2058	788,155	117,781	905,936
2059 - 2061	499,086	18,550	517,636
Total	\$ 12,239,611	\$ 2,731,167	\$ 14,970,778

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, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

I. 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 Lessor Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 571,916	\$ 127,034	\$ 698,950
2025	554,912	119,428	674,340
2026	502,469	111,701	614,170
2027	307,981	105,705	413,686
2028	298,603	100,538	399,141
2029 - 2033	863,791	440,529	1,304,320
2034 - 2038	421,938	379,310	801,248
2039 - 2043	466,939	325,938	792,877
2044 - 2048	505,549	262,671	768,220
2049 - 2053	569,581	195,786	765,367
2054 - 2058	688,133	116,275	804,408
2059 - 2061	477,260	24,949	502,209
Total	\$ 6,229,071	\$ 2,309,864	\$ 8,538,935

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. 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>
2024	\$ 916,859	\$ 425,004
2025	929,873	425,004
2026	943,011	425,004
2027	956,270	425,004
2028	969,653	425,004
2029-2033	5,053,294	1,062,510
2034-2037	3,739,940	-
	<hr/>	<hr/>
Total Minimum Payments	13,508,900	3,187,530
Less: Amounts Representing Interest	<u>(3,583,936)</u>	<u>(437,626)</u>
Present Value of Minimum Payments	<u>\$ 9,924,964</u>	<u>\$ 2,749,904</u>

As of June 30, 2023, assets recorded under financed purchases totaled \$18,307,010 (\$879,609 land, and \$17,427,401 buildings and improvements). Related accumulated depreciation totaled \$7,236,795.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. 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
2024	\$ 434,413	\$ 2,039	\$ 436,452
2025	36,384	23	36,407
Total	\$ 470,797	\$ 2,062	\$ 472,859

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, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Long-Term Liabilities (Continued)

	Interest Rate	Last Maturity Date	Principal Balance
Governmental Activities:			
General Obligation - Series 2003 (C-1-A)	Variable Rate (4.25% at 6/30/23)	6/1/2029	\$ 14,290,999
General Obligation - Series 2004 (VI-A-1)	Variable Rate (4.25% at 6/30/23)	6/1/2029	21,488,570
General Obligation - Series 2005 (D-3-A)	Variable Rate (4.0% at 6/30/23)	6/1/2034	31,769,482
General Obligation - Series 2007 (VI-K-1)	Variable Rate (4.0% at 6/30/23)	6/1/2034	50,450,000
General Obligation - Series 2008 (C-3-A)	Variable Rate (4.25% at 6/30/23)	6/1/2029	10,588,500
General Obligation - Series 2016	1.0 - 5.0%	6/1/2036	9,995,000
General Obligation - Series 2017	3.0 - 5.0%	6/1/2037	25,025,000
General Obligation - Refunding Series 2017B	2.0 - 5.0%	6/1/2035	36,670,000
General Obligation - Series 2018	4.0 - 5.0%	6/1/2038	18,130,155
General Obligation - Series 2019	2.75 - 5.0%	4/1/2038	19,040,000
General Obligation - Series 2019B	2.375 - 5.0%	6/1/2040	19,250,000
General Obligation - Refunding Series 2020B	1.875 - 5.0%	6/1/2035	17,271,447
General Obligation - Series 2020C	3.0 - 5.0%	6/1/2040	17,663,238
General Obligation - Refunding Series 2020D	0.35 - 1.0%	6/1/2026	19,515,000
General Obligation - Refunding Series 2020E	1.5 - 2.1%	6/1/2036	8,830,769
General Obligation - Series 2022	3.0 - 5.0%	6/1/2042	28,033,744
General Obligation - Series 2023	4.0 - 5.0%	6/1/2043	29,878,000
Total Bonded Debt to be repaid by Governmental Activities			<u>377,889,904</u>
The Board:			
General Obligation - Series 2003 (C-1-A)	Variable Rate (4.25% at 6/30/23)	6/1/2029	15,384,001
General Obligation - Series 2004 (VI-A-1)	Variable Rate (4.25% at 6/30/23)	6/1/2029	11,211,430
General Obligation - Series 2005 (D-3-A)	Variable Rate (4.0% at 6/30/23)	6/1/2034	17,155,518
General Obligation - Series 2007 (VI-K-1)	Variable Rate (4.0% at 6/30/23)	6/1/2034	18,550,000
General Obligation - Series 2008 (C-3-A)	Variable Rate (4.25% at 6/30/23)	6/1/2029	5,701,500
General Obligation - Qualified School Construction Bonds - Series 2010	.0% (1)	7/1/2027	7,648,676
General Obligation - Series 2016	1.0 - 5.0%	6/1/2036	14,555,000
General Obligation - Series 2017	3.0 - 5.0%	6/1/2037	46,280,000
General Obligation - Refunding Series 2017B	2.0 - 5.0%	6/1/2035	12,900,000
General Obligation - Series 2018	4.0 - 5.0%	6/1/2038	6,739,845
General Obligation - Series 2019	2.75 - 5.0%	4/1/2038	10,865,000
General Obligation - Series 2019B	2.375 - 5.0%	6/1/2040	14,190,000
General Obligation - Refunding Series 2020A	1.5 - 5.0%	8/1/2030	13,030,000
General Obligation - Refunding Series 2020B	1.875 - 5.0%	6/1/2035	16,418,553
General Obligation - Series 2020C	3.0 - 5.0%	6/1/2040	30,951,762
General Obligation - Refunding Series 2020E	1.5 - 2.1%	6/1/2036	10,854,231
General Obligation - Series 2022	3.0 - 5.0%	6/1/2042	56,941,256
General Obligation - Series 2023	4.0 - 5.0%	6/1/2043	40,122,000
Total Bonded Debt to be repaid by the Board			<u>349,498,772</u>
Total Bonded Debt			<u><u>\$ 727,388,676</u></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, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. 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,	Principal	Primary Government Debt			To be Repaid By:		Total
		Interest	Total	County	Board		
2024	\$ 45,969,281	\$ 28,772,993	\$ 74,742,274	\$ 40,152,740	\$ 34,589,534	\$ 74,742,274	
2025	46,354,281	27,210,345	73,564,626	39,532,601	34,032,025	73,564,626	
2026	48,214,281	25,360,070	73,574,351	39,548,797	34,025,554	73,574,351	
2027	49,458,856	23,508,582	72,967,438	37,430,921	35,536,517	72,967,438	
2028	51,996,977	20,175,185	72,172,162	38,394,359	33,777,803	72,172,162	
2029 - 2033	263,595,000	67,259,246	330,854,246	177,807,695	153,046,551	330,854,246	
2034 - 2038	168,145,000	22,479,849	190,624,849	91,461,711	99,163,138	190,624,849	
2039 - 2043	53,655,000	4,466,162	58,121,162	22,667,882	35,453,280	58,121,162	
Total	\$ 727,388,676	\$ 219,232,432	\$ 946,621,108	\$ 486,996,706	\$ 459,624,402	\$ 946,621,108	

The total bonded debt service requirements to be repaid by the County and the Board include interest of \$109,106,802 and \$110,125,630, respectively, for a total of \$219,232,432.

Changes in General Long-Term Liabilities

The following represents the changes in long-term liabilities for the Primary Government, the Board, and the District for the year ended June 30, 2023:

	Balance July 1	Additions	Deductions	Balance June 30	Current Portion
<u>Primary Government</u>					
Bonded Debt	\$ 701,872,957	\$ 70,000,000	\$ (44,484,281)	\$ 727,388,676	\$ 45,969,281
Unamortized Bond Premium	34,491,592	3,397,228	(4,280,760)	33,608,060	4,182,862
Loans Payable	901,964	-	(431,167)	470,797	434,413
Financed Purchases	10,363,245	-	(438,281)	9,924,964	471,439
Lease Obligations	6,845,923	2,847,419	(821,670)	8,871,672	841,943
Subscription Obligations	-	7,652,784	(2,309,874)	5,342,910	2,365,745
Compensated Absences	11,930,195	18,350,477	(19,177,548)	11,103,124	8,844,386
Total - Primary Government	\$ 766,405,876	\$ 102,247,908	\$ (71,943,581)	\$ 796,710,203	\$ 63,110,069
<u>Component Unit - the Board</u>					
Compensated Absences	\$ 18,895,505	\$ 6,757,678	\$ (6,081,774)	\$ 19,571,409	\$ 5,723,921
Termination Benefits	2,607,633	-	(506,665)	2,100,968	501,795
Financed Purchases	3,058,192	-	(308,288)	2,749,904	320,848
Lease Obligations	4,403,405	233,484	(1,268,950)	3,367,939	1,240,667
Subscription Obligations	-	1,485,894	(217,016)	1,268,878	255,613
Total Component Unit - the Board	\$ 28,964,735	\$ 8,477,056	\$ (8,382,693)	\$ 29,059,098	\$ 8,042,844
<u>Component Unit - the District</u>					
Compensated Absences	\$ 652,561	\$ 508,349	\$ (471,056)	\$ 689,854	\$ 439,445
Lease Obligations	48,501	-	(48,501)	-	-
Subscription Obligations	-	31,038	(12,380)	18,658	12,427
Total - the District	\$ 701,062	\$ 539,387	\$ (531,937)	\$ 708,512	\$ 451,872

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Long-Term Liabilities (Continued)

Changes in General Long-Term Liabilities (Continued)

For the primary government, compensated absences totaling \$39,658 and lease obligations totaling \$13,889 pertain to the non-major enterprise fund, with the remaining long-term liabilities related to governmental activities.

Interest Rate Swaps

During the fiscal year ended June 30, 2023, the County elected to terminate its three interest rate swap derivative instruments, which consisted of the following:

- Series C-1-A, an interest rate swap entered into in connection with the \$72 million Series 2003 variable rate bonds. The intent of the interest rate swap was to effectively change the variable interest rate on the bonds to a synthetic fixed rate.
- Series V-A-1, an interest rate swap entered into in connection with the \$70 million Series 2004 variable rate bonds. The intent of the interest rate swap was to effectively change the variable interest rate on the bonds to a synthetic fixed rate.
- Series D-3-A, an interest rate swap entered into in connection with the \$77 million Series 2005 variable rate bonds. The intent of the interest rate swap was to effectively change the variable interest rate on the bonds to a synthetic fixed rate.

The C-1-A and D-3-A interest rate swaps were deemed effective hedges, and therefore were accounted for as hedging derivative instruments for financial reporting purposes. Accordingly, the fair values of these derivative instruments were reported as liabilities in the Statement of Net Position, with corresponding amounts reported as deferred outflows of resources in the Statement of Net Position.

The VI-A-1 interest rate swap was deemed an ineffective hedge, and therefore was accounted for as an investment derivative instrument for financial reporting purposes. Accordingly, the fair value of this derivative instrument was reported as a liability in the Statement of Net Position. Changes in the fair value of this derivative instrument were reported within the investment revenue classification in the Statement of Activities.

As a result of the termination of the interest rate swap derivative instruments, the fair values and deferred inflows of the hedging derivative instruments totaling \$9,461,820 (\$2,503,512 for C-1-A and \$6,958,308 for D-3-A) have been removed from the Statement of Net Position, with no effect on the Statement of Activities. The termination of the VI-A-1 interest rate swap investment derivative instrument resulted in the removal of the fair value of the liability of \$2,159,164 from the Statement of Net Position, and in the reporting of the corresponding amount in the Statement of Activities. The total amount of the fair value of interest rate swap derivatives related to the three terminated swaps removed from the Statement of Net Position was \$11,620,984.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Long-Term Liabilities (Continued)

Changes in General Long-Term Liabilities (Continued)

Interest Rate Swaps (Continued)

The County made swap termination payments totaling \$9,311,638 related to these transactions. The amounts were \$1,900,234 for C-1-A, \$5,817,411 for D-3-A, and \$1,613,993 for VI-A-1. These amounts were reflected as expenditures in the County's fund financial statements, and as governmental activities expenses in the Statement of Activities.

K. 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, 2023, the Board recorded an estimated liability of \$2,100,968 to be paid in varying annual amounts through 2033.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

L. Fund Equity

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

	<u>Major Funds</u>				
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Federal, State and Other Grants</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventories	\$ 356,240	\$ -	\$ -	\$ 139,642	\$ 495,882
Prepays	208,213	-	-	4,324	212,537
Investment in Joint Venture	9,481,587	-	-	-	9,481,587
	<u>10,046,040</u>	<u>-</u>	<u>-</u>	<u>143,966</u>	<u>10,190,006</u>
Restricted for:					
Finance and Administration	746,528	-	-	237,878	984,406
Administration of Justice	800,639	-	-	43,460	844,099
Public Safety	907,111	-	-	70,389	977,500
Public Health & Welfare	1,354,482	-	-	707,712	2,062,194
Social and Cultural	126,148	-	-	16,453	142,601
Other General Government	-	-	-	1,728,733	1,728,733
Engineering & Public Works	-	-	-	53,093	53,093
Debt Service	-	-	5,388,988	-	5,388,988
Capital Projects	-	38,570,598	-	-	38,570,598
	<u>3,934,908</u>	<u>38,570,598</u>	<u>5,388,988</u>	<u>2,857,718</u>	<u>50,752,212</u>
Committed to:					
Finance and Administration	450,000	-	-	-	450,000
Administration of Justice	137,755	-	-	-	137,755
Public Safety	1,521,000	-	-	-	1,521,000
Social and Cultural	175,000	-	-	-	175,000
Other General Government	6,500,455	-	-	-	6,500,455
Debt Service	-	-	15,314,092	-	15,314,092
Capital Projects	-	75,000	-	-	75,000
	<u>8,784,210</u>	<u>75,000</u>	<u>15,314,092</u>	<u>-</u>	<u>24,173,302</u>
Assigned to:					
Finance and Administration	1,266,909	-	-	-	1,266,909
Administration of Justice	300,874	-	-	-	300,874
Public Safety	210,278	-	-	-	210,278
Public Health & Welfare	367,669	-	-	-	367,669
Social and Cultural	81,917	-	-	-	81,917
Other General Government	274,952	-	-	-	274,952
	<u>2,502,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,502,599</u>
Unassigned:	84,984,625	-	-	-	84,984,625
Total fund balances	<u>\$ 110,252,382</u>	<u>\$ 38,645,598</u>	<u>\$ 20,703,080</u>	<u>\$ 3,001,684</u>	<u>\$ 172,602,744</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

L. 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 & Public Works</u>	<u>ADA Construction</u>	<u>Total</u>
Fund balances:									
Nonspendable:									
Prepays	\$ -	\$ -	\$ 15,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,330
Restricted for:									
Public Safety	-	-	-	-	-	4,455,084	-	-	4,455,084
Social and Cultural	-	-	-	-	5,382,352	-	-	-	5,382,352
	-	-	-	-	5,382,352	4,455,084	-	-	9,837,436
Committed to:									
Public Health & Welfare	-	-	-	1,267,001	-	-	-	-	1,267,001
Social and Cultural	-	39,675	2,649,576	-	-	-	-	-	2,689,251
Engineering & Public Works	-	-	-	-	-	-	10,197,977	-	10,197,977
Capital Projects	-	-	-	-	-	-	-	1,038,597	1,038,597
	-	39,675	2,649,576	1,267,001	-	-	10,197,977	1,038,597	15,192,826
Assigned to:									
Finance and Administration	1,411,020	-	-	-	-	-	-	-	1,411,020
Administration of Justice	4,631,010	-	-	-	-	-	-	-	4,631,010
	6,042,030	-	-	-	-	-	-	-	6,042,030
Total fund balances	\$ 6,042,030	\$ 39,675	\$ 2,664,906	\$ 1,267,001	\$ 5,382,352	\$ 4,455,084	\$ 10,197,977	\$ 1,038,597	\$ 31,087,622

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

L. Fund Equity (Continued)

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

	Major Funds			Nonmajor Special Revenue Funds			
	General Purpose Schools	School Construction Capital Projects	School Federal Projects	School General Projects	Central Cafeteria	Internal School Funds	Total
nd balances:							
Nonspendable:							
Inventories	\$ 1,317,704	\$ -	\$ -	\$ 145,830	\$ 601,317	\$ -	\$ 2,064,851
Prepays	741,947	-	55,003	1,930	8,544	-	807,424
	<u>2,059,651</u>	<u>-</u>	<u>55,003</u>	<u>147,760</u>	<u>609,861</u>	<u>-</u>	<u>2,872,275</u>
Restricted for:							
Education	9,167,856 (a)	14,814,671 (b)	-	-	22,041,417 (e)	15,009,223 (g)	61,033,167
Committed to:							
Education	4,861,316 (c)	-	-	1,791,180 (f)	-	-	6,652,496
Assigned to:							
Education	6,413,891 (d)	-	-	-	-	-	6,413,891
Unassigned:	91,329,955	-	(225,229)	-	-	-	91,104,726
Total fund balances	<u>\$ 113,832,669</u>	<u>\$ 14,814,671</u>	<u>\$ (170,226)</u>	<u>\$ 1,938,940</u>	<u>\$ 22,651,278</u>	<u>\$ 15,009,223</u>	<u>\$ 168,076,555</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, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

M. 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 \$1.554 per \$100 of assessed values. Tax collections of \$292,563,357 for fiscal year 2023 were approximately 98.17 percent of the total tax levy.

The 2022 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 2023 fiscal year property tax rate of \$2.12 as approved in the 2023 budget. Subsequent to the adoption of the 2023 budget, the reappraisal of County property values was completed. The property tax rate was adjusted to \$1.554 in line with the revised tax base and was divided between the County and the Board as follows:

	Amount	Percent of Total
<u>Primary Government:</u>		
General Fund	\$ 0.6524	41.98%
Debt Service Fund	0.3552	22.86%
Total - Primary Government	1.0076	64.84%
<u>Component Unit - the Board:</u>		
General Fund - General Purpose School Fund	0.5464	35.16%
Total Tax Levy	\$ 1.5540	100.00%

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

N. 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, 2023, there were 85 PILOT agreements in force with net tax abatements totaling \$4,614,915. With the significant number of abatements in place the County chose to describe herein only those abatements that were greater than \$500,000. During FY 2023, there were no abatements greater than \$500,000. 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.

The tax abatements at June 30, 2023 are all similar in nature incorporating requirements which include renovating buildings for the betterment and welfare of the citizens of the communities where they are located and creating jobs.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

N. Tax Abatements (Continued)

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, 2023, there were 27 TIF agreements in force with net tax abatements totaling \$2,300,030. These abatements are used to make payments on the TIF notes for the benefit of the developers.

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 2023 fiscal year, the joint venture received 91 percent of its operating revenues from the participants in the joint venture. GIS charged the County \$490,872 for the year ended June 30, 2023. 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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE IV. OTHER INFORMATION (Continued)

A. Joint Ventures (Continued)

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 \$11,696,709 to the PBA for development, management, and maintenance of County projects during 2023. 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 15th day of December 2020 and by a resolution duly adopted by the Commission of Knox County, Tennessee on the 21st 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, 2023

NOTE IV. OTHER INFORMATION (Continued)

A. Joint Ventures (Continued)

Condensed financial information for GIS, PBA and the Sports Authority as of June 30, 2023 and for the year then ended, is as follows:

ASSETS	<u>GIS</u>	<u>PBA</u>	<u>Sports Authority</u>
Cash and Cash Equivalents	\$ 1,355,406	\$ 13,667,274	\$ -
Investments	-	-	82,235,299
Receivables	250	1,724,131	9,099,023
Due from Knox County Government	-	-	-
Inventory	-	14,786	-
Prepays	5,295	111,847	-
Capital Assets - Net	979,505	5,662,054	17,517,823
Total Assets	<u>2,340,456</u>	<u>21,180,092</u>	<u>108,852,145</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable and Accrued Liabilities	63,116	2,729,911	613,504
Due To Others	-	3,626,895	-
Customer Deposits	-	25,172	-
Compensated Absences	84,030	776,034	-
Lease Liabilities	693,189	-	-
Unearned Revenue	-	2,092	13,583,461
Long-Term Debt	-	-	71,561,602
Total Liabilities	<u>840,335</u>	<u>7,160,104</u>	<u>85,758,567</u>
Net Position			
Net Investment in Capital Assets	286,316	5,662,054	15,038,545
Restricted	-	-	8,055,033
Unrestricted	1,213,805	8,357,934	-
Total Net Position	<u>\$ 1,500,121</u>	<u>\$ 14,019,988</u>	<u>\$ 23,093,578</u>
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION			
Total Operating Revenues	\$ 1,841,492	\$ 25,473,029	\$ -
Total Operating Expenses	<u>(1,940,870)</u>	<u>(21,716,747)</u>	<u>-</u>
Operating Income (Loss)	(99,378)	3,756,282	-
Non-Operating Revenues	66,985	299,992	182,470
Non-Operating Expenses	(2,128)	(4,521,304)	(1,127,437)
Capital Contributions	-	2,130,000	24,038,545
Increase (Decrease) in Net Position	<u>(34,521)</u>	<u>1,664,970</u>	<u>23,093,578</u>
Net Position, Beginning of Year	1,534,642	12,355,018	-
Net Position, End of Year	<u>\$ 1,500,121</u>	<u>\$ 14,019,988</u>	<u>\$ 23,093,578</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, the County appropriated operating subsidies of \$2,055,155 to the Community Action Committee.

In 2023, 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, 2023, the County appropriated operating subsidies of \$5,562,669 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, 2023

NOTE IV. OTHER INFORMATION (Continued)

C. Risk Management (Continued)

At June 30, 2023, 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 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022
Unpaid Claims - Beginning Balance	\$ 1,967,126	\$ 1,513,000	\$ 21,583,103	\$ 18,492,356
Incurred Claims (Including IBNR's)	29,343,819	28,567,059	(1,269,841)	6,266,887
Claim Payments	(29,524,542)	(28,112,933)	(2,545,866)	(3,176,140)
Unpaid Claims - Ending Balance	<u>\$ 1,786,403</u>	<u>\$ 1,967,126</u>	<u>\$ 17,767,396</u>	<u>\$ 21,583,103</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, 2023, the liabilities were \$2,380,595.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023:

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 2023 was \$612,375 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 2023 was \$1,247,991 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, 2023. 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, 2023

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, 2023
<u>Primary Government:</u>		
Coward Mill Project	\$ 1,971,244	\$ 1,613,330
Cherahala Extension	2,104,829	462,645
Brickyard w/ Beaver Creek	958,162	2,868,602
TDOT Partnerships	1,406,395	575,362
Other Projects	294,085,946	27,791,280
Total - Primary Government	\$ 300,526,576	\$ 33,311,219
 <u>Component Unit - the Board:</u>		
NorthWest Elementary	\$ 25,453,126	\$ 4,249,792
Title IX Solutions	7,196,054	623,171
Serchi Additional Students	687,133	492,887
Adrian Burnett Elementary	21,131,122	1,376,178
Halls High Renovation	2,509,884	134,370
Other Projects	200,227,649	6,032,054
Total - the Board	\$ 257,204,968	\$ 12,908,452

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

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE IV. OTHER INFORMATION (Continued)

F. 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, 2023

NOTE IV. OTHER INFORMATION (Continued)

G. Accounting Pronouncements

The County adopted GASB Statement No. 91, *Conduit Debt Obligations*, required for fiscal periods beginning after December 15, 2021, in fiscal 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement did not have a material effect on the County's financial statements.

The County adopted GASB Statement No. 94, *public-private and public-public partnership arrangements*, required for fiscal periods beginning after June 15, 2022, in fiscal 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement did not have a material effect on the County's financial statements.

The County adopted GASB Statement No. 96, *Subscription-based information technology arrangements (SBITAs)*, required for fiscal periods beginning after June 15, 2022, in fiscal 2023. The objective of this Statement is to improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The County adopted GASB Statement No. 99, *Omnibus 2022*, required for fiscal periods beginning after June 15, 2022, in fiscal 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

OPEB – Retiree Healthcare Plan (Continued)

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 2023 was \$1,075,741 which was 0.98% of covered employee payroll.

Net OPEB Liability – The County’s net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability at June 30, 2023 were as follows:

Total OPEB Liability	\$ 8,365,361
Less: Fiduciary Net Position	<u>(6,623,477)</u>
Net OPEB Liability	<u>\$ 1,741,884</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	<u>79.18%</u>

Actuarial Assumptions – The total OPEB liability as of June 30, 2023, was determined by an actuarial valuation as of June 30, 2023, 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, 2023

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	25 Years
Asset Valuation Method	Market Value
Inflation	2.00%
Healthcare Trend Rates	6.5% 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 heqdcnt-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 2023. Best estimates of arithmetic real rates of return for each major investment classification included in the OPEB target asset allocation as of June 30, 2023 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, 2023 was 7.92%.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 2023 to measure the total OPEB liability was 6.70%. 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 6/30/22	\$ 8,599,042	\$ 5,572,754	\$ -	\$ 3,026,288
Changes for the year:				
Service Cost	381,106	-	-	381,106
Interest	504,622	-	-	504,622
Contributions	-	600,000	475,741	(1,075,741)
Investment Income	-	518,807	-	(518,807)
Changes in Assumptions	(643,668)	-	-	(643,668)
Benefit Payments	(475,741)	(68,084)	(475,741)	68,084
Net Changes	(233,681)	1,050,723	-	(1,284,404)
Balances at 6/30/23	\$ 8,365,361	\$ 6,623,477	\$ -	\$ 1,741,884

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 (5.70%) or 1-percentage-point higher (7.70%) than the current discount rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Net OPEB Liability (asset)	\$ 2,436,677	\$ 1,741,884	\$ 1,119,035

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 (5.50% decreased to 3.50%) or higher (7.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 3.50%)	Healthcare Cost Trend Rates (6.50% decreasing to 4.50%)	1% Increase (7.50% decreasing to 5.50%)
Net OPEB Liability (asset)	<u>\$ 851,277</u>	<u>\$ 1,741,884</u>	<u>\$ 2,785,538</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense of \$83,257. At June 30, 2023, 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	\$ 17,886	\$ 1,421,426
Changes of assumptions	434,960	1,365,955
Net difference between projected and actual earnings on OPEB plan investments	-	99,201
Total	<u>\$ 452,846</u>	<u>\$ 2,886,582</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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,	
2024	(506,598)
2025	(571,231)
2026	(493,667)
2027	(498,645)
2028	(136,376)
Thereafter	(227,219)

Payable to the OPEB Plan – At June 30, 2023, Knox County did not report a payable outstanding. Contributions were paid to the OPEB plan as required for the year ended June 30, 2023.

Comparative Statements of Fiduciary Net Position:

	2023	2022
ASSETS		
Investments, at Fair Value:		
Money Market Funds	\$ 129,274	\$ -
Mutual Funds	6,486,921	3,784,622
Collective Investment Trusts	-	1,384,929
Investments, at Contract Value:		
Guaranteed Investment Contracts	-	404,434
Total Investments	6,616,195	5,573,985
Accrued Income	7,282	-
Total Assets	6,623,477	5,573,985
NET POSITION - RESTRICTED FOR OPEB BENEFITS	\$ 6,623,477	\$ 5,573,985

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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:

	2023	2022
ADDITIONS		
Contributions:		
Employer	\$ 600,000	\$ 666,000
Investment Income (Loss):		
Interest and Dividend Income	132,873	694,354
Net Appreciation (Depreciation) in Fair Value of Investments	384,704	(1,486,735)
Total Investment Income (Loss)	517,577	(792,381)
Total Additions	1,117,577	(126,381)
DEDUCTIONS		
Administrative Expenses	68,085	61,806
CHANGE IN NET POSITION	1,049,492	(188,187)
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	5,573,985	5,762,172
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	\$ 6,623,477	\$ 5,573,985

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Disabled employees currently receiving benefit payments	32
Active employees	<u>4,272</u>
Total	<u>4,304</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, 2023, the ADC was \$430,451, which was 0.23% of covered employee payroll.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023. The components of the net OPEB liability at June 30, 2023 were as follows:

Total OPEB Liability	\$ 3,434,230
Less: Fiduciary Net Position	<u>(2,294,340)</u>
Net OPEB Liability	<u>\$ 1,139,890</u>
 Fiduciary Net Position as a Percentage of Total OPEB Liability	 <u>66.81%</u>

Actuarial Assumptions – Significant actuarial assumptions used in the valuation of the OPEB plan as of January 1, 2023 with a measurement date of June 30, 2023 are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, 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	2.45%
Salary Increases	Effective 1/1/2023: 4.00% for UOPP, STAR, and Closed DB active non-contributing 2.50% for Closed DB active contributing
Investment Rate of Return	6.50% effective 1/1/2023; 7.00% pre-1/1/2023
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 - varies by age and service
Disabled Mortality	Effective 1/1/2023: Pub-2010 Amount-Weighted Non-Safety Mortality Table for Disabled Retirees (Males and Females), fully generational with Scale MP-2021
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
Healthy Mortality	County & Asset Accumulation: Effective 1/1/2023: Pub-2010 Amount-Weighted General Below-Median Mortality Table, fully generational with Scale MP-2021 UOPP & STAR Pre-Retirement: Effective 1/1/2023: Pub-2010 Amount-Weighted Below-Median Mortality Table for Safety Employees, with rates multiplied by 1.5 at each age of Males and no adjustments for Females, fully generational with Scale MP-2021

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 2.45% for fiscal year 2023. Best estimates of arithmetic real rates of return for each major investment classification included in the OPEB target asset allocation as of June 30, 2023 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	22.00%	5.24%
US Equity - Small / Mid Cap	24.00%	6.37%
Non-US Equity - Developed	5.00%	6.07%
Non-US Equity - Emerging	0.00%	8.02%
US Corporate Bonds - Core	25.00%	1.17%
US Corporate Bonds - High Yield	10.00%	2.91%
US Treasuries (Cash Equivalent)	6.00%	-0.44%
TIPS(Inflation - Protected)	0.00%	0.38%
Real Estate	8.00%	4.75%

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, 2023 was 8.02%.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 2023 to measure the total OPEB liability was 6.50%. 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 6/30/22	\$ 3,751,964	\$ 2,931,833	\$ 820,131
Changes for the year:			
Service Cost	251,012	-	251,012
Interest	260,121	-	260,121
Difference between Expected and Actual Experience	113,765	-	113,765
Changes of Assumptions	(358,832)	-	(358,832)
Contributions Employer	-	430,451	(430,451)
Net Investment Income	-	200,156	(200,156)
Benefit Payments	(583,800)	(583,800)	-
Administrative Expenses	-	(711,643)	711,643
Other Changes	-	27,343	(27,343)
Net Changes	(317,734)	(637,493)	319,759
Balances at 6/30/23	\$ 3,434,230	\$ 2,294,340	\$ 1,139,890

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 (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability (asset)	\$ 1,258,117	\$ 1,139,890	\$ 1,025,284

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, the County recognized OPEB expense of \$1,001,796. At June 30, 2023, 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	\$ 236,166	\$ 7,575
Changes of assumptions	225	264,650
Net difference between projected and actual earnings on OPEB plan investments	243,150	-
Total	\$ 479,541	\$ 272,225

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,		
2024	\$	77,214
2025		58,129
2026		76,237
2027		(4,264)

Payable to the OPEB Plan – At June 30, 2023, Knox County did not report a payable outstanding. Contributions were paid to the OPEB plan as required for the year ended June 30, 2023.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 health savings 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, 2022, the following employees of the Board were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	319
Inactive employees entitled to but not yet receiving benefit payments	3
Active employees	<u>4,389</u>
Total	<u>4,711</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 \$2,105,616 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, 2022 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	8.37% for pre-65 in 2022, decreasing annually over a 7 year period to an ultimate rate of 4.50% 8.99% for post-65 in 2022, decreasing annually over an 6 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, 2022 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

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

OPEB – Closed Teacher Group OPEB Plan (Continued)

distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54%. 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 6/30/22	\$ 71,115,771
Changes for the year:	
Service Cost	4,399,112
Interest	1,595,303
Difference Between Expected and Actual Experience	2,371,473
Changes in Assumptions	(7,437,088)
Benefit Payments	(3,334,326)
Net Changes	(2,405,526)
Balances at 6/30/23	\$ 68,710,245
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 24,994,796
Employer's proportionate share of the collective total OPEB liability	\$ 43,715,449
Employer's proportion of the collective total OPEB liability	63.62%

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 (1.84%) from the prior measurement date. The Board recognized \$2,735,793 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for Board retirees.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

OPEB – Closed Teacher Group OPEB Plan (Continued)

Changes in Assumptions – The discount rate was changed from 2.16% as of the beginning of the measurement period to 3.54% as of June 30, 2022. This change in assumption increased the total OPEB liability.

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 (2.54%) or 1-percent-point higher (4.54%) than the current discount rate:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Proportionate Share of Collective total			
OPEB Liability	<u>\$ 46,992,197</u>	<u>\$ 43,715,449</u>	<u>\$ 40,620,905</u>

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:

	<u>1% Decrease (7.37%/7.99% decreasing to 3.50%)</u>	<u>Current Healthcare Cost Trend Rate Assumption (8.37%/8.99% decreasing to 4.50%)</u>	<u>1% Increase (9.37%/9.99% decreasing to 5.50%)</u>
OPEB Liability	<u>\$ 39,150,227</u>	<u>\$ 43,715,449</u>	<u>\$ 49,054,022</u>

OPEB Expense – For the fiscal year ended June 30, 2023, the Board recognized OPEB expense of \$7,014,404.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, 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	\$ 5,351,892	\$ 3,442,394
Changes of assumptions	9,048,033	6,247,451
Changes in proportions	723,567	2,116,886
Employer payments subsequent to the measurement date	2,105,616	-
Total	<u>\$ 17,229,108</u>	<u>\$ 11,806,731</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,	
2024	464,790
2025	464,790
2026	464,790
2027	464,790
2028	478,662
Thereafter	978,939

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, 2023

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, 2022, the following employees of the Board were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	1,189
Inactive employees entitled to but not yet receiving benefit payments	572
Active employees	3,375
Total	5,136

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2022 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, 2022 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 3.54%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds,

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

OPEB - Closed Tennessee Plan (Continued)

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 6/30/22	\$ 15,027,748
Changes for the year:	
Service Cost	358,767
Interest	325,719
Difference Between Expected and Actual Experience	(320,803)
Changes in Assumptions	(2,499,684)
Benefit Payments	(617,126)
Net Changes	(2,753,127)
Balances at 6/30/23	\$ 12,274,621
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 12,274,621
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 \$168,310 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 2.16% as of the beginning of the measurement period to 3.54% as of June 30, 2022. This change in assumption increased the total OPEB liability.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, the Board recognized OPEB expense of \$168,310. 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, 2023, 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	\$ 1,741	\$ 453	\$ 2,887	\$ 83
Disability	1,140	480	272	1,002
	<u>2,881</u>	<u>933</u>	<u>3,159</u>	<u>1,085</u>
Component Unit - The Board:				
Closed Teacher				
Group OPEB Plan	43,715	17,229	11,807	7,014
Closed Tennessee Plan	-	-	-	168
	<u>43,715</u>	<u>17,229</u>	<u>11,807</u>	<u>7,182</u>
Totals	<u>\$ 46,596</u>	<u>\$ 18,162</u>	<u>\$ 14,966</u>	<u>\$ 8,267</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, the MERP had 1,102 members and 777 of them contributed funds to the plan. During the year employer expense and member contributions amounted to \$175,822 and \$393,599 respectively.

At June 30, 2023, the County reported a payable outstanding of \$355.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023

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, 2023

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 55th 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, 2023

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, 2023

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 1/12th 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, 2023

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, 2023, 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	538	275	359
Inactive employees entitled to, but not yet receiving benefits	6	54	-
Active employees	<u>25</u>	<u>342</u>	<u>-</u>
Total	<u>569</u>	<u>671</u>	<u>359</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. For FY 2023, the employer contributions for the County and UOPP DB Plans were approximately 240.16% and 40.47%, respectively, of annual covered payroll. There are no employee contributions for the teachers plan as there are no active employees.

Net Pension Liability

The County, UOPP, and Teacher’s DB Plans’ net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of January 1, 2023.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023 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 Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining Amortization Period	10 Years	28 Years	10 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	6.50%	7.00%	6.75%
Salary Increases	Active Contributing: 2.50%, Active Not-Contributing: 3.00%	3.00%, plus 5% added at retirement	N/A
Cost of Living Increase	3.00%	3.00% (3.15% over age 62)	2.50%
Inflation	2.45%	2.45%	2.45%
Age at Retirement	Probability weighted between age 60 & 75	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: Pub-2010 Amount-Weighted Below-Median Mortality Table for General Employees, fully generational with Scale Mp-2021 Post-Retirement: Base Table: Pub-2010 Amount-Weighted Below Median Mortality table for retirees and contingent annuitants, fully generational with Scale MP-2021	Pre-Retirement: Base Table: Pub-2010 Amount-Weighted Below-Median Mortality Table for Safety Employees, fully generational with Scale Mp-2021 Post-Retirement: Base Table: Pub-2010 Amount-Weighted Below Median Mortality table for safety retirees and annuitants, fully generational with Scale MP-2021	Base Table: Pub-2010 Amount-Weighted Below Median Mortality table for retirees and contingent annuitants. Fully generational Scale MP-2021
Disability Table	Pub-2010 Amount-weighted Disabled Mortality Table, Scale MP-2021	Pub-2010 Amount-weighted Disabled Mortality Table, Scale MP-2021	N/A
Experience Study	January 1, 2012 to December 31, 2021	January 1, 2012 to December 31, 2021	January 1, 2012 to December 31, 2021

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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%	5.24%
US Equity - Small / Mid Cap	12.00%	6.37%
Non-US Equity - Developed	14.00%	6.07%
Non-US Equity - Emerging	4.00%	8.02%
US Corporate Bonds-Core	16.00%	1.17%
US Corporate Bonds-High Yield	5.00%	2.91%
Non-US Debt - Developed	4.00%	0.31%
US Treasuries (Cash Equivalent)	6.00%	-0.44%
Real Estate	4.00%	4.75%
Hedge Funds	14.00%	3.31%

UOPP DB Plan:

Asset Class:	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	21.00%	5.24%
US Equity - Small / Mid Cap	18.00%	6.37%
Non-US Equity - Developed	15.00%	6.07%
Non-US Equity - Emerging	5.00%	8.02%
US Corporate Bonds-Core	13.00%	1.17%
US Corporate Bonds-High Yield	5.00%	2.91%
Non-US Debt - Developed	3.00%	0.31%
US Treasuries (Cash Equivalent)	2.00%	-0.44%
Real Estate	4.00%	4.75%
Hedge Funds	14.00%	3.31%

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

B. Single-Employer Defined Benefit Plans (Continued)

Net Pension Liability (Continued)

Teacher's DB Plan:

Asset Class:	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	21.00%	5.24%
US Equity - Small / Mid Cap	14.00%	6.37%
Non-US Equity - Developed	16.00%	6.07%
Non-US Equity - Emerging	4.00%	8.02%
US Corporate Bonds-Core	12.00%	1.17%
US Corporate Bonds-High Yield	5.00%	2.91%
Non-US Debt - Developed	4.00%	0.31%
US Treasuries (Cash Equivalent)	6.00%	-0.44%
Real Estate	4.00%	4.75%
Hedge Funds	14.00%	3.31%

The assumed inflation rate is 2.45% 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, 2023 were as follows:

Defined Benefit Plans:	2023
County DB Plan	8.02%
UOPP DB Plan	10.05%
Teacher's DB Plan	9.27%

Discount Rate - The discount rate used to measure the total pension liability for the County was 6.50%, Teacher's was 6.75%, 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, 2023

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, 2023, the County DB Plans funded ratio was 55.25% and the UOPP funded ratio was 58.59%. 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, 2023 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 (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)
Balance at June 30, 2022	\$ 62,292	\$ 34,109	\$ 28,183	\$ 309,418	\$ 193,034	\$ 116,384	\$ 59,080	\$ 43,075	\$ 16,005
Changes for the Year:									
Service Cost	111	-	111	2,687	-	2,687	-	-	-
Interest	4,150	-	4,150	21,370	-	21,370	3,914	-	3,914
Difference between Expected and Actual Experience	(1,007)	-	(1,007)	9,622	-	9,622	96	-	96
Change of Assumptions	1,219	-	1,219	23,842	-	23,842	594	-	594
Contribution - Employer	-	3,005	(3,005)	-	8,129	(8,129)	-	1,200	(1,200)
Contribution - Employee	-	70	(70)	-	1,137	(1,137)	-	-	-
Net Investment Income (Loss)	-	2,675	(2,675)	-	19,208	(19,208)	-	3,812	(3,812)
Benefit Payments including Refunds of Employee Contributions	(6,356)	(6,356)	-	(13,877)	(13,877)	-	(6,433)	(6,433)	-
Administrative Expense	-	(114)	114	-	(784)	784	-	(110)	110
Transfers	-	(16)	16	-	-	-	-	-	-
Net Changes	(1,883)	(736)	(1,147)	43,644	13,813	29,831	(1,829)	(1,531)	(298)
Balance at June 30, 2023	\$ 60,409	\$ 33,373	\$ 27,036	\$ 353,062	\$ 206,847	\$ 146,215	\$ 57,251	\$ 41,544	\$ 15,707

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 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 or 1-percentage-point higher than the current rate as of June 30, 2023:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County DB Plan Net Pension Liability	\$ 32,125,473	\$ 27,035,676	\$ 22,638,362
UOPP DB Plan Net Pension Liability	\$ 197,297,292	\$ 146,215,444	\$ 104,608,428
Teacher's DB Plan Net Pension Liability	\$ 19,655,325	\$ 15,707,550	\$ 12,203,499

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, 2023, the County and the Board recognized pension expense of \$2,246,595, \$30,231,928, and \$2,725,516, for the County, UOPP, and Teacher's Plans, respectively. At June 30, 2023, the County, UOPP, and Teacher's Plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	County DB Plan		UOPP DB Plan		Teachers' DB Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 917,026	\$ 23,552,206	\$ -	\$ -	\$ -
Changes of assumptions	872,733	4,782	33,652,481	1,596,296	-	-
Net difference between projected and actual earnings on pension plan investments	2,196,605	-	9,584,248	-	2,218,233	-
Total	\$ 3,069,338	\$ 921,808	\$ 66,788,935	\$ 1,596,296	\$ 2,218,233	\$ -

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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>
2024	\$ 605,088	\$ 18,878,636	\$ 660,881
2025	256,946	15,677,900	(36,087)
2026	1,366,353	21,797,544	1,781,077
2027	(80,857)	7,366,912	(187,638)
2028	-	1,471,647	-
Total	<u>\$ 2,147,530</u>	<u>\$ 65,192,639</u>	<u>\$ 2,218,233</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, 2023.

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
June 30, 2023

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, 2023

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 2nd 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>7</u>
Total	<u><u>13</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, 2023, employer contributions made by Knox County were \$31,221 based on a rate of 2.41% 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, 2023

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, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Reporting Date	June 30, 2023
Measurement Date	June 30, 2022
Actuarial Valuation Date	June 30, 2022
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-2021 (generational projection)

The actuarial assumptions used in the June 30, 2022 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, 2023

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, 2023

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, 2021	\$ 3,307,655	\$ 4,179,294	\$ (871,639)
Changes for the Year:			
Service Cost	84,010	-	84,010
Interest	224,953	-	224,953
Differences between expected and actual experience	248,118	-	248,118
Contributions - Employer	-	114,213	(114,213)
Contributions - Employees	-	61,804	(61,804)
Net Investment Income	-	(160,980)	160,980
Benefit Payments, including refunds of employee contributions	(118,064)	(118,064)	-
Administrative Expense	-	(691)	691
Net Change	439,017	(103,718)	542,735
Balance at June 30, 2022	\$ 3,746,672	\$ 4,075,576	\$ (328,904)

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)	\$ 101,345	\$ (328,904)

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, Knox County recognized pension expense of \$43,155.

Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2023, 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
Difference between Expected and Actual Experience	\$ 166,080	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	16,412	-
Changes in Assumptions	21,391	-
Contributions Subsequent to the Measurement date of June 30, 2022	31,221	-
Total	\$ 235,104	\$ -

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” 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, 2023

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
2024	84,536
2025	63,564
2026	(33,220)
2027	89,003

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, 2023, Knox County did not report a payable outstanding. Contributions were paid to the pension plan as required for the year ended June 30, 2023.

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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 2nd 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, 2023

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, 2023 to the Teacher Legacy Pension Plan were \$17,364,440 which is 8.69% 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, 2023, there were 2,850 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, 2023, the Board reported an asset of (\$74,747,443) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, 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, 2022, the Board's proportion was 6.09%. The proportion measured as of June 30, 2021 was 6.01%.

Pension Expense (Income)- For the year ended June 30, 2023, the Board recognized pension expense of \$654,163.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, 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	\$ 12,295,677	\$ 12,630,048
Changes in Assumptions	46,825,673	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,278,146	-
Changes in Proportion of Net Pension Liability (Asset)	339,286	1,504,992
Board's Contributions Subsequent to the Measurement date of June 30, 2022	17,364,440	-
Total	\$ 78,103,222	\$ 14,135,040

The Board's employer contributions of \$17,364,440 reported as pension related deferred outflows of resources subsequent to the measurement date of June 30, 2022, will be recognized as an (increase) of net pension (asset) in the year ended June 30, 2024. 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
2024	6,938,535
2025	13,613,397
2026	(13,399,830)
2027	39,451,640

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, 2023

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, 2022 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-2021

The actuarial assumptions used in the June 30, 2022 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, 2023

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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Knox County Schools' Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 148,048,924</u>	<u>\$ (74,747,443)</u>	<u>\$ (260,322,019)</u>

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, 2023, the Board reported a payable of \$1,443,781 for the outstanding amount of contributions to the pension plan required during the year ended June 30, 2023.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023

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 2nd 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, 2023 to the Teacher Retirement Plan were \$3,966,179, which is 2.87% 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, 2023

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 2023, employer contributions to the SRT were \$1,475,634. 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, 2023, there were 2,942 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, 2023, the Board reported an asset of (\$1,896,143) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, 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, 2022, the Board's proportion was 6.26%. The proportion measured as of June 30, 2021 was 6.45%.

Pension Expense (Income) – For the year ended June 30, 2023, the Board recognized pension expense of \$2,695,624.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023, 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	\$ 103,681	\$ 1,152,028
Changes in Assumptions	2,221,238	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	597,673	-
Changes in Proportion of Net Pension Liability (Asset)	540,882	391,236
Board's Contributions Subsequent to the Measurement date of June 30, 2022	3,966,179	-
Total	\$ 7,429,653	\$ 1,543,264

The Board's employer contributions of \$3,966,179 reported as pension related deferred outflows of resources, subsequent to the measurement date of June 30, 2022, will be recognized as an increase of net pension (asset) in the year ended June 30, 2024. 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
2024	59,408
2025	65,495
2026	(32,717)
2027	1,008,289
2028	125,701
Thereafter	694,034

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, 2023

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, 2022 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-2021

The actuarial assumptions used in the June 30, 2022 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, 2023

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, 2023

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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Knox County Schools' Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 9,953,653</u>	<u>\$ (1,896,143)</u>	<u>\$ (10,550,141)</u>

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, 2023, the Board reported a payable of \$337,433 for outstanding contributions to the pension plan required during the year ended June 30, 2023.

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, 2023

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, 2023 was as follows:

(dollar amounts in thousands)

Defined Benefit Plan	Governmental Activities			
	Net Pension Liability (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Primary Government - The County:				
County DB	\$ 27,036	\$ 3,069	\$ 922	\$ 2,247
UOPP DB	146,216	66,789	1,596	30,232
TCRS - County Executive & Officials	(329)	235	-	(43)
	<u>172,923</u>	<u>70,093</u>	<u>2,518</u>	<u>32,436</u>
Component Unit - The Board:				
Teacher's DB	15,707	2,218	-	2,726
TCRS - Teacher's Legacy	(74,747)	78,103	14,135	(654)
TCRS - Teacher Retirement	(1,896)	7,430	1,543	2,696
	<u>(60,936)</u>	<u>87,751</u>	<u>15,678</u>	<u>4,768</u>
Totals	<u>\$ 111,987</u>	<u>\$ 157,844</u>	<u>\$ 18,196</u>	<u>\$ 37,204</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, 2023

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. After July 1, 2022, newly fired or rehired Board employees are no longer eligible to participate in the Plan. 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, 2023, there were 4,201 active Plan members. During the year, the County's and Board's employer expense and member contributions amounted to \$9,843,634 and \$10,494,435 respectively.

At June 30, 2023, neither the County nor the Board reported a payable for employer contributions or participant contributions.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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. After July 1, 2022, newly fired or rehired Board employees are no longer eligible to participate in the Plan. 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, 2023, there were 848 active Plan members in the Knox County Voluntary 457(b) Plan. During the year, member contributions amounted to \$3,137,164 and the County and Board made employer contribution of \$2,009,798.

At June 30, 2023, neither the County nor the Board reported a payable for employer contributions or participant contributions.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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 6% base contribution. Prior to July 1, 2012, The County contributed a 10% employer base contribution and a 2% employer supplemental contribution. Vesting by the officer is 10 year cliff vesting on the employer base contribution and 15 year cliff vesting on the employer supplemental contribution. Employees have the responsibility of investing their contribution plus the employer base contribution from an array of investment options. The Pension Board manages the investment of the of the employer supplemental contributions.

At June 30, 2023, the STAR Plan had 359 active members. During the year employees contributed \$945,976 and the employer contributed \$274,620 after the use of forfeitures.

At June 30, 2023, the County did not report a payable for participant contributions nor employer contributions.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2023

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, 2023 there were 104 active participants. During the year participant contributions amounted to \$790,986.

At June 30, 2023, 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, 2023 there were 2,942 active participants. During the year the Board employer contribution expense and participant contributions amounted to \$6,904,061 and \$3,570,343, respectively.

At June 30, 2023, the Board did not report a payable for participant contributions nor employer contributions.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2023

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 Nine Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total Pension Liability									
Service Cost	\$ 111	\$ 127	\$ 146	\$ 174	\$ 195	\$ 135	\$ 162	\$ 176	\$ 164
Interest	4,150	4,325	4,569	4,758	4,683	4,756	4,982	5,149	5,126
Differences between Expected and Actual Experience	(1,007)	(695)	(1,362)	(640)	(430)	906	(851)	(225)	447
Changes of Assumptions	1,219	287	(124)	(117)	3,768	452	-	-	2,214
Benefits Payment, including Refunds of Employee Contributions	(6,356)	(6,704)	(6,680)	(7,007)	(7,249)	(7,445)	(7,539)	(7,425)	(7,817)
Net Change in Total Pension Liability	(1,883)	(2,660)	(3,451)	(2,832)	967	(1,196)	(3,246)	(2,325)	134
Total Pension Liability - Beginning of Year *	62,292	64,952	68,403	71,235	70,268	71,464	74,710	77,035	76,901
Total Pension Liability - End of Year (a)	\$ 60,409	\$ 62,292	\$ 64,952	\$ 68,403	\$ 71,235	\$ 70,268	\$ 71,464	\$ 74,710	\$ 77,035
Plan Fiduciary Net Position									
Contributions - Employer	\$ 3,005	\$ 3,220	\$ 3,536	\$ 3,623	\$ 3,160	\$ 3,044	\$ 3,119	\$ 3,160	\$ 2,695
Contributions - Employees	70	70	69	76	86	90	96	94	109
Net Investment Income (Loss)	2,675	(4,413)	8,325	115	2,308	3,654	4,970	(419)	1,288
Other	-	-	-	-	-	-	-	-	6
Benefits Paid, including Refunds of Employee Contributions	(6,356)	(6,704)	(6,680)	(7,007)	(7,249)	(7,445)	(7,539)	(7,425)	(7,817)
Administrative Expenses	(114)	(114)	(134)	(161)	(138)	(219)	(187)	(229)	(355)
Transfers	(16)	(18)	(17)	(23)	339	(28)	(35)	(39)	(45)
Net Change in Plan Fiduciary Net Position	(736)	(7,959)	5,099	(3,377)	(1,494)	(904)	424	(4,858)	(4,119)
Plan Fiduciary Net Position, Beginning of Year	34,109	42,068	36,969	40,346	41,840	42,744	42,320	47,178	51,297
Plan Fiduciary Net Position, End of Year (b)	\$ 33,373	\$ 34,109	\$ 42,068	\$ 36,969	\$ 40,346	\$ 41,840	\$ 42,744	\$ 42,320	\$ 47,178
County's Net Pension Liability - Ending (a)-(b)	\$ 27,036	\$ 28,183	\$ 22,884	\$ 31,434	\$ 30,889	\$ 28,428	\$ 28,720	\$ 32,390	\$ 29,857
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.25%	54.76%	64.77%	54.05%	56.64%	59.54%	59.81%	56.65%	61.24%
Covered Payroll **	\$ 1,203	\$ 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	2246.37%	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, 2023

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 Nine Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

<u>Single-Employer Defined Benefit Plan</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total Pension Liability									
Service Cost	\$ 2,687	\$ 2,648	\$ 2,704	\$ 2,802	\$ 2,527	\$ 2,779	\$ 3,163	\$ 3,387	\$ 3,605
Interest	21,370	20,402	19,248	17,970	15,775	14,445	13,252	12,354	11,498
Differences between Expected and Actual Experience	9,622	3,614	5,997	8,497	3,659	6,769	11,652	1,812	2,569
Changes of Assumptions	23,842	10,541	338	(115)	18,458	(3,184)	(2,659)	1,900	-
Benefits Payment, including Refunds of Employee Contributions	(13,877)	(12,865)	(11,782)	(11,106)	(9,747)	(8,916)	(7,089)	(5,723)	(4,757)
Net Change in Total Pension Liability	43,644	24,340	16,505	18,048	30,672	11,893	18,319	13,730	12,915
Total Pension Liability - Beginning of Year *	309,419	285,079	268,574	250,526	219,854	207,961	189,642	175,912	162,997
Total Pension Liability - End of Year (a)	<u>\$ 353,063</u>	<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	\$ 8,129	\$ 7,480	\$ 7,471	\$ 6,947	\$ 5,683	\$ 5,330	\$ 4,077	\$ 3,553	\$ 3,449
Contributions - Employees	1,137	1,269	1,158	1,249	1,306	1,351	1,579	1,620	1,654
Net Investment Income (Loss)	19,208	(28,418)	51,507	(1,661)	8,030	13,611	19,443	(214)	3,493
Benefits Paid, including Refunds of Employee Contributions	(13,877)	(12,865)	(11,782)	(11,106)	(9,747)	(8,916)	(7,089)	(5,723)	(4,757)
Administrative Expenses	(784)	(643)	(850)	(1,033)	(676)	(443)	(410)	(439)	(788)
Other	-	(10)							
Net Change in Plan Fiduciary Net Position	13,813	(33,187)	47,504	(5,604)	4,596	10,933	17,600	(1,203)	3,051
Plan Fiduciary Net Position, Beginning of Year	193,034	226,221	178,717	184,321	179,725	168,792	151,192	152,395	149,344
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 206,847</u>	<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>\$ 146,216</u>	<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	58.59%	62.39%	79.35%	66.54%	73.57%	81.75%	81.17%	79.72%	86.63%
Covered Payroll **	\$ 20,192	\$ 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	724.11%	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, 2023

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 Nine Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

<u>Single-Employer Defined Benefit Plans</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total Pension Liability									
Interest	\$ 3,914	\$ 3,981	\$ 4,170	\$ 4,322	\$ 4,404	\$ 4,532	\$ 4,719	\$ 4,906	\$ 5,073
Differences between Expected and Actual Experience	96	1,164	(334)	117	(862)	(690)	(775)	(937)	(821)
Changes of Assumptions	594	362	(74)	(108)	1,809	891	-	-	-
Benefits Payment, including Refunds of Employee Contributions	(6,433)	(6,478)	(6,460)	(6,528)	(6,532)	(6,587)	(6,633)	(6,655)	(6,617)
Net Change in Total Pension Liability	(1,829)	(971)	(2,698)	(2,197)	(1,181)	(1,854)	(2,689)	(2,686)	(2,365)
Total Pension Liability - Beginning of Year *	59,080	60,051	62,749	64,946	66,127	67,981	70,670	73,356	75,721
Total Pension Liability - End of Year (a)	<u>\$ 57,251</u>	<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	\$ 1,200	\$ 754	\$ 475	\$ 552	\$ 727	\$ 832	\$ 1,134
Contributions - Employees	-	-	-	-	-	-	1	4	9
Net Investment Income (Loss)	3,812	(6,163)	12,283	87	2,670	4,813	6,814	(437)	1,733
Benefits Paid, including Refunds of Employee Contributions	(6,433)	(6,478)	(6,460)	(6,527)	(6,534)	(6,587)	(6,633)	(6,655)	(6,617)
Administrative Expenses	(110)	(92)	(128)	(161)	(106)	(168)	(172)	(122)	(274)
Transfers to Other DC Plans for Disability Benefits	-	-	-	-	(339)	-	-	-	-
Net Change in Plan Fiduciary Net Position	(1,531)	(11,533)	6,895	(5,847)	(3,834)	(1,390)	737	(6,378)	(4,015)
Plan Fiduciary Net Position, Beginning of Year	43,075	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>\$ 41,544</u>	<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>\$ 15,707</u>	<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	72.56%	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	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 6.75% 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, 2023

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 Nine Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 3,005	\$ 3,220	\$ 3,533	\$ 3,611	\$ 3,153	\$ 2,956	\$ 3,119	\$ 3,111	\$ 2,660
Contributions in Relation to the Actuarially Determined Contribution	<u>3,005</u>	<u>3,220</u>	<u>3,536</u>	<u>3,623</u>	<u>3,160</u>	<u>3,044</u>	<u>3,119</u>	<u>3,160</u>	<u>2,695</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (12)</u>	<u>\$ (7)</u>	<u>\$ (88)</u>	<u>\$ -</u>	<u>\$ (49)</u>	<u>\$ (35)</u>
Covered Payroll *	\$ 1,251	\$ 1,160	\$ 1,256	\$ 1,477	\$ 1,585	\$ 1,672	\$ 1,953	\$ 2,038	\$ 2,407
Contributions as a Percentage of Covered Payroll	240.16%	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 Dollar, 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	6.50% effective 1/1/2023, 7.0% pre-1/1/2023
Retirement Age	Effective 1/1/2023, rates varying by age and participant type (contributing vs. non-contributing) Pre - 1/1/2023, age 65 and 5 years of service
Mortality Table	Pre-retirement: Effective 1/1/2023: Pub-2010 Amount-Weighted Below-Median Mortality Table for General Employees. Fully generational with Scale MP-2021. Pre-1/1/2023: SOA RP-2014 Total Dataset Mortality Table. Fully Generational with Scale MP-2021
	Post-retirement: Effective 1/1/2023: Pub-2010 Amount-Weighted Below-Median Mortality Table for retirees and contingent annuitants, fully generational with Scale MP-2021. Pre-1/1/2023: SOA RP-2014 Blue Collar table with 102% adjustment
	for Males and 97% adjustment for Females, projected with MP-2021, 6 years beyond each valuation date
Disability Table	Effective 1/1/2023, Pub-2010 Amount-Weighted Disabled Mortality Table, Scale MP-2021
	Pre-1/1/2023: 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, 2023

KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM
PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE
SCHEDULE OF COUNTY'S UOPP
EMPLOYER PENSION CONTRIBUTIONS

Last Nine Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 8,129	\$ 7,481	\$ 7,356	\$ 6,942	\$ 5,675	\$ 5,298	\$ 4,077	\$ 3,547	\$ 3,434
Contributions in Relation to the Actuarially Determined Contribution	8,129	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 *	\$ 20,088	\$ 21,152	\$ 20,738	\$ 22,732	\$ 23,063	\$ 24,457	\$ 27,469	\$ 29,171	\$ 30,343
Contributions as a Percentage of Covered Payroll	40.47%	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 Dollar, closed
Remaining Amortization Period	29 Years as of 1/1/2022
Asset Valuation Method	5-year smoothed, subject to a 20% corridor around the fair value of assets
Salary Increases	Effective 1/1/2023: 3.00% - In order to reflect increased earnings in the year of retirement, 5% increase is assumed to each participant's accrued benefit at retirement.
Cost of Living Increases	Effective 1/1/2023: 3.00% through age 62 and then to 3.15% over age 62. Pre-1/1/2023: 3.00% through age 62 and then to 3.10% over age 62
Investment Rate of Return	7.00%
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	Effective 1/1/2023: Pub-2010 Amount-Weighted General Below Median Mortality Table with Adjustment, fully generational with Scale MP-2021. Pre-1/1/2023: Base Table: RP-2014 Blue Collar Table with 140% adjustment for Males and Females projected with Scale MP-2021, 6 years beyond each Valuation Date.
Disability Table	Effective 1/1/2023: Pub-2010 Amount-Weighted Disabled Mortality Table Pre-1/1/2023: 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, 2023

KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM
PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE
SCHEDULE OF BOARD'S EMPLOYER PENSION CONTRIBUTIONS

Last Nine Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 445	\$ 563	\$ 820	\$ 754	\$ 475	\$ 552	\$ 727	\$ 832	\$ 1,134
Contributions in Relation to the Actuarially Determined Contribution	1,200	1,200	1,200	754	475	552	727	832	1,134
Contribution Deficiency (Excess)	<u>\$ (755)</u>	<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	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 Dollar, 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	2.5% effective 1/1/2019
Investment Rate of Return	6.75% effective 1/1/2023, 7.00% pre-1/1/2023
Retirement Age	N/A for 2015+
Mortality Table	Effective 1/1/2023: Pub-2010 Amount-Weighted Below Median Mortality Table for retirees and contingent annuitants, fully generational with Scale MP-2021 Pre-1/1/2023: RP-2014 Blue Collar Table with 102% adjustment for Males and 97% adjustment for Females (Scale MP-2021) Projection 6 yrs beyond each valuation date
Disabled Mortality:	N/A

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2023

KNOX COUNTY RETIREMENT AND PENSION BOARD AND SYSTEM
PENSION TRUST FUNDS OF KNOX COUNTY, TENNESSEE
CLOSED DEFINED BENEFIT PLAN
SCHEDULE OF INVESTMENT RETURNS

Last Nine Fiscal Years Ending June 30

Single-Employer Defined Benefit Plans	<u>2023</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>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>8.02%</u>	<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 Nine Fiscal Years Ending June 30

Single-Employer Defined Benefit Plans	<u>2023</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>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>10.05%</u>	<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 Nine Fiscal Years Ending June 30

Single-Employer Defined Benefit Plans	<u>2023</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>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>9.27%</u>	<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, 2023

**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 Nine Fiscal Years Ending June 30*

Agent Multiple-Employer Defined Benefit Plan - TCRS	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Total Pension Liability									
Service Cost	\$ 84,010	\$ 39,827	\$ 38,528	\$ 50,511	\$ 54,971	\$ 34,497	\$ 45,891	\$ 38,325	\$ 52,980
Interest	224,953	222,574	206,145	194,228	201,571	170,637	157,436	142,449	134,723
Differences between Expected and Actual Experience	248,118	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	(118,064)	(102,162)	(98,359)	(84,001)	(82,602)	(81,204)	(80,538)	(79,872)	(78,871)
Net Change in Total Pension Liability	439,017	226,414	227,211	183,531	(96,116)	485,355	187,733	192,594	118,177
Total Pension Liability - Beginning of Year	3,307,655	3,081,241	2,854,030	2,670,499	2,766,615	2,281,260	2,093,527	1,900,933	1,782,756
Total Pension Liability - End of Year (a)	\$3,746,672	\$3,307,655	\$3,081,241	\$2,854,030	\$2,670,499	\$2,766,615	\$2,281,260	\$2,093,527	\$1,900,933
Plan Fiduciary Net Position									
Contributions - Employer	\$ 114,213	\$ 111,107	\$ 108,511	\$ 131,794	\$ 130,224	\$ 121,769	\$ 105,298	\$ 102,177	\$ 90,961
Contributions - Employees	61,804	60,319	58,909	57,754	57,166	56,063	48,435	47,000	42,505
Net Investment Income	(160,980)	850,000	152,472	207,018	205,080	241,276	52,836	57,404	256,275
Benefits Paid, including Refunds of Employee Contributions	(118,064)	(102,162)	(98,359)	(84,001)	(82,602)	(81,204)	(80,538)	(79,872)	(78,871)
Administrative Expenses	(691)	(626)	(620)	(642)	(665)	(581)	(454)	(305)	(313)
Net Change in Plan Fiduciary Net Position	(103,718)	918,638	220,913	311,923	309,203	337,323	125,577	126,404	310,557
Plan Fiduciary Net Position, Beginning of Year	4,179,294	3,260,656	3,039,743	2,727,820	2,418,617	2,081,294	1,955,717	1,829,313	1,518,756
Plan Fiduciary Net Position, End of Year (b)	\$4,075,576	\$4,179,294	\$3,260,656	\$3,039,743	\$2,727,820	\$2,418,617	\$2,081,294	\$1,955,717	\$1,829,313
Net Pension Liability (asset) - Ending (a)-(b)	\$ (328,904)	\$ (871,639)	\$ (179,415)	\$ (185,713)	\$ (57,321)	\$ 347,998	\$ 199,966	\$ 137,810	\$ 71,620
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.78%	126.35%	105.82%	106.51%	102.15%	87.42%	91.23%	93.42%	96.23%
Covered Payroll	\$1,236,074	\$1,206,371	\$1,178,188	\$1,155,077	\$1,143,319	\$1,121,264	\$ 968,701	\$ 939,994	\$ 850,101
Net Pension Liability (asset) as a Percentage of Covered Payroll	-26.61%	-72.25%	-15.23%	-16.08%	-5.01%	31.04%	20.64%	14.66%	8.42%

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, 2023

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 Ten Fiscal Years Ending June 30

<u>Agent Multiple-Employer Defined Benefit Plan - TCRS</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 31,221	\$ 114,213	\$ 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>31,221</u>	<u>114,213</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>	<u>\$ -</u>
Covered Payroll	\$1,161,816	\$1,236,074	\$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	2.69%	9.24%	9.21%	9.21%	11.41%	11.39%	10.86%	10.87%	10.87%	10.70%

Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2023 were based on the results of the June 30, 2021 actuarial valuation. Details below are the methods and assumptions used in the June 30, 2021 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	2.25%
Salary Increases	Graded salary ranges from 8.72 to 3.44% based on age, including inflation, averaging 4.0%
Investment Rate of Return	6.75%, 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-2020 (static projection to 6 years beyond the valuation date)
Cost of Living Adjustments	2.125%, if provided

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2023

SCHEDULE OF KNOX COUNTY SCHOOLS'
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS

Last Nine Fiscal Years Ending June 30*

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2023*</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)	6.09%	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)	\$ (74,747,443)	\$ (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	\$ 200,671,687	\$ 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	(37.25%)	(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	104.42%	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, 2023

SCHEDULE OF KNOX COUNTY SCHOOLS' EMPLOYER CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS

Last Ten Fiscal Years Ending June 30

Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS	2023	2022(A)	2021	2020	2019	2018 (B)	2017	2016	2015	2014
Contractually Required Contribution	\$ 17,364,440	\$ 20,659,472	\$ 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	17,364,440	20,659,472	20,245,288	21,374,430	19,342,206	21,984,186	19,490,507	20,262,260	21,188,757	21,792,648
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Knox County School's Covered Payroll	\$ 199,821,432	\$ 200,671,687	\$ 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	8.69%	10.30%	10.27%	10.65%	10.46%	9.08%	9.00%	9.04%	9.04%	8.88%

Notes:

(A) Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2023 were calculated based on the June 30, 2021 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, 2023

SCHEDULE OF KNOX COUNTY SCHOOLS'
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS

Last Eight Fiscal Year Ending June 30*

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2023*</u>	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Knox County School's Proportion of the Net Pension Liability (Asset)	6.26%	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)	\$ (1,896,143)	\$ (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	\$108,147,609	\$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	-1.75%	-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	104.55%	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 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, 2023

SCHEDULE OF KNOX COUNTY SCHOOLS' EMPLOYER CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS

Last Nine Fiscal Years Ending June 30

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 (A)</u>	<u>2018 (B)</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
Contractually Required Contribution	\$ 3,966,179	\$ 2,148,542	\$ 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>3,966,179</u>	<u>2,148,542</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>\$ -</u>	<u>\$ (423,208)</u>	<u>\$ (217,296)</u>
Knox County School's Covered Payroll	\$138,197,294	\$108,147,609	\$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	2.87%	1.99%	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	1.13%	2.01%	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, 2023

OPEB - RETIREE HEALTHCARE PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS

Last Six Fiscal Years

(Dollar Amounts in Thousands)

OPEB - Retiree Healthcare Plan	2023	2022	2021	2020	2019	2018 (A)
Total OPEB Liability						
Service Cost	\$ 381	\$ 372	\$ 390	\$ 350	\$ 470	\$ 394
Interest	505	479	504	485	647	615
Differences between Expected and Actual Experience	-	(747)	-	(1,764)	-	77
Changes of Assumptions	(644)	73	269	(1,371)	(361)	923
Benefits Payment, including Refunds of Employee Contributions	(476)	(359)	(374)	(290)	(395)	(359)
Net Change in Total OPEB Liability	(234)	(182)	789	(2,590)	361	1,650
Total OPEB Liability - Beginning of Year	8,599	8,781	7,992	10,582	10,221	8,571
Total OPEB Liability - End of Year (a)	<u>\$ 8,365</u>	<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	\$ 601	\$ 666	\$ 524	\$ 960	\$ 960	\$ 850
Contributions - Employer Non Trust	476	359	374	290	395	359
Benefit Payments	(476)	(359)	(374)	(290)	(395)	(359)
Net Investment Income	518	(792)	1,192	60	65	106
Administrative Expense	(68)	(63)	(67)	(52)	(59)	(49)
Net Change in Plan Fiduciary Net Position	1,051	(189)	1,649	968	966	907
Plan Fiduciary Net Position, Beginning of Year*	5,573	5,762	4,113	3,145	2,179	1,272
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 6,624</u>	<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>\$ 1,741</u>	<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	79.19%	64.81%	65.62%	51.47%	29.72%	21.32%
Covered Employee Payroll **	\$ 110,276	\$ 106,547	\$ 114,623	\$ 110,747	\$ 105,467	\$ 101,900
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	1.58%	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.

Assumption Changes: A discount rate of 6.70% was for the fiscal year ending June 30, 2023.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2023

OPEB - RETIREE HEALTHCARE PLAN
SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS

Last Six Fiscal Years

(Dollar Amounts in Thousands)

<u>OPEB - Retiree Healthcare Plan</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Actuarially Determined Contribution (ADC)	\$ 597	\$ 531	\$ 648	\$ 674	\$ 960	\$ 874
Contributions in Relation to the Actuarially Determined Contribution	<u>1,076</u>	<u>1,025</u>	<u>898</u>	<u>1,250</u>	<u>1,355</u>	<u>1,209</u>
Contribution Deficiency (Excess)	<u>\$ (479)</u>	<u>\$ (494)</u>	<u>\$ (250)</u>	<u>\$ (576)</u>	<u>\$ (395)</u>	<u>\$ (335)</u>
Covered Employee Payroll*	\$ 110,276	\$ 106,547	\$ 114,623	\$ 110,747	\$ 105,467	\$ 101,900
Contributions as a Percentage of Covered Employee Payroll	0.98%	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, 2023

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	25 Years
Asset Valuation	Fair Value
Inflation	2.00%
Healthcare Trend Rates	6.5% 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, 2023

OPEB - RETIREE HEALTHCARE PLAN
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN

Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018(A)
Annual Money-Weighted Rate of Return (Loss),						
Net of Investment Expenses	7.92%	-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, 2023

OPEB - DISABILITY PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS

Last Six Fiscal Years

(Dollar Amounts in Thousands)

OPEB - Disability Plan	2023	2022	2021	2020	2019	2018 (A)
Total OPEB Liability						
Service Cost	\$ 251	\$ 247	\$ 240	\$ 238	\$ 230	\$ 315
Interest	260	243	243	265	252	209
Differences between Expected and Actual Experience	114	317	(32)	(420)	(36)	1,053
Changes of Assumptions	(359)	-	2	(3)	24	(618)
Benefits Payment, including Refunds of Employee Contributions	(584)	(545)	(406)	(328)	(281)	(247)
Net Change in Total OPEB Liability	(318)	262	47	(248)	189	712
Total OPEB Liability - Beginning of Year	3,752	3,490	3,443	3,691	3,502	2,790
Total OPEB Liability - End of Year (a)	<u>\$ 3,434</u>	<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	\$ 430	\$ 3,126	\$ 1,199	\$ 1,228	\$ 1,422	\$ 1,166
Net Investment Income	200	(476)	474	11	(13)	165
Other	27	-	(14)	(11)	(41)	(13)
Benefit Payments	(584)	(545)	(406)	(328)	(281)	(247)
Administrative Expense	(711)	(931)	(606)	(960)	(907)	(1,351)
Net Change in Plan Fiduciary Net Position	(638)	1,174	647	(60)	180	(280)
Plan Fiduciary Net Position, Beginning of Year*	2,932	1,758	1,111	1,171	991	1,271
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 2,294</u>	<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>\$ 1,140</u>	<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	66.80%	78.14%	50.37%	32.27%	31.73%	28.30%
Covered Employee Payroll **	\$ 192,174	\$ 189,451	\$ 183,771	\$ 181,072	\$ 178,757	\$ 170,264
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	0.59%	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, 2023

OPEB - DISABILITY PLAN
SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS

Last Six Fiscal Years
(Dollar Amounts in Thousands)

OPEB - Disability Plan	2023	2022	2021	2020	2019	2018 (A)
Actuarially Determined Contribution (ADC)	\$ 430	\$ 528	\$ 556	\$ 579	\$ 503	\$ 453
Contributions in Relation to the Actuarially Determined Contribution	430	3,082	1,199	1,228	1,422	1,166
Contribution Deficiency (Excess)	\$ -	\$ (2,554)	\$ (643)	\$ (649)	\$ (919)	\$ (713)
Covered Employee Payroll*	\$ 189,451	\$ 183,771	\$ 181,072	\$ 178,757	\$ 170,264	\$ 162,813
Contributions as a Percentage of Covered Employee Payroll	0.23%	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, 2023

Measurement Date: June 30, 2023

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 Dollar, 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	2.45%
Salary	Effective 1/1/2023: 4.0% for UOPP, STAR, and Closed DB active non-contributing, 2.50% for Closed DB active contributing
Cost of Living Increase	Pre-1/1/2023: 3.0% for UOPP, STAR, and Closed DB active non-contributing 2.5% for Closed DB active contributing
Investment Rate of Return	None
Retirement Age	6.5% effective 1/1/2023; 7.00% pre-1/1/2023
	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	Effective 1/1/2023: Pub-2010 Amount-Weighted Non-Safety Mortality Table for Disabled Retirees (Males and Females), fully generational with Scale MP-2021
	Pre-1/1/2023: 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:
	Effective 1/1/2023: Pub-2010 Amount-Weighted General Below-Median Mortality Table, fully generational with Scale MP-2021
	Pre-1/1/2023: Base Table: SOA RP 2014 Total Dataset Mortality Table, fully generational with Scale MP-2021
	UOPP & STAR Pre-Retirement:
	Effective 1/1/2023: Pub-2010 Amount-Weighted Below-Median Mortality Table for Safety Employees, with rates multiplied by 1.5 at each age of Males and no adjustments for Females, fully generational with Scale MP-2021
	Pre-1/1/2023: SOA RP 2014 Blue Collar Mortality Table, Adjusted to 2006
	fully generational with Scale MP-2021

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2023

OPEB - DISABILITY PLAN
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN

Last Six Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018(A)</u>
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expenses	<u>8.02%</u>	<u>-16.57%</u>	<u>29.16%</u>	<u>0.87%</u>	<u>0.15%</u>	<u>11.89%</u>

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, 2023

OPEB - CLOSED TEACHER GROUP OPEB PLAN
SCHEDULE OF CHANGES IN THE BOARD'S PROPORTIONATE SHARE OF COLLECTIVE
OPEB LIABILITY AND RELATED RATIOS

Last Six Fiscal Years

(Dollar Amounts in Thousands)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 4,399	\$ 3,186	\$ 2,541	\$ 2,632	\$ 2,949	\$ 3,172
Interest	1,595	1,330	1,626	1,630	1,838	1,538
Differences between Expected and Actual Experience	2,371	(433)	6,018	3,746	(9,298)	-
Changes of Assumptions	(7,437)	11,800	6,205	(3,686)	1,405	(2,376)
Benefit Payments	(3,334)	(3,521)	(2,818)	(3,065)	(3,277)	(3,078)
Net Change in Total OPEB Liability	(2,406)	12,362	13,572	1,257	(6,383)	(744)
Total OPEB Liability - Beginning	71,116	58,754	45,182	43,925	50,308	51,052
Total OPEB Liability - Ending	<u>\$ 68,710</u>	<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>\$ 24,995</u>	<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>\$ 43,715</u>	<u>\$ 46,555</u>	<u>\$ 39,454</u>	<u>\$ 29,575</u>	<u>\$ 29,198</u>	<u>\$ 32,960</u>
Covered Employee Payroll	<u>\$ 199,821</u>	<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	21.88%	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, 3.54% as of 2023

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2023

OPEB - CLOSED TENNESSEE PLAN
SCHEDULE OF CHANGES IN THE BOARD'S PROPORTIONATE SHARE OF COLLECTIVE
OPEB LIABILITY AND RELATED RATIOS

Last Six Fiscal Years

(Dollar Amounts in Thousands)

Closed Tennessee OPEB Plan

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 359	\$ 410	\$ 292	\$ 217	\$ 289	\$ 354
Interest	326	381	489	425	507	448
Differences between Expected and Actual Experience	(321)	74	84	1,782	(2,594)	-
Changes of Assumptions	(2,500)	(2,377)	2,943	232	(93)	(1,338)
Benefit Payments	(617)	(607)	(572)	(536)	(520)	(500)
Net Change in Total OPEB Liability	(2,753)	(2,119)	3,236	2,120	(2,411)	(1,036)
Total OPEB Liability - Beginning	15,028	17,147	13,911	11,791	14,202	15,238
Total OPEB Liability - Ending	<u>\$ 12,275</u>	<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>\$ 12,275</u>	<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>	<u>\$ -</u>
Covered Employee Payroll	<u>\$ 199,821</u>	<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%	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 of 2022, 3.54% as of 2023

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.

KNOX COUNTY, TENNESSEE

**General Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 5,569,793	\$ 38,452,466
Investments, at Fair Value	90,747,505	50,265,200
Receivables (Net of Allowances for Uncollectibles):		
Accounts	6,999,565	5,386,320
Local Taxes	135,173,631	133,132,674
Leases	1,806,750	1,989,902
Due from Other Funds	4,049,708	2,877,693
Inventories	356,240	300,847
Prepaid Items	208,213	206,530
Investments in Joint Venture	9,481,587	8,470,828
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 254,392,992</u>	<u>\$ 241,082,460</u>
LIABILITIES		
Accounts Payable	\$ 7,254,230	\$ 3,711,331
Accrued Liabilities	2,811,506	3,570,665
Due to Other Funds	-	10,049
Due to Component Units	-	204,442
Unearned Revenue	429,329	425,092
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>10,495,065</u>	<u>7,921,579</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes and Other Receivables	<u>133,645,545</u>	<u>131,969,048</u>
FUND BALANCES		
Nonspendable	10,046,040	8,978,205
Restricted	3,934,908	3,716,666
Committed	8,784,210	3,929,315
Assigned	2,502,599	2,581,315
Unassigned	84,984,625	81,986,332
	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>110,252,382</u>	<u>101,191,833</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 254,392,992</u>	<u>\$ 241,082,460</u>

KNOX COUNTY, TENNESSEE

General Fund

Comparative Statements of Revenues, Expenditures

And Changes in Fund Balances

For the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
County Property Taxes	\$ 137,163,697	\$ 132,426,950
Local Option Sales Taxes	11,756,501	11,214,507
Business Taxes	15,755,440	13,635,096
Wheel Taxes	627,552	602,007
Other Local Taxes	2,117,563	1,819,730
Licenses and Permits	3,000,164	3,018,879
Fines, Forfeitures and Penalties	2,516,936	2,189,472
Charges for Current Services	9,594,349	8,916,204
Other Local Revenues	4,813,648	4,188,445
Investment Income	5,379,826	820,582
State of Tennessee	12,707,618	9,915,925
Federal Government	1,835,077	2,157,751
Other Governments and Citizen Groups	459,464	884,112
Increase in Equity Interest in Joint Venture	1,010,759	1,270,769
Total Revenues	208,738,594	193,060,429
Expenditures		
Current:		
General Government:		
Finance and Administration	30,656,329	28,928,541
Finance and Administration - Payments to Component Unit	2,500,000	4,432,000
Administration of Justice	22,007,307	20,834,245
Public Safety	94,607,365	91,291,907
Public Safety - Payments to Component Unit	1,166,603	1,166,603
Public Health and Welfare	20,348,489	20,212,682
Public Health and Welfare - Payments to Component Unit	166,628	166,628
Social and Cultural Services	7,273,673	5,883,753
Agricultural and Natural Resources	491,522	487,814
Other General Government	21,022,181	23,197,501
Other General Government - Payments to Component Unit	-	693,499
Debt Service:		
Principal	1,461,049	471,905
Interest	70,809	37,444
Total Expenditures	201,771,955	197,804,522
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	6,966,639	(4,744,093)
Other Financing Sources (Uses)		
Transfers from Other Funds	16,958,778	14,744,180
Transfers to Other Funds	(19,754,803)	(12,154,694)
Lease and Subscription Financing	4,889,935	3,211,466
Total Other Financing Sources	2,093,910	5,800,952
Net Change in Fund Balances	9,060,549	1,056,859
Fund Balances, July 1	101,191,833	100,134,974
Fund Balances, June 30	\$ 110,252,382	\$ 101,191,833

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.

KNOX COUNTY, TENNESSEE

Public Improvement Capital Projects Fund (Major)
Comparative Balance Sheets
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 7,610,291	\$ 1,048,209
Investments, at Fair Value	32,758,417	18,300,581
Receivables (Net of Allowances for Uncollectibles):		
Accounts	5,115,886	3,013,714
Loans	75,000	100,000
Due from Other Funds	1,726,160	-
Prepaid Items	-	18,307
	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 47,285,754</u></u>	<u><u>\$ 22,480,811</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 8,640,156</u>	<u>\$ 5,228,576</u>
 Fund Balances:		
Nonspendable	-	18,307
Restricted	38,570,598	17,133,928
Committed	75,000	100,000
	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>38,645,598</u>	<u>17,252,235</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 47,285,754</u></u>	<u><u>\$ 22,480,811</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Other Local Revenues	\$ 5,121,281	\$ 9,350,465
State of Tennessee	1,939,997	1,344,903
Federal Government	2,217,493	-
Other Governments and Citizen Groups	975,632	-
	<hr/>	<hr/>
Total Revenues	10,254,403	10,695,368
	<hr/>	<hr/>
Expenditures		
Capital Projects	41,370,421	47,831,370
Payments to Component Unit	40,214,371	58,325,000
Debt Issuance Costs	443,145	847,106
Other	4,507	13,445
	<hr/>	<hr/>
Total Expenditures	82,032,444	107,016,921
	<hr/>	<hr/>
Deficiency of Revenues Under Expenditures	(71,778,041)	(96,321,553)
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Long-term Bonds Issued	70,000,000	87,040,000
Premium on Long-term Debt Issued	3,397,228	6,771,413
Transfers from Other Funds	13,774,176	4,400,000
Sale of Capital Asset	6,000,000	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	93,171,404	98,211,413
	<hr/>	<hr/>
Net Change in Fund Balances	21,393,363	1,889,860
	<hr/>	<hr/>
Fund Balances, July 1	17,252,235	15,362,375
	<hr/>	<hr/>
Fund Balances, June 30	\$ 38,645,598	\$ 17,252,235
	<hr/> <hr/>	<hr/> <hr/>

KNOX COUNTY, TENNESSEE

Public Improvement Capital Projects Fund (Major)

Schedule of Construction Project Expenditures-

Budget And Actual

For the Year Ended June 30, 2023

Expenditures	Project Budget	Expenditures and Transfers			Available
		Prior Years	Current	Total	
<i>Capital Projects:</i>					
<i>Road Construction:</i>					
Gibbs Pedestrian Bridge	\$ 224,242	\$ -	\$ 62,718	\$ 62,718	\$ 161,524
Marieta Church Roundabout	60,653	-	38,348	38,348	22,305
Church Mill Roundabout	15,244	-	15,244	15,244	-
Bridge Replacement	10,781,783	8,982,862	289,295	9,272,157	1,509,626
Everett/Watt LIC	1,000,000	-	900,000	900,000	100,000
Murphy Road Improvements	549,445	-	117,758	117,758	431,687
Solway/H. Valley Improvements	500,000	-	9,269	9,269	490,731
General Road Improvements	14,167,300	2,513,178	62,056	2,575,235	11,592,065
State Road Projects	12,650,027	10,013,339	1,519,712	11,533,051	1,116,976
Traffic Equip. Modernization	200,000	-	41,574	41,574	158,426
Rutledge Pike & Roberts Road Sign	250,000	56,157	-	56,157	193,843
Emory Rd & Bishop/Taggart	2,086,014	1,901,797	184,217	2,086,014	-
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	831,531	194,636	1,026,168	93,716
West Beaver Creek Relocation	1,917,600	32,425	140,105	172,530	1,745,070
Schaad Road Phase II	48,601,582	26,180,511	9,480,798	35,661,309	12,940,273
Brickyard w/Beaver Creek	3,300,000	517,882	440,280	958,162	2,341,838
TDOT Partnerships	3,254,976	1,630,120	(223,725)	1,406,395	1,848,580
Cherahala Extension	4,000,000	1,758,829	346,000	2,104,829	1,895,171
Campbell Station Rd Realignment	500,000	30,800	-	30,800	469,200
Harrell/Carpenter Intersection	886,857	131,509	755,348	886,857	-
Coward Mill Project	3,875,619	693,590	1,277,654	1,971,244	1,904,375
Bluegrass Elem Sidewalk Improv	-	-	17,490	17,490	(17,490)
Wescott BLVD RR Crossing	500,000	-	51,595	51,595	448,405
Middlebrook Pike Sidewalk Improv	33,636	-	33,635	33,635	1
Hickory Creek Roundabout	1,087,301	336,153	751,148	1,087,301	-
Ledgerwood Intersection Improvement	1,017,200	242,712	322,277	564,989	452,211
Midway Road	800,000	-	-	-	800,000
Total Road Construction	117,174,083	59,222,954	16,827,431	76,050,385	41,123,698
<i>Building Renovations:</i>					
TVA East Tower	24,245,931	22,250,048	1,971,575	24,221,623	24,307
TVA - Summerplace	16,696,780	10,581,824	4,855,133	15,436,957	1,259,823
County Clerk East Office	300,000	211,416	-	211,416	88,584
Teague Buildings-Homelessness	175,000	-	160,254	160,254	14,746
Juvenile Court/ Detention	16,586,665	15,930,859	1,399	15,932,257	654,408
Knox Central	3,111,465	2,894,159	46,804	2,940,963	170,502
Fairview Technical Center	215,500	201,589	2,497	204,086	11,414
EPW -New Facility	4,000,000	-	391,430	391,430	3,608,570
AJ/Dwight Kessel Garage	2,368,158	2,368,158	(172,509)	2,195,649	172,509
City/County Improvement	21,146,039	19,687,954	1,426,000	21,113,954	32,085
Knox County Health Renovations	12,030,466	11,951,119	10,747	11,961,866	68,601
Old Courthouse Renovation	4,649,540	4,110,184	57,408	4,167,592	481,948
Jail Improvements	1,311,550	1,264,321	9,512	1,273,833	37,717
Total Building Renovations	106,837,094	91,451,631	8,760,250	100,211,881	6,625,214
<i>Building Construction:</i>					
Burlington Branch Library	176,700	74,319	67,408	141,727	34,973
Lawson McGhee Library	1,779,653	1,776,707	-	1,776,707	2,946
Carter Branch Library	40,000	31,225	-	31,225	8,775
Senior Centers	301,800	148,733	-	148,733	153,067
Total Building Construction:	2,298,153	2,030,985	67,408	2,098,392	199,761

KNOX COUNTY, TENNESSEE

Public Improvement Capital Projects Fund (Major)
 Schedule of Construction Project Expenditures-
 Budget And Actual (Continued)

For the Year Ended June 30, 2023

	Project Budget	Expenditures and Transfers			Available
		Prior Years	Current	Total	
Expenditures					
<i>Other:</i>					
Beaver Creek Blueway	\$ 450,000	\$ 400,172	\$ 49,828	\$ 450,000	\$ -
Park Concessions Renovations	200,000	-	10,113	10,113	189,887
Ball Field Maintenance	100,000	-	-	-	100,000
Replace/Repair Playground	100,000	-	-	-	100,000
Halls Greenway	15,063	11,075	3,988	15,063	-
Knox-Blount Greenway-Phase II	1,158,821	1,112,143	2,420	1,114,563	44,258
Northshore Connectivity Project	100,196	99,690	-	99,690	506
Park Facility Improvement	1,340,803	1,288,623	-	1,288,623	52,180
Playground Safety Upgrades	415,320	356,064	42,700	398,764	16,556
John Tarleton Fencing	82,500	71,651	-	71,651	10,849
Jim Luttrell	51,891	-	51,891	51,891	-
Mill Run Wetland	150,000	-	5,781	5,781	144,219
Plumb Creek Streambank	150,000	-	-	-	150,000
Permanent Stormwtr Comp Asst	250,000	-	-	-	250,000
Neighborhood Drainage	250,000	-	8,760	8,760	241,240
East TN Historical Renovations	542,300	-	521,248	521,248	21,052
Major Equipment - Three Ridges	212,500	165,076	38,960	204,036	8,464
Technology Upgrade - Libraries	1,250,000	673,103	159,200	832,303	417,697
Criminal Court Imaging System	400,000	339,576	-	339,576	60,424
PBA Project Management	6,528,799	6,470,029	-	6,470,029	58,770
Public Defender	356,000	101,986	21,165	123,150	232,850
Forensic Center Major Upgrade	20,000	15,300	-	15,300	4,700
Energy Management Project- Phase IIIC	7,000,000	-	3,617,808	3,617,808	3,382,192
Major Equipment - Engineering & Public Works	4,224,603	3,581,527	302,352	3,883,878	340,724
Major Equipment - Information Technology	2,672,234	2,170,838	270,000	2,440,838	231,396
Major Equipment - Sheriff's Department	21,469,788	16,500,276	4,142,673	20,642,949	826,838
Major Equipment - Parks & Recreation	1,265,696	944,049	276,616	1,220,664	45,032
Major Equipment - Public Library	587,641	578,204	-	578,204	9,437
Major Equipment - Solid Waste	864,225	706,546	43,287	749,833	114,392
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	193,375	156,407	36,968	193,375	-
Major Equipment - County Clerk	25,000	22,447	-	22,447	2,553
Bluegrass Lake Flood Mitigation	474,190	-	-	-	474,190
Sanitary Retrofit For Conv Center	50,000	-	38,793	38,793	11,207
Stormwater Management	16,301,879	15,519,575	(92,331)	15,427,244	874,636
Cedar Bluff Flood Mitigation	1,995,430	-	1,374,181	1,374,181	621,249
Dutchtown Convenience Center	39,454	-	39,454	39,454	-
Tazewell Pike Convenience Center	1,343,493	375,154	737,423	1,112,576	230,917
Karns Convenience Center	3,988,170	3,989,992	(302,992)	3,687,000	301,170
Sidewalk Construction	1,319,509	384,103	466,670	850,773	468,736
Dutchtown Conv. Center Expansion	20,000	-	-	-	20,000
Video Court - Sheriff	1,599,215	1,314,669	300	1,314,969	284,246
Info Tech Equipment	1,244,305	1,222,896	-	1,222,896	21,409
Facility Improvements	1,161,541	1,023,684	77,862	1,101,546	59,994
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.	186,866	139,952	38,588	178,540	8,326
Major Equipment - Animal Center	697,698	697,698	-	697,698	-
Public Access to Beaver Creek	50,000	12,466	-	12,466	37,534
Interagency Partnerships	1,330,696	590,953	340,487	931,440	399,256
Trustee Tax Software	252,722	137,060	-	137,060	115,661
Property Tax Software	2,727,000	2,493,875	174,007	2,667,882	59,118
Play Structure Upgrades	250,000	238,566	-	238,566	11,434
Major Equipment - Property Assess	193,000	153,068	34,684	187,752	5,248
Major Equipment- Attorney General	45,000	-	43,789	43,789	1,211
Major Equipment- Veh Serv Center	92,769	-	92,769	92,769	-
Major Equipment - Attourney General	131,750	28,343	5,615	33,958	97,793
General Project Management	600,000	-	-	-	600,000
IT Dept Upgrades	801,218	583,113	218,000	801,113	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	1,500,000	105,865	103,489	209,354	1,290,646
Tipton Station Sidewalk Connection	200,000	-	29,068	29,068	170,932
Hardin Valley Sidewalk Connect	250,000	11,620	68,981	80,601	169,399
Carter Community Water Expansion	300,000	241,624	-	241,624	58,376
COV CTRS - Waste Container	653,242	250,000	403,242	653,242	-
Water/Sewer KUB MBW	-	-	2,196,164	2,196,164	(2,196,164)
Water/Sewer Bluegrass Pump Stat	8,166,000	-	21,333	21,333	8,144,667
Total Other	101,355,034	65,730,444	15,715,332	81,445,777	19,909,258
Total Capital Projects	\$ 327,664,364	\$ 218,436,014	\$ 41,370,421	\$ 259,806,436	\$ 67,857,929

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.

KNOX COUNTY, TENNESSEE

Debt Service Fund (Major)
Comparative Balance Sheets
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 16,357,859	\$ 18,689,497
Receivables (Net of Allowance for Uncollectibles):		
Property Taxes	72,142,713	63,184,346
Accounts	1,630,402	1,630,402
Advance to Other Entity	<u>2,268,320</u>	<u>2,400,000</u>
TOTAL ASSETS	<u><u>\$ 92,399,294</u></u>	<u><u>\$ 85,904,245</u></u>
LIABILITIES		
Accounts Payable	<u>\$ 8,561</u>	<u>\$ 7,582</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes and Notes Receivable	<u>71,687,653</u>	<u>62,813,375</u>
FUND BALANCES		
Restricted	5,388,988	3,415,615
Committed	<u>15,314,092</u>	<u>19,667,673</u>
TOTAL FUND BALANCES	<u>20,703,080</u>	<u>23,083,288</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u><u>\$ 92,399,294</u></u>	<u><u>\$ 85,904,245</u></u>

KNOX COUNTY, TENNESSEE

Debt Service Fund (Major) Comparative Statements of Revenues, Expenditures And Changes in Fund Balances For the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Property Taxes	\$ 60,820,590	\$ 58,274,099
Investment Revenue	2,231,332	32,851
Other Local Revenues	1,336,572	1,679,638
Payments from Component Units	18,186,683	14,931,933
Total Revenues	<u>82,575,177</u>	<u>74,918,521</u>
Expenditures		
Debt Service:		
Trustee's Commission	1,231,746	1,179,174
Principal	45,353,729	44,138,925
Interest	24,974,774	20,636,471
Other Debt Service	10,895,136	1,553,732
Total Expenditures	<u>82,455,385</u>	<u>67,508,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>119,792</u>	<u>7,410,219</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	-	196,384
Transfers to Other Funds	(2,500,000)	-
Total Other Financing Sources (Uses)	<u>(2,500,000)</u>	<u>196,384</u>
Net Change in Fund Balances	(2,380,208)	7,606,603
Fund Balances, July 1	<u>23,083,288</u>	<u>15,476,685</u>
Fund Balances, June 30	<u>\$ 20,703,080</u>	<u>\$ 23,083,288</u>

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, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	
Revenues								
Property Taxes	\$ 58,456,000	\$ 58,456,000	\$ 60,820,590	\$ 2,364,590	\$ 57,026,465	\$ 58,274,099	\$ 1,247,634	
Investment Revenue	-	-	2,231,332	2,231,332	-	32,851	32,851	
Other Local Revenues	1,666,314	1,666,314	1,336,572	(329,742)	1,656,483	1,679,638	23,155	
Payments from Component Units	15,686,683	18,186,683	18,186,683	-	14,931,933	14,931,933	-	
Total Revenues	75,808,997	78,308,997	82,575,177	4,266,180	73,614,881	74,918,521	1,303,640	
Expenditures								
Debt Service:								
Trustee's Commission	1,300,000	1,300,000	1,231,746	68,254	1,295,000	1,179,174	115,826	
Principal	45,353,729	45,353,729	45,353,729	-	44,138,925	44,138,925	-	
Interest	29,146,271	29,146,271	24,974,774	4,171,497	27,366,075	20,636,471	6,729,604	
Other Debt Service	1,700,000	1,700,000	10,895,136	(9,195,136)	1,200,000	1,553,732	(353,732)	
Total Expenditures	77,500,000	77,500,000	82,455,385	(4,955,385)	74,000,000	67,508,302	6,491,698	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,691,003)	808,997	119,792	(689,205)	(385,119)	7,410,219	7,795,338	
Other Financing Sources (Uses)								
Transfers from Other Funds	-	-	-	-	196,384	196,384	-	
Transfers to Other Funds	-	(2,500,000)	(2,500,000)	-	-	-	-	
Total Other Financing Sources (Uses)	-	(2,500,000)	(2,500,000)	-	196,384	196,384	-	
Net Change in Fund Balances	(1,691,003)	(1,691,003)	(2,380,208)	(689,205)	(188,735)	7,606,603	7,795,338	
Fund Balances, July 1	23,083,288	23,083,288	23,083,288	-	15,476,685	15,476,685	-	
Fund Balances, June 30	\$ 21,392,285	\$ 21,392,285	\$ 20,703,080	\$ (689,205)	\$ 15,287,950	\$ 23,083,288	\$ 7,795,338	

**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 Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 84,692,595	\$ 113,888,455
Receivables (Net of Allowances for Uncollectibles):		
Accounts	6,031,901	5,959,487
Notes	640,714	455,084
Due from Other Funds	-	10,049
Inventories	139,642	66,821
Prepaid Items	4,324	2,330
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 91,509,176</u>	<u>\$ 120,382,226</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 2,231,011	\$ 1,443,747
Accrued Liabilities	491,550	446,580
Due to Other Funds	1,726,160	46,296
Unearned Revenue	84,058,771	115,643,737
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>88,507,492</u>	<u>117,580,360</u>
 Fund Balances:		
Nonspendable	143,966	69,151
Restricted	2,857,718	2,732,715
	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>3,001,684</u>	<u>2,801,866</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 91,509,176</u>	<u>\$ 120,382,226</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Fines, Forfeitures, and Penalties	\$ 71,732	\$ 29,547
Charges for Current Services	511,683	416,078
Other Local Revenues	311,745	307,767
State of Tennessee	3,217,941	3,762,708
Federal Government	48,274,249	52,146,816
Other Governmental and Citizen Groups	131,472	216,520
Total Revenues	<u>52,518,822</u>	<u>56,879,436</u>
Expenditures		
Finance and Administration	4,388,101	4,634
Administration of Justice	806,071	567,300
Public Safety	1,305,519	1,872,672
Public Health and Welfare	13,126,170	14,301,158
Social and Cultural Services	305,162	341,779
Other General Government	32,063,386	39,406,963
Engineering and Public Works	984,737	827,947
Debt Service:		
Principal	23,694	22,623
Interest	198	329
Total Expenditures	<u>53,003,038</u>	<u>57,345,405</u>
Deficiency of Revenues Under Expenditures	<u>(484,216)</u>	<u>(465,969)</u>
Other Financing Sources		
Transfers from Other Funds	684,034	895,310
Lease Financing	-	60,539
Total Other Financing Sources	<u>684,034</u>	<u>955,849</u>
Over Expenditures		
Net Change in Fund Balances	199,818	489,880
Fund Balances, July 1	<u>2,801,866</u>	<u>2,311,986</u>
Fund Balances, June 30	<u>\$ 3,001,684</u>	<u>\$ 2,801,866</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.

KNOX COUNTY, TENNESSEE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds	ADA Construction Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 31,388,983	\$ 1,133,500	\$ 32,522,483
Receivables (Net of Allowance for Uncollectibles):			
Accounts	6,329,601	-	6,329,601
Taxes	1,695,343	-	1,695,343
Prepaid Items	15,330	-	15,330
TOTAL ASSETS	<u>\$ 39,429,257</u>	<u>\$ 1,133,500</u>	<u>\$ 40,562,757</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 4,496,435	\$ 94,903	\$ 4,591,338
Accrued Liabilities	834,089	-	834,089
Due to Other Funds	4,049,708	-	4,049,708
TOTAL LIABILITIES	<u>9,380,232</u>	<u>94,903</u>	<u>9,475,135</u>
Fund Balances:			
Nonspendable	15,330	-	15,330
Restricted	9,837,436	-	9,837,436
Committed	14,154,229	1,038,597	15,192,826
Assigned	6,042,030	-	6,042,030
TOTAL FUND BALANCES	<u>30,049,025</u>	<u>1,038,597</u>	<u>31,087,622</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,429,257</u>	<u>\$ 1,133,500</u>	<u>\$ 40,562,757</u>

KNOX COUNTY, TENNESSEE

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023**

	Special Revenue Funds	ADA Construction Capital Project Fund	Total Nonmajor Governmental Funds
Revenues			
Local Option Sales Taxes	\$ 12,464,946	\$ -	\$ 12,464,946
Lodging Taxes	13,309,431	-	13,309,431
Wheel Taxes	12,981,811	-	12,981,811
Other Local Taxes	2,548,099	-	2,548,099
Fines, Forfeitures and Penalties	880,902	-	880,902
Charges for Current Services	36,212,793	-	36,212,793
Other Local Revenues	926,528	-	926,528
Investment Revenues	436,898	-	436,898
State of Tennessee	8,992,247	-	8,992,247
Federal Government	73,517	-	73,517
Other Governments and Citizen Groups	135,704	-	135,704
Total Revenues	88,962,876	-	88,962,876
Expenditures			
Current:			
Finance and Administration	10,040,420	-	10,040,420
Administration of Justice	7,547,697	-	7,547,697
Public Safety	441,980	-	441,980
Public Health and Welfare	4,755,522	-	4,755,522
Social and Cultural Services	14,894,163	-	14,894,163
Other General Government	10,195,765	-	10,195,765
Engineering and Public Works	24,469,609	-	24,469,609
Debt Service:			
Principal	321,264	-	321,264
Interest	19,457	-	19,457
Capital Projects	-	601,233	601,233
Total Expenditures	72,685,877	601,233	73,287,110
Excess (Deficiency) of Revenues Over Expenditures	16,276,999	(601,233)	15,675,766
Other Financing Sources (Uses)			
Transfers from Other Funds	4,885,000	-	4,885,000
Transfers to Other Funds	(20,089,185)	-	(20,089,185)
Subscription Financing	888,743	-	888,743
Total Other Financing Sources (Uses)	(14,315,442)	-	(14,315,442)
Net Change in Fund Balances	1,961,557	(601,233)	1,360,324
Fund Balances, July 1	28,087,468	1,639,830	29,727,298
Fund Balances, June 30	\$ 30,049,025	\$ 1,038,597	\$ 31,087,622

KNOX COUNTY, TENNESSEE

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2023

	Constitutional Officers	Governmental Library	Public Library	Solid Waste	Hotel/Motel Tax	Drug Control	Engineering & Public Works	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and Cash Equivalents	\$ 10,091,738	\$ 40,186	\$ 1,710,741	\$ 1,165,039	\$ 6,507,675	\$ 4,524,742	\$ 7,348,862	\$ 31,388,983
Receivables (Net of Allowance for Uncollectibles):								
Accounts	-	2,828	1,338,808	232,750	2,653,824	3,162	2,098,229	6,329,601
Taxes	-	-	-	-	-	-	1,695,343	1,695,343
Prepaid Items	-	-	15,330	-	-	-	-	15,330
TOTAL ASSETS	\$ 10,091,738	\$ 43,014	\$ 3,064,879	\$ 1,397,789	\$ 9,161,499	\$ 4,527,904	\$ 11,142,434	\$ 39,429,257
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ 3,339	\$ 11,271	\$ 80,604	\$ 3,779,147	\$ 72,820	\$ 549,254	\$ 4,496,435
Accrued Liabilities	-	-	388,702	50,184	-	-	395,203	834,089
Due to Other Funds	4,049,708	-	-	-	-	-	-	4,049,708
TOTAL LIABILITIES	4,049,708	3,339	399,973	130,788	3,779,147	72,820	944,457	9,380,232
Fund Balances:								
Nonspendable	-	-	15,330	-	-	-	-	15,330
Restricted	-	-	-	-	5,382,352	4,455,084	-	9,837,436
Committed	-	39,675	2,649,576	1,267,001	-	-	10,197,977	14,154,229
Assigned	6,042,030	-	-	-	-	-	-	6,042,030
TOTAL FUND BALANCES	6,042,030	39,675	2,664,906	1,267,001	5,382,352	4,455,084	10,197,977	30,049,025
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,091,738	\$ 43,014	\$ 3,064,879	\$ 1,397,789	\$ 9,161,499	\$ 4,527,904	\$ 11,142,434	\$ 39,429,257

KNOX COUNTY, TENNESSEE

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023**

	Constitutional Officers	Governmental Library	Public Library	Solid Waste	Hotel/Motel Tax	Drug Control	Engineering & Public Works	Total Nonmajor Special Revenue Funds
Revenues								
Local Option Sales Taxes	\$ -	\$ -	\$ -	\$ 2,600,000	\$ -	\$ -	\$ 9,864,946	\$ 12,464,946
Lodging Taxes	-	-	-	-	13,309,431	-	-	13,309,431
Wheel Taxes	-	-	12,981,811	-	-	-	-	12,981,811
Other Local Taxes	-	45,974	-	-	-	-	2,502,125	2,548,099
Fines, Forfeitures and Penalties	-	-	-	150	-	870,927	9,825	880,902
Charges for Current Services	33,124,592	44	179,112	-	-	-	2,909,045	36,212,793
Other Local Revenues	-	-	156,434	742,730	-	27,364	-	926,528
Investment Revenue	436,898	-	-	-	-	-	-	436,898
State of Tennessee	-	-	632,235	570,673	-	-	7,789,339	8,992,247
Federal Government	-	-	10,000	-	-	63,517	-	73,517
Other Governments and Citizen Groups	-	30,000	105,704	-	-	-	-	135,704
Total Revenues	33,561,490	76,018	14,065,296	3,913,553	13,309,431	961,808	23,075,280	88,962,876
Expenditures								
Current:								
Finance and Administration	10,040,420	-	-	-	-	-	-	10,040,420
Administration of Justice	7,432,593	115,104	-	-	-	-	-	7,547,697
Public Safety	-	-	-	-	-	441,980	-	441,980
Public Health and Welfare	-	-	-	4,755,522	-	-	-	4,755,522
Social and Cultural Services	-	-	14,894,163	-	-	-	-	14,894,163
Other General Government	-	-	-	-	10,195,765	-	-	10,195,765
Engineering and Public Works	-	-	-	-	-	-	24,469,609	24,469,609
Debt Service:								
Principal	-	1,313	4,101	17,956	-	-	297,894	321,264
Interest	-	75	699	6,044	-	-	12,639	19,457
Total Expenditures	17,473,013	116,492	14,898,963	4,779,522	10,195,765	441,980	24,780,142	72,685,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,088,477	(40,474)	(833,667)	(865,969)	3,113,666	519,828	(1,704,862)	16,276,999
Other Financing Sources (Uses)								
Transfers from Other Funds	-	35,000	1,600,000	1,000,000	-	-	2,250,000	4,885,000
Transfers to Other Funds	(16,658,779)	-	(300,000)	-	(1,600,000)	-	(1,530,406)	(20,089,185)
Subscription Financing	-	-	-	-	-	-	888,743	888,743
Total Other Financing Sources (Uses)	(16,658,779)	35,000	1,300,000	1,000,000	(1,600,000)	-	1,608,337	(14,315,442)
Net Change in Fund Balances	(570,302)	(5,474)	466,333	134,031	1,513,666	519,828	(96,525)	1,961,557
Fund Balances, July 1	6,612,332	45,149	2,198,573	1,132,970	3,868,686	3,935,256	10,294,502	28,087,468
Fund Balances, June 30	\$ 6,042,030	\$ 39,675	\$ 2,664,906	\$ 1,267,001	\$ 5,382,352	\$ 4,455,084	\$ 10,197,977	\$ 30,049,025

KNOX COUNTY, TENNESSEE

Constitutional Officers' Special Revenue Fund

Combining Balance Sheets

June 30, 2023

(With Comparative Totals for June 30, 2022)

	Trustee	County Clerk	Circuit and General Sessions Court Clerk	Criminal and Fourth Circuit Court Clerk	Clerk and Master	Register of Deeds	Totals	
							2023	2022
ASSETS								
Cash and Cash Equivalents	\$ 778,442	\$ 4,222,012	\$ 961,544	\$ 3,104,576	\$ 564,890	\$ 460,274	\$ 10,091,738	\$ 9,443,729
TOTAL ASSETS	\$ 778,442	\$ 4,222,012	\$ 961,544	\$ 3,104,576	\$ 564,890	\$ 460,274	\$ 10,091,738	\$ 9,443,729
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to Other Funds	\$ 1,913,398	\$ 2,136,310	\$ -	\$ -	\$ -	\$ -	\$ 4,049,708	\$ 2,831,397
TOTAL LIABILITIES	1,913,398	2,136,310	-	-	-	-	4,049,708	2,831,397
Fund Balances (Deficit):								
Assigned	(1,134,956)	2,085,702	961,544	3,104,576	564,890	460,274	6,042,030	6,612,332
TOTAL LIABILITIES AND FUND BALANCES	\$ 778,442	\$ 4,222,012	\$ 961,544	\$ 3,104,576	\$ 564,890	\$ 460,274	\$ 10,091,738	\$ 9,443,729

KNOX COUNTY, TENNESSEE

Constitutional Officers' Special Revenue Fund
Combining Schedule of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Trustee	County Clerk	Circuit and General Sessions Court Clerk	Criminal and Fourth Circuit Court Clerk	Clerk and Master	Register of Deeds	Totals	
							2023	2022
Revenues								
Charges for Services	\$ 11,495,993	\$ 9,222,366	\$ 1,697,582	\$ 6,127,795	\$ 1,524,037	\$ 3,056,819	\$ 33,124,592	\$ 32,346,281
Investment Revenue	384	339,827	-	-	102	96,585	436,898	25,452
Total Revenues	11,496,377	9,562,193	1,697,582	6,127,795	1,524,139	3,153,404	33,561,490	32,371,733
Expenditures								
Current:								
Finance and Administration	2,825,172	5,114,774	-	-	-	2,100,474	10,040,420	9,347,737
Administration of Justice	-	-	1,305,450	4,885,455	1,241,688	-	7,432,593	7,052,179
Total Expenditures	2,825,172	5,114,774	1,305,450	4,885,455	1,241,688	2,100,474	17,473,013	16,399,916
Excess of Revenues Over Expenditures	8,671,205	4,447,419	392,132	1,242,340	282,451	1,052,930	16,088,477	15,971,817
Other Financing Uses								
Transfers to Other Funds	(9,155,317)	(4,223,886)	(900,000)	(1,000,000)	(361,464)	(1,018,112)	(16,658,779)	(14,744,180)
Net Change in Fund Balances	(484,112)	223,533	(507,868)	242,340	(79,013)	34,818	(570,302)	1,227,637
Fund Balances, July 1	(650,844)	1,862,169	1,469,412	2,862,236	643,903	425,456	6,612,332	5,384,695
Fund Balances, June 30	\$ (1,134,956)	\$ 2,085,702	\$ 961,544	\$ 3,104,576	\$ 564,890	\$ 460,274	\$ 6,042,030	\$ 6,612,332

KNOX COUNTY, TENNESSEE

**Governmental Library Fund
Comparative Balance Sheets**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 40,186	\$ 57,277
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>2,828</u>	<u>2,204</u>
TOTAL ASSETS	<u>\$ 43,014</u>	<u>\$ 59,481</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 3,339	\$ 13,024
Accrued Liabilities	<u>-</u>	<u>1,308</u>
TOTAL LIABILITIES	<u>3,339</u>	<u>14,332</u>
Fund Balances:		
Committed	<u>39,675</u>	<u>45,149</u>
TOTAL FUND BALANCES	<u>39,675</u>	<u>45,149</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,014</u>	<u>\$ 59,481</u>

KNOX COUNTY, TENNESSEE

Governmental Library Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Litigation Tax	\$ 45,974	\$ 40,437
Charges for Current Services	44	-
Other Governments and Citizens Groups	<u>30,000</u>	<u>30,000</u>
Total Revenues	<u>76,018</u>	<u>70,437</u>
Expenditures		
Current:		
General Government:		
Administration of Justice	115,104	138,972
Debt Service:		
Principal	1,313	1,298
Interest	<u>75</u>	<u>89</u>
Total Expenditures	<u>116,492</u>	<u>140,359</u>
Deficiency of Revenues Under Expenditures	<u>(40,474)</u>	<u>(69,922)</u>
Other Financing Sources		
Transfers from Other Funds	35,000	62,000
Lease Financing	<u>-</u>	<u>8,025</u>
Total Other Financing Sources	<u>35,000</u>	<u>70,025</u>
Net Change in Fund Balances	(5,474)	103
Fund Balances, July 1	<u>45,149</u>	<u>45,046</u>
Fund Balances, June 30	<u>\$ 39,675</u>	<u>\$ 45,149</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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Litigation Tax	\$ 43,650	\$ 43,650	\$ 45,974	\$ 2,324	\$ 46,450	\$ 40,437	\$ (6,013)
Charges for Current Services	2,000	2,000	44	(1,956)	2,000	-	(2,000)
Other Local Revenues	-	-	-	-	250	-	(250)
Other Governments and Citizens Groups	30,000	30,000	30,000	-	30,000	30,000	-
Total Revenues	75,650	75,650	76,018	368	78,700	70,437	(8,263)
Expenditures							
Current:							
General Government:							
Administration of Justice:							
Personal Services	29,722	17,282	17,273	9	28,685	28,685	-
Employee Benefits	9,354	6,989	5,231	1,758	8,099	8,099	-
Contracted Services	5,875	5,925	5,216	709	6,350	5,255	1,095
Supplies and Materials	72,800	86,850	86,835	15	88,450	88,435	15
Other Charges	1,775	2,530	1,937	593	9,950	9,885	65
Total Expenditures	119,526	119,576	116,492	3,084	141,534	140,359	1,175
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,876)	(43,926)	(40,474)	3,452	(62,834)	(69,922)	(7,088)
Other Financing Sources							
Transfers from Other Funds	35,000	35,000	35,000	-	54,809	62,000	7,191
Lease Financing	-	-	-	-	8,025	8,025	-
Total Other Financing Sources	35,000	35,000	35,000	-	62,834	70,025	7,191
Net Change in Fund Balances	(8,876)	(8,926)	(5,474)	3,452	-	103	103
Fund Balances, July 1	45,149	45,149	45,149	-	45,046	45,046	-
Fund Balances, June 30	\$ 36,273	\$ 36,223	\$ 39,675	\$ 3,452	\$ 45,046	\$ 45,149	\$ 103

KNOX COUNTY, TENNESSEE

Public Library Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,710,741	\$ 1,417,740
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	1,338,808	1,142,771
Prepaid Items	<u>15,330</u>	<u>7,931</u>
TOTAL ASSETS	<u><u>\$ 3,064,879</u></u>	<u><u>\$ 2,568,442</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 11,271	\$ 34,280
Accrued Liabilities	<u>388,702</u>	<u>335,589</u>
TOTAL LIABILITIES	<u>399,973</u>	<u>369,869</u>
 Fund Balances:		
Nonspendable	15,330	7,931
Committed	<u>2,649,576</u>	<u>2,190,642</u>
TOTAL FUND BALANCES	<u>2,664,906</u>	<u>2,198,573</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,064,879</u></u>	<u><u>\$ 2,568,442</u></u>

KNOX COUNTY, TENNESSEE

Public Library Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Wheel Taxes	\$ 12,981,811	\$ 12,453,366
Charges for Current Services	179,112	148,083
Other Local Revenues	156,434	153,378
State of Tennessee	632,235	696,499
Federal Government	10,000	10,001
Other Governments and Citizens Groups	105,704	7,112
Total Revenues	<u>14,065,296</u>	<u>13,468,439</u>
Expenditures		
Current:		
General Government:		
Social and Cultural Services	14,894,163	14,844,947
Debt Service:		
Principal	4,101	4,099
Interest	699	701
Total Expenditures	<u>14,898,963</u>	<u>14,849,747</u>
Deficiency of Revenues Under Expenditures	<u>(833,667)</u>	<u>(1,381,308)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	1,600,000	1,300,000
Transfers to Other Funds	(300,000)	-
Lease Financing	-	47,576
Total Other Financing Sources	<u>1,300,000</u>	<u>1,347,576</u>
Net Change in Fund Balances	466,333	(33,732)
Fund Balances, July 1	<u>2,198,573</u>	<u>2,232,305</u>
Fund Balances, June 30	<u>\$ 2,664,906</u>	<u>\$ 2,198,573</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, 2023 and 2022**

	2023				2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	
Revenues								
Wheel Taxes	\$ 12,325,000	\$ 12,625,000	\$ 12,981,811	\$ 356,811	\$ 12,000,000	\$ 12,453,366	\$ 453,366	
Charges for Current Services	100,000	100,000	179,112	79,112	225,000	148,083	(76,917)	
Other Local Revenues	141,000	141,000	156,434	15,434	137,000	153,378	16,378	
State of Tennessee	317,300	632,235	632,235	-	696,500	696,499	(1)	
Federal Government	10,000	10,000	10,000	-	10,000	10,001	1	
Other Governments and Citizens Groups	-	-	105,704	105,704	-	7,112	7,112	
Total Revenues	12,893,300	13,508,235	14,065,296	557,061	13,068,500	13,468,439	399,939	
Expenditures								
Current:								
General Government:								
Social and Cultural Services:								
Personal Services	8,080,822	7,996,222	7,989,878	6,344	7,774,440	7,627,587	146,853	
Employee Benefits	2,359,192	2,359,192	2,289,347	69,845	2,277,699	2,203,176	74,523	
Contracted Services	1,297,685	1,312,238	1,163,249	148,989	1,253,088	1,199,862	53,226	
Supplies and Materials	2,126,600	2,454,750	2,378,587	76,163	2,618,162	2,575,404	42,758	
Other Charges	896,849	920,949	917,456	3,493	953,699	953,134	565	
Capital Outlay	-	160,500	160,446	54	299,117	290,584	8,533	
Total Expenditures	14,761,148	15,203,851	14,898,963	304,888	15,176,205	14,849,747	326,458	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,867,848)	(1,695,616)	(833,667)	861,949	(2,107,705)	(1,381,308)	726,397	
Other Financing Sources (Uses)								
Transfers from Other Funds	1,600,000	1,600,000	1,600,000	-	1,400,000	1,300,000	(100,000)	
Transfers to Other Funds	-	(300,000)	(300,000)	-	-	-	-	
Lease Financing	-	-	-	-	47,576	47,576	-	
Total Other Financing Sources	1,600,000	1,300,000	1,300,000	-	1,447,576	1,347,576	(100,000)	
Net Change in Fund Balances	(267,848)	(395,616)	466,333	861,949	(660,129)	(33,732)	626,397	
Fund Balances, July 1	2,198,573	2,198,573	2,198,573	-	2,232,305	2,232,305	-	
Fund Balances, June 30	\$ 1,930,725	\$ 1,802,957	\$ 2,664,906	\$ 861,949	\$ 1,572,176	\$ 2,198,573	\$ 626,397	

KNOX COUNTY, TENNESSEE

**Solid Waste Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,165,039	\$ 1,099,054
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>232,750</u>	<u>158,446</u>
TOTAL ASSETS	<u><u>\$ 1,397,789</u></u>	<u><u>\$ 1,257,500</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 80,604	\$ 77,571
Accrued Liabilities	<u>50,184</u>	<u>46,959</u>
TOTAL LIABILITIES	<u>130,788</u>	<u>124,530</u>
Fund Balances:		
Committed	<u>1,267,001</u>	<u>1,132,970</u>
TOTAL FUND BALANCES	<u>1,267,001</u>	<u>1,132,970</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,397,789</u></u>	<u><u>\$ 1,257,500</u></u>

KNOX COUNTY, TENNESSEE

Solid Waste Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local Option Sales Taxes	\$ 2,600,000	\$ 2,600,000
Fines, Forfeitures, and Penalties	150	-
Other Local Revenues	742,730	1,182,768
State of Tennessee	570,673	509,853
Total Revenues	<u>3,913,553</u>	<u>4,292,621</u>
Expenditures		
Current:		
General Government:		
Public Health and Welfare	4,755,522	4,863,184
Debt Service:		
Principal	17,956	18,137
Interest	6,044	5,863
Total Expenditures	<u>4,779,522</u>	<u>4,887,184</u>
Deficiency of Revenues Under Expenditures	<u>(865,969)</u>	<u>(594,563)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	1,000,000	275,000
Lease Financing	-	318,586
Total Other Financing Sources	<u>1,000,000</u>	<u>593,586</u>
Net Change in Fund Balances	134,031	(977)
Fund Balances, July 1	<u>1,132,970</u>	<u>1,133,947</u>
Fund Balances, June 30	<u>\$ 1,267,001</u>	<u>\$ 1,132,970</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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Local Option Sales Taxes	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ -	\$ 2,600,000	\$ 2,600,000	\$ -
Fines, Forfeitures, and Penalties	-	-	150	150	-	-	-
Other Local Revenues	700,000	700,000	742,730	42,730	621,400	1,182,768	561,368
State of Tennessee	500,000	500,000	570,673	70,673	475,000	509,853	34,853
Total Revenues	3,800,000	3,800,000	3,913,553	113,553	3,696,400	4,292,621	596,221
Expenditures							
Current:							
Public Health and Welfare:							
Other Public Health and Welfare:							
Personal Services	1,041,197	1,049,008	1,049,008	-	955,893	955,893	-
Employee Benefits	327,535	335,830	335,805	25	329,524	329,524	-
Contracted Services	2,940,859	2,941,555	2,939,630	1,925	2,854,214	2,854,080	134
Supplies and Materials	92,200	127,792	127,792	-	66,165	66,065	100
Other Charges	289,909	297,450	294,661	2,789	614,358	612,457	1,901
Litter and Trash Collection:							
Personal Services	42,271	3,105	100	3,005	20,247	20,247	-
Employee Benefits	18,082	700	8	692	5,523	5,523	-
Contracted Services	21,155	22,242	22,242	-	29,814	29,814	-
Supplies and Materials	14,750	10,276	10,276	-	13,581	13,581	-
Total Expenditures	4,787,958	4,787,958	4,779,522	8,436	4,889,319	4,887,184	2,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	(987,958)	(987,958)	(865,969)	121,989	(1,192,919)	(594,563)	598,356
Other Financing Sources (Uses)							
Transfers from Other Funds	675,000	675,000	1,000,000	325,000	625,000	275,000	(350,000)
Lease Financing	-	-	-	-	318,586	318,586	-
Total Other Financing Sources (Uses)	675,000	675,000	1,000,000	325,000	943,586	593,586	(350,000)
Net Change in Fund Balances	(312,958)	(312,958)	134,031	446,989	(249,333)	(977)	248,356
Fund Balances, July 1	1,132,970	1,132,970	1,132,970	-	1,133,947	1,133,947	-
Fund Balances, June 30	\$ 820,012	\$ 820,012	\$ 1,267,001	\$ 446,989	\$ 884,614	\$ 1,132,970	\$ 248,356

KNOX COUNTY, TENNESSEE

**Hotel/Motel Tax Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 6,507,675	\$ 3,796,086
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>2,653,824</u>	<u>3,617,873</u>
TOTAL ASSETS	<u>\$ 9,161,499</u>	<u>\$ 7,413,959</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 3,779,147</u>	<u>\$ 3,545,273</u>
Fund Balances:		
Unreserved:		
Restricted	<u>5,382,352</u>	<u>3,868,686</u>
TOTAL FUND BALANCES	<u>5,382,352</u>	<u>3,868,686</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,161,499</u>	<u>\$ 7,413,959</u>

KNOX COUNTY, TENNESSEE

Hotel/Motel Tax Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Lodging Taxes	\$ 13,309,431	\$ 12,176,694
Expenditures		
Current:		
General Government:		
Other General Government	<u>10,195,765</u>	<u>9,150,587</u>
Excess of Revenues Over Expenditures	<u>3,113,666</u>	<u>3,026,107</u>
Other Financing Uses		
Transfers to Other Funds	<u>(1,600,000)</u>	<u>(1,100,000)</u>
Net Change in Fund Balances	1,513,666	1,926,107
Fund Balances, July 1	<u>3,868,686</u>	<u>1,942,579</u>
Fund Balances, June 30	<u>\$ 5,382,352</u>	<u>\$ 3,868,686</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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Lodging Taxes	\$ 9,000,000	\$ 11,764,047	\$ 13,309,431	\$ 1,545,384	\$ 10,147,620	\$ 12,176,694	\$ 2,029,074
Expenditures							
Current:							
General Government:							
Other General Government	7,400,000	10,239,048	10,195,765	43,283	9,369,620	9,150,587	219,033
Excess of Revenues Over Expenditures	1,600,000	1,524,999	3,113,666	1,588,667	778,000	3,026,107	2,248,107
Other Financing Uses							
Transfers to Other Funds	(1,600,000)	(1,600,000)	(1,600,000)	-	(1,100,000)	(1,100,000)	-
Net Change in Fund Balances	-	(75,001)	1,513,666	1,588,667	(322,000)	1,926,107	2,248,107
Fund Balances, July 1	3,868,686	3,868,686	3,868,686	-	1,942,579	1,942,579	-
Fund Balances, June 30	\$ 3,868,686	\$ 3,793,685	\$ 5,382,352	\$ 1,588,667	\$ 1,620,579	\$ 3,868,686	\$ 2,248,107

KNOX COUNTY, TENNESSEE

**Drug Control Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,524,742	\$ 3,958,280
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>3,162</u>	<u>3,497</u>
TOTAL ASSETS	<u><u>\$ 4,527,904</u></u>	<u><u>\$ 3,961,777</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 72,820</u>	<u>\$ 26,521</u>
 Fund Balances:		
Restricted	<u>4,455,084</u>	<u>3,935,256</u>
TOTAL FUND BALANCES	<u>4,455,084</u>	<u>3,935,256</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 4,527,904</u></u>	<u><u>\$ 3,961,777</u></u>

KNOX COUNTY, TENNESSEE

Drug Control Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Fines, Forfeitures, and Penalties	\$ 870,927	\$ 769,112
Other Local Revenues	27,364	34,600
Federal Government	63,517	4,166
	<u>961,808</u>	<u>807,878</u>
Total Revenues		
Expenditures		
Current:		
General Government:		
Public Safety	441,980	396,291
	<u>441,980</u>	<u>396,291</u>
Total Expenditures		
Net Change in Fund Balance	519,828	411,587
Fund Balances, July 1	3,935,256	3,523,669
Fund Balances, June 30	<u>\$ 4,455,084</u>	<u>\$ 3,935,256</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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Fines, Forfeitures, and Penalties	\$ 563,000	\$ 563,000	\$ 870,927	\$ 307,927	\$ 543,000	\$ 769,112	\$ 226,112
Other Local Revenues	40,000	40,000	27,364	(12,636)	60,000	34,600	(25,400)
Federal Government	-	-	63,517	63,517	-	4,166	4,166
Total Revenues	603,000	603,000	961,808	358,808	603,000	807,878	204,878
Expenditures							
Current:							
General Government:							
Public Safety:							
Contracted Services	209,000	217,433	142,557	74,876	209,383	99,743	109,640
Supplies and Materials	209,000	214,128	160,985	53,143	211,287	83,849	127,438
Other Charges	15,000	15,000	33,595	(18,595)	15,000	17,896	(2,896)
Capital Outlay	170,000	170,000	104,843	65,157	170,000	194,803	(24,803)
Total Expenditures	603,000	616,561	441,980	174,581	605,670	396,291	209,379
Net Change in Fund Balance	-	(13,561)	519,828	533,389	(2,670)	411,587	414,257
Fund Balances, July 1	3,935,256	3,935,256	3,935,256	-	3,523,669	3,523,669	-
Fund Balances, June 30	\$ 3,935,256	\$ 3,921,695	\$ 4,455,084	\$ 533,389	\$ 3,520,999	\$ 3,935,256	\$ 414,257

KNOX COUNTY, TENNESSEE

Engineering & Public Works Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 7,348,862	\$ 8,952,718
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	2,098,229	1,770,614
Sales Tax Receivable	<u>1,695,343</u>	<u>1,704,594</u>
TOTAL ASSETS	<u><u>\$ 11,142,434</u></u>	<u><u>\$ 12,427,926</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 549,254	\$ 1,787,042
Accrued Liabilities	<u>395,203</u>	<u>346,382</u>
TOTAL LIABILITIES	<u>944,457</u>	<u>2,133,424</u>
 Fund Balances:		
Committed	<u>10,197,977</u>	<u>10,294,502</u>
TOTAL FUND BALANCES	<u>10,197,977</u>	<u>10,294,502</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 11,142,434</u></u>	<u><u>\$ 12,427,926</u></u>

KNOX COUNTY, TENNESSEE

Engineering & Public Works Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Local Option Sales Taxes	\$ 9,864,946	\$ 9,416,575
Other Local Taxes	2,502,125	2,314,819
Fines, Forfeitures, and Penalties	9,825	3,500
Charges for Current Services	2,909,045	2,945,783
Other Local Revenues	-	326,000
State of Tennessee	<u>7,789,339</u>	<u>8,689,323</u>
Total Revenues	<u>23,075,280</u>	<u>23,696,000</u>
Expenditures		
Current:		
Engineering & Public Works	24,469,609	21,234,679
Debt Service		
Principal	297,894	-
Interest	<u>12,639</u>	<u>-</u>
Total Expenditures	<u>24,780,142</u>	<u>21,234,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,704,862)</u>	<u>2,461,321</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	2,250,000	1,125,000
Transfers to Other Funds	(1,530,406)	(590,000)
Subscription Financing	<u>888,743</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,608,337</u>	<u>535,000</u>
Net Change in Fund Balances	(96,525)	2,996,321
Fund Balances, July 1	<u>10,294,502</u>	<u>7,298,181</u>
Fund Balances, June 30	<u><u>\$ 10,197,977</u></u>	<u><u>\$ 10,294,502</u></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, 2023 and 2022**

	2023				2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	
Revenues								
Local Option Sales Taxes	\$ 8,607,946	\$ 8,607,946	\$ 9,864,946	\$ 1,257,000	\$ 7,607,946	\$ 9,416,575	\$ 1,808,629	
Other Local Taxes	2,325,000	2,325,000	2,502,125	177,125	2,300,000	2,314,819	14,819	
Fines, Forfeitures and Penalties	-	-	9,825	9,825	2,804	3,500	696	
Charges for Current Services	2,862,500	2,862,500	2,909,045	46,545	2,402,400	2,945,783	543,383	
Other Local Revenues	-	-	-	-	33,116	326,000	292,884	
State of Tennessee	7,011,000	7,011,000	7,789,339	778,339	7,861,000	8,689,323	828,323	
Total Revenues	20,806,446	20,806,446	23,075,280	2,268,834	20,207,266	23,696,000	3,488,734	
Expenditures								
Current:								
Engineering & Public Works:								
Administration:								
Personal Services	1,688,831	1,754,476	1,744,596	9,880	1,778,966	1,681,312	97,654	
Employee Benefits	560,017	520,630	520,232	398	525,492	495,839	29,653	
Contracted Services	740,002	695,715	694,622	1,093	593,167	546,160	47,007	
Supplies and Materials	90,975	60,964	59,144	1,820	71,256	55,515	15,741	
Other Charges	712,300	1,639,300	1,635,088	4,212	739,890	739,516	374	
Highways and Bridge Maintenance:								
Personal Services	3,907,751	3,783,734	3,778,988	4,746	3,750,134	3,605,915	144,219	
Employee Benefits	1,435,647	1,312,047	1,311,985	62	1,441,305	1,313,745	127,560	
Contracted Services	1,484,270	1,762,647	1,755,314	7,333	1,519,975	1,294,840	225,135	
Supplies and Materials	7,456,350	7,705,338	7,692,799	12,539	7,590,875	6,583,872	1,007,003	
Other Charges	538,250	819,859	819,859	-	1,088,250	633,467	454,783	
Capital Outlay	-	661,280	527,493	133,787	117,000	95,883	21,117	
Various Highway:								
Personal Services	2,353,953	2,220,893	2,218,114	2,779	2,230,261	2,198,171	32,090	
Employee Benefits	727,194	683,642	656,590	27,052	747,426	678,033	69,393	
Contracted Services	696,981	804,955	747,517	57,438	581,876	520,890	60,986	
Supplies and Materials	284,138	1,251,327	437,144	814,183	1,229,873	620,864	609,009	
Other Charges	170,657	170,657	170,657	-	170,657	170,657	-	
Capital Outlay	-	10,000	10,000	-	-	-	-	
Total Expenditures	22,847,316	25,857,464	24,780,142	1,077,322	24,176,403	21,234,679	2,941,724	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,040,870)	(5,051,018)	(1,704,862)	3,346,156	(3,969,137)	2,461,321	6,430,458	
Other Financing Sources (Uses)								
Transfer From Other Funds	2,250,000	2,250,000	2,250,000	-	2,250,000	1,125,000	(1,125,000)	
Transfer To Other Funds	(675,000)	(1,530,406)	(1,530,406)	-	(850,000)	(590,000)	260,000	
Subscription Financing	-	-	888,743	888,743	-	-	-	
Total Other Financing Sources (Uses)	1,575,000	719,594	1,608,337	888,743	1,400,000	535,000	(865,000)	
Net Change in Fund Balances	(465,870)	(4,331,424)	(96,525)	4,234,899	(2,569,137)	2,996,321	5,565,458	
Fund Balances, July 1	10,294,502	10,294,502	10,294,502	-	7,298,181	7,298,181	-	
Fund Balances, June 30	\$ 9,828,632	\$ 5,963,078	\$ 10,197,977	\$ 4,234,899	\$ 4,729,044	\$ 10,294,502	\$ 5,565,458	

KNOX COUNTY, TENNESSEE

**ADA Construction Capital Projects Fund
Comparative Balance Sheets**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 1,133,500</u>	<u>\$ 1,812,775</u>
 LIABILITIES AND FUND BALANCES		
Accounts Payable	<u>\$ 94,903</u>	<u>\$ 172,945</u>
 Fund Balances:		
Committed	<u>1,038,597</u>	<u>1,639,830</u>
 TOTAL FUND BALANCE	<u>1,038,597</u>	<u>1,639,830</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,133,500</u>	<u>\$ 1,812,775</u>

KNOX COUNTY, TENNESSEE

ADA Construction Capital Projects Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
State of Tennessee	\$ -	\$ 752,194
Total Revenues	<u>-</u>	<u>752,194</u>
Expenditures		
Capital Projects	<u>601,233</u>	<u>609,453</u>
Excess of Revenues Over (Under) Expenditures	<u>(601,233)</u>	<u>142,741</u>
Net Change in Fund Balances	(601,233)	142,741
Fund Balances, July 1	<u>1,639,830</u>	<u>1,497,089</u>
Fund Balances, June 30	<u><u>\$ 1,038,597</u></u>	<u><u>\$ 1,639,830</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, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 25,809	\$ 22,084
Accounts Receivable	6,752	15,276
Inventories	89,717	58,454
Prepaid Items	-	409
TOTAL CURRENT ASSETS	122,278	96,223
Capital Assets:		
Land	880	880
Buildings	803,446	754,504
Machinery and Equipment	643,524	611,245
Computer Software	25,448	25,448
Land Improvements	66,463	66,463
Leases - Equipment	96,806	96,806
Accumulated Depreciation and Amortization	(1,163,799)	(1,070,297)
Capital Assets (Net of Accumulated Depreciation and Amortization)	472,768	485,049
TOTAL ASSETS	595,046	581,272
LIABILITIES		
Current Liabilities:		
Accounts Payable	40,812	61,667
Accrued Liabilities	25,846	22,279
Compensated Absences Payable	39,547	39,076
Lease Liability	12,088	41,732
Accrued Interest	6	22
TOTAL CURRENT LIABILITIES	118,299	164,776
Noncurrent Liabilities:		
Compensated Absences Payable	111	395
Lease Liability	1,801	13,889
TOTAL NONCURRENT LIABILITIES	1,912	14,284
TOTAL LIABILITIES	120,211	179,060
NET POSITION		
Net Investment in Capital Assets	458,879	429,428
Unrestricted (Deficit)	15,956	(27,216)
TOTAL NET POSITION	\$ 474,835	\$ 402,212

KNOX COUNTY, TENNESSEE

Three Ridges Golf Course Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Golf Fees	\$ 809,015	\$ 811,194
Cart and Range Fees	436,562	373,623
Pro Shop	180,152	158,145
Snack Bar	130,172	127,985
Other Income	45,003	44,316
Total Operating Revenues	<u>1,600,904</u>	<u>1,515,263</u>
Operating Expenses		
Personal Services	630,421	553,643
Employee Benefits	125,841	120,507
Contracted Services	269,285	242,767
Supplies and Materials	606,821	500,888
Other Charges	146,170	168,387
Depreciation and Amortization	93,502	84,840
Total Operating Expenses	<u>1,872,040</u>	<u>1,671,032</u>
Operating Income (Loss)	<u>(271,136)</u>	<u>(155,769)</u>
Nonoperating Revenues (Expenses)		
Interest Expense	<u>(201)</u>	<u>(414)</u>
Income (Loss) before Other Revenues and Transfers	<u>(271,337)</u>	<u>(156,183)</u>
Capital Contributions and Transfers		
Capital Contributions	38,960	57,950
Transfers from Other Funds	305,000	115,000
Total Capital Contributions and Transfers	<u>343,960</u>	<u>172,950</u>
Change in Net Position	72,623	16,767
Net Position, July 1	<u>402,212</u>	<u>385,445</u>
Net Position, June 30	<u>\$ 474,835</u>	<u>\$ 402,212</u>

KNOX COUNTY, TENNESSEE

**Three Ridges Golf Course Fund
Comparative Statements of Cash Flows**

For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Receipts from Customers and Users	\$ 1,609,428	\$ 1,505,322
Payments to Vendors	(1,074,001)	(880,774)
Payments to Employees	(626,667)	(570,539)
Payments on Behalf of Employees	(125,841)	(120,507)
Net Cash Provided (Used) by Operating Activities	(217,081)	(66,498)
Cash Flows From Noncapital Financing Activities		
Transfers from Other Funds	305,000	115,000
Cash Flows From Capital and Related Financing Activities		
Capital Contributions	38,960	57,950
Acquisition and Construction of Capital Assets	(81,221)	(57,950)
Principal Paid on Lease Liabilities	(41,732)	(41,185)
Interest Paid on Lease Liabilities	(201)	(414)
Net Cash Provided by Capital and Related Financing Activities	(84,194)	(41,599)
Net Increase (Decrease) in Cash and Cash Equivalents	3,725	6,903
Cash and Cash Equivalents - Beginning of Year	22,084	15,181
Cash and Cash Equivalents - End of Year	\$ 25,809	\$ 22,084
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (271,136)	\$ (155,769)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	93,502	84,840
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	8,524	(9,942)
Decrease in Inventory	(31,263)	(3,325)
Decrease in Prepaid Items	409	(409)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(17,304)	36,754
Increase (Decrease) in Compensated Absences Payable	187	(18,647)
Total Adjustments	54,055	89,271
Net Cash Provided (Used) by Operating Activities	\$ (217,081)	\$ (66,498)
Noncash Capital and Related Financing Activities:		
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, 2023

	Vehicle Service Center	Mailroom	Employee Benefits	Self Insurance	Building Operations	Technical Support Service	Capital Leasing	Self Insurance Healthcare	Total
ASSETS									
Current Assets:									
Cash and Cash Equivalents	\$ 950,167	\$ 156,727	\$ 2,019,124	\$ 23,882,676	\$ 5,424,771	\$ 372,722	\$ 1,445,780	\$ 19,840,274	\$ 54,092,241
Receivables:									
Accounts	16,899	-	183,081	1,404	1,053,584	-	-	1,395,666	2,650,634
Leases	-	-	-	-	432,317	-	-	-	432,317
Inventories	169,322	25,154	-	-	-	-	-	-	194,476
Prepaid Items	-	-	19,589	-	-	-	-	-	19,589
TOTAL CURRENT ASSETS	1,136,388	181,881	2,221,794	23,884,080	6,910,672	372,722	1,445,780	21,235,940	57,389,257
Noncurrent Assets:									
Lease Receivable	-	-	-	-	4,032,240	-	-	-	4,032,240
Capital Assets:									
Machinery and Equipment	190,450	-	-	-	-	238,781	-	-	429,231
Leases	-	53,276	-	-	5,054,736	-	1,010,063	-	6,118,075
Subscriptions	-	-	-	2,629	-	2,477,768	-	-	2,480,397
Accumulated Depreciation and Amortization	(166,738)	(18,748)	-	(986)	(262,710)	(783,786)	(78,210)	-	(1,311,178)
Capital Assets (Net of Accumulated Depreciation and Amortization)	23,712	34,528	-	1,643	4,792,026	1,932,763	931,853	-	7,716,525
TOTAL NONCURRENT ASSETS	23,712	34,528	-	1,643	8,824,266	1,932,763	931,853	-	11,748,765
TOTAL ASSETS	1,160,100	216,409	2,221,794	23,885,723	15,734,938	2,305,485	2,377,633	21,235,940	69,138,022
LIABILITIES									
Current Liabilities:									
Accounts Payable	96,258	2,473	29,603	55	525,150	15	-	378,767	1,032,321
Accrued Liabilities	26,096	4,464	68,377	39,296	-	32,275	-	2,436	172,944
Accrued Interest	-	11	-	4	9,082	28,009	1,959	-	39,065
Claims Liabilities	-	-	-	3,553,479	-	-	-	1,786,403	5,339,882
Compensated Absences Payable	47,483	10,667	34,325	75,389	-	56,393	-	-	224,257
Lease Liability	-	10,603	-	-	112,725	-	211,942	-	335,270
Subscription Liability	-	-	-	1,321	-	627,378	-	-	628,699
TOTAL CURRENT LIABILITIES	169,837	28,218	132,305	3,669,544	646,957	744,070	213,901	2,167,606	7,772,438
Noncurrent Liabilities:									
Compensated Absences Payable	480	108	347	762	-	570	-	-	2,267
Claims Liabilities	-	-	-	14,213,917	-	-	-	-	14,213,917
Leases	-	27,897	-	-	4,898,291	-	722,327	-	5,648,515
Subscription Liability	-	-	-	337	-	1,287,123	-	-	1,287,460
TOTAL NONCURRENT LIABILITIES	480	28,005	347	14,215,016	4,898,291	1,287,693	722,327	-	21,152,159
TOTAL LIABILITIES	170,317	56,223	132,652	17,884,560	5,545,248	2,031,763	936,228	2,167,606	28,924,597
DEFERRED INFLOW OF RESOURCES									
Leases	-	-	-	-	4,327,593	-	-	-	4,327,593
NET POSITION									
Net Investment in Capital Assets	23,712	-	-	-	-	18,262	-	-	41,974
Unrestricted	966,071	160,186	2,089,142	6,001,163	5,862,097	255,460	1,441,405	19,068,334	35,843,858
TOTAL NET POSITION	\$ 989,783	\$ 160,186	\$ 2,089,142	\$ 6,001,163	\$ 5,862,097	\$ 273,722	\$ 1,441,405	\$ 19,068,334	\$ 35,885,832

KNOX COUNTY, TENNESSEE

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2023

	Vehicle Service Center	Mailroom	Employee Benefits	Self Insurance	Building Operations	Technical Support Service	Capital Leasing	Self Insurance Healthcare	Total
Operating Revenues									
Charges for Services	\$ 3,450,881	\$ 219,704	\$ 34,086,634	\$ 5,828,150	\$ 13,046,274	\$ 1,325,823	\$ -	\$ 31,348,192	\$ 89,305,658
Operating Expenses									
Cost of Services	3,194,023	343,368	1,613,282	1,815,583	16,660,141	1,810,789	71,765	1,708,955	27,217,906
Depreciation and Amortization	10,487	9,551	-	986	171,933	613,711	78,210	-	884,878
Medical Claims	-	-	245,405	-	-	-	-	29,343,820	29,589,225
Retirement Contributions	-	-	29,107,945	-	-	-	-	-	29,107,945
OPEB 35% Retiree Healthcare Contributions	-	-	600,000	-	-	-	-	-	600,000
Other Employee Benefits	-	-	1,385,014	-	-	-	-	-	1,385,014
Worker's Compensation & Other Claims	-	-	-	1,269,840	-	-	-	-	1,269,840
Other Expenses	185,572	-	-	67,747	-	370	-	-	253,689
Total Operating Expenses	3,390,082	352,919	32,951,646	3,154,156	16,832,074	2,424,870	149,975	31,052,775	90,308,497
Operating Income (Loss)	60,799	(133,215)	1,134,988	2,673,994	(3,785,800)	(1,099,047)	(149,975)	295,417	(1,002,839)
Nonoperating Revenues (Expenses)									
Interest Income	-	-	-	-	100,874	-	-	-	100,874
Interest Expense	-	(726)	-	(50)	(106,341)	(34,011)	(8,620)	-	(149,748)
Total Nonoperating Revenues (Expenses)	-	(726)	-	(50)	(5,467)	(34,011)	(8,620)	-	(48,874)
Income (Loss) before Transfers	60,799	(133,941)	1,134,988	2,673,944	(3,791,267)	(1,133,058)	(158,595)	295,417	(1,051,713)
Transfers									
Transfers from Other Funds	-	137,000	600,000	-	3,800,000	1,200,000	-	-	5,737,000
Change in Net Position	60,799	3,059	1,734,988	2,673,944	8,733	66,942	(158,595)	295,417	4,685,287
Total Net Position, July 1	928,984	157,127	354,154	3,327,219	5,853,364	206,780	1,600,000	18,772,917	31,200,545
Total Net Position, June 30	\$ 989,783	\$ 160,186	\$ 2,089,142	\$ 6,001,163	\$ 5,862,097	\$ 273,722	\$ 1,441,405	\$ 19,068,334	\$ 35,885,832

KNOX COUNTY, TENNESSEE

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Vehicle Service Center	Mailroom	Employee Benefits	Self Insurance	Building Operations	Technical Support Service	Capital Leasing	Self Insurance Healthcare	Total
Operating Activities									
Cash Received from Interfund Services Provided	\$ 3,469,556	\$ 219,704	\$ 34,033,652	\$ 5,826,746	\$ 14,347,044	\$ 1,325,823	\$ -	\$ 30,870,592	\$ 90,093,117
Cash Paid to Employees	(507,801)	(83,758)	(460,635)	(799,660)	-	(648,808)	-	-	(2,500,663)
Cash Paid for Goods and Services	(2,844,870)	(231,746)	(1,731,068)	(5,968,923)	(16,762,770)	(957,929)	(69,806)	(1,708,955)	(30,276,067)
Cash Paid on Behalf of Employees	(155,932)	(33,799)	(30,753,420)	(204,565)	-	(174,688)	-	(29,077,211)	(60,399,614)
Net Cash Provided by (Used in) Operating Activities	(39,047)	(129,599)	1,088,529	(1,146,402)	(2,415,726)	(455,602)	(69,806)	84,426	(3,083,227)
Noncapital Financing Activities									
Transfers from Other Funds	-	137,000	600,000	-	3,800,000	1,200,000	-	-	5,737,000
Net Cash Provided by (Used in) Noncapital Financing Activities	-	137,000	600,000	-	3,800,000	1,200,000	-	-	5,737,000
Capital and Related Financing Activities									
Principal Paid on Liabilities	-	(9,977)	-	(971)	(49,026)	(563,267)	(75,794)	-	(699,035)
Interest Paid on Liabilities	-	(726)	-	(50)	(106,341)	(34,011)	(8,620)	-	(149,748)
Net Cash Used in Capital and Related Financing Activities	-	(10,703)	-	(1,021)	(155,367)	(597,278)	(84,414)	-	(848,783)
Investing activities									
Investment earnings	-	-	-	-	100,874	-	-	-	100,874
Net cash provided (used) in investing activities	-	-	-	-	100,874	-	-	-	100,874
Net Increase (Decrease) in Cash and Cash Equivalents	(39,047)	(3,302)	1,688,529	(1,147,423)	1,329,781	147,120	(154,220)	84,426	1,905,864
Cash and Cash Equivalents Beginning of Year	989,214	160,029	330,595	25,030,099	4,094,990	225,602	1,600,000	19,755,848	52,186,377
End of Year	\$ 950,167	\$ 156,727	\$ 2,019,124	\$ 23,882,676	\$ 5,424,771	\$ 372,722	\$ 1,445,780	\$ 19,840,274	\$ 54,092,241
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	\$ 60,799	\$ (133,215)	\$ 1,134,988	\$ 2,673,994	\$ (3,785,800)	\$ (1,099,047)	\$ (149,975)	\$ 295,417	\$ (1,002,839)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation and Amortization	10,487	9,551	-	986	171,933	613,711	78,210	-	884,878
Change in Assets and Liabilities:									
(Increase) Decrease in Accounts Receivable	18,675	-	(52,982)	(1,404)	1,361,912	-	-	(477,600)	848,601
(Increase) Decrease in Other Receivables	-	-	-	-	403,258	-	-	-	403,258
(Increase) Decrease in Inventories	(60,100)	(3,074)	-	-	-	-	-	-	(63,174)
(Increase) Decrease in Prepaid Items	-	-	30,450	-	-	-	-	82,780	113,230
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(66,252)	(3,780)	(11,644)	(7,982)	(102,629)	30,450	1,959	364,552	204,674
Increase (Decrease) in Compensated Absences	(2,656)	919	(12,283)	3,711	-	(716)	-	-	(11,025)
Increase (Decrease) in Claims Liabilities	-	-	-	(3,815,707)	-	-	-	(180,723)	(3,996,430)
Increase (Decrease) in Unearned Revenues	-	-	-	-	(464,400)	-	-	-	(464,400)
Total Adjustments	(99,846)	3,616	(46,459)	(3,820,396)	1,370,074	643,445	80,169	(210,991)	(2,080,388)
Net Cash Provided by (Used in) Operating Activities	\$ (39,047)	\$ (129,599)	\$ 1,088,529	\$ (1,146,402)	\$ (2,415,726)	\$ (455,602)	\$ (69,806)	\$ 84,426	\$ (3,083,227)
Noncash Capital and Related Financing Activities:									
Acquisition of a Lease & SBITA Assets	\$ -	\$ -	\$ -	\$ (2,629)	\$ (1,446,347)	\$ (2,477,768)	\$ (1,010,063)	\$ -	\$ (4,936,807)

KNOX COUNTY, TENNESSEE

Vehicle Service Center Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 950,167	\$ 989,214
Accounts Receivable	16,899	35,574
Inventories	169,322	109,222
	<u>1,136,388</u>	<u>1,134,010</u>
TOTAL CURRENT ASSETS	<u>1,136,388</u>	<u>1,134,010</u>
Capital Assets:		
Machinery and Equipment	190,450	223,258
Accumulated Depreciation	(166,738)	(189,059)
	<u>23,712</u>	<u>34,199</u>
Capital Assets (Net of Accumulated Depreciation)	<u>23,712</u>	<u>34,199</u>
TOTAL ASSETS	<u>1,160,100</u>	<u>1,168,209</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	96,258	167,770
Accrued Liabilities	26,096	20,836
Compensated Absences	47,483	50,113
	<u>169,837</u>	<u>238,719</u>
TOTAL CURRENT LIABILITIES	<u>169,837</u>	<u>238,719</u>
Noncurrent Liabilities:		
Compensated Absences	480	506
	<u>480</u>	<u>506</u>
TOTAL LIABILITIES	<u>170,317</u>	<u>239,225</u>
NET POSITION		
Investment in Capital Assets	23,712	34,199
Unrestricted	966,071	894,785
	<u>989,783</u>	<u>928,984</u>
TOTAL NET POSITION	<u>\$ 989,783</u>	<u>\$ 928,984</u>

KNOX COUNTY, TENNESSEE

Vehicle Service Center Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	<u>\$ 3,450,881</u>	<u>\$ 3,167,806</u>
Operating Expenses		
Cost of Services	3,194,023	3,066,725
Depreciation and Amortization	10,487	10,487
Other Expenses	<u>185,572</u>	<u>171,331</u>
Total Operating Expenses	<u>3,390,082</u>	<u>3,248,543</u>
Income (Loss) before Transfers	<u>60,799</u>	<u>(80,737)</u>
Transfers		
Transfers from Other Funds	<u>-</u>	<u>90,000</u>
Change in Net Position	60,799	9,263
Net Position, July 1	<u>928,984</u>	<u>919,721</u>
Net Position, June 30	<u><u>\$ 989,783</u></u>	<u><u>\$ 928,984</u></u>

KNOX COUNTY, TENNESSEE

Mailroom Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 156,727	\$ 160,029
Inventories	<u>25,154</u>	<u>22,080</u>
TOTAL CURRENT ASSETS	<u>181,881</u>	<u>182,109</u>
Capital Assets:		
Leases	53,276	53,276
Accumulated Amortization	<u>(18,748)</u>	<u>(9,197)</u>
Capital Assets (Net of Accumulated Depreciation)	<u>34,528</u>	<u>44,079</u>
TOTAL ASSETS	<u>216,409</u>	<u>226,188</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,473	6,774
Accrued Liabilities	4,464	3,881
Compensated Absences	10,667	9,757
Lease Liability	10,603	9,977
Accrued Interest	<u>11</u>	<u>73</u>
TOTAL CURRENT LIABILITIES	<u>28,218</u>	<u>30,462</u>
Noncurrent Liabilities:		
Compensated Absences	108	99
Lease Liability	<u>27,897</u>	<u>38,500</u>
TOTAL NONCURRENT LIABILITIES	<u>28,005</u>	<u>38,599</u>
TOTAL LIABILITIES	<u>56,223</u>	<u>69,061</u>
NET POSITION		
Unrestricted	<u>160,186</u>	<u>157,127</u>
TOTAL NET POSITION	<u>\$ 160,186</u>	<u>\$ 157,127</u>

KNOX COUNTY, TENNESSEE

Mailroom Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	<u>\$ 219,704</u>	<u>\$ 220,574</u>
Operating Expenses		
Cost of Services	343,368	333,333
Amortization	<u>9,551</u>	<u>9,197</u>
Total Operating Expenses	<u>352,919</u>	<u>342,530</u>
Operating Income (Loss)	<u>(133,215)</u>	<u>(121,956)</u>
Nonoperating Expenses		
Interest Expense	<u>(726)</u>	<u>(422)</u>
Income (Loss) before Transfers	<u>(133,941)</u>	<u>(122,378)</u>
Transfers		
Transfers from Other Funds	<u>137,000</u>	<u>120,000</u>
Change in Net Position	3,059	(2,378)
Net Position, July 1	<u>157,127</u>	<u>159,505</u>
Net Position, June 30	<u><u>\$ 160,186</u></u>	<u><u>\$ 157,127</u></u>

KNOX COUNTY, TENNESSEE

Employee Benefits Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,019,124	\$ 330,595
Accounts Receivable	183,081	130,099
Prepaid Items	<u>19,589</u>	<u>50,039</u>
TOTAL ASSETS	<u>2,221,794</u>	<u>510,733</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	29,603	12,024
Accrued Liabilities	68,377	97,600
Compensated Absences	<u>34,325</u>	<u>46,485</u>
TOTAL CURRENT LIABILITIES	<u>132,305</u>	<u>156,109</u>
Noncurrent Liabilities:		
Compensated Absences	<u>347</u>	<u>470</u>
TOTAL LIABILITIES	<u>132,652</u>	<u>156,579</u>
NET POSITION		
Unrestricted	<u>\$ 2,089,142</u>	<u>\$ 354,154</u>

KNOX COUNTY, TENNESSEE

Employee Benefits Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	\$ 34,086,634	\$ 34,191,637
Operating Expenses		
Finance and Administration:		
Cost of Services	1,613,282	1,597,821
Medical Claims	245,405	224,741
Retirement Contributions	29,107,945	32,020,023
OPEB 35% Retiree Healthcare Contributions	600,000	666,000
Other Employee Benefits	1,385,014	1,215,065
Total Operating Expenses	<u>32,951,646</u>	<u>35,723,650</u>
Income (Loss) before Transfers	<u>1,134,988</u>	<u>(1,532,013)</u>
Transfers		
Transfers from Other Funds	<u>600,000</u>	<u>1,566,000</u>
Change in Net Position	1,734,988	33,987
Net Position, July 1	<u>354,154</u>	<u>320,167</u>
Net Position, June 30	<u>\$ 2,089,142</u>	<u>\$ 354,154</u>

KNOX COUNTY, TENNESSEE

Self Insurance Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 23,882,676	\$ 25,030,099
Accounts Receivable	<u>1,404</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>23,884,080</u>	<u>25,030,099</u>
Capital Assets:		
Subscription Asset	2,629	-
Accumulated Amortization	<u>(986)</u>	<u>-</u>
Capital Assets (Net of Accumulated Amortization)	<u>1,643</u>	<u>-</u>
TOTAL ASSETS	<u>23,885,723</u>	<u>25,030,099</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	55	12,858
Accrued Liabilities	39,296	34,479
Claims Liability	3,553,479	4,316,621
Compensated Absences	75,389	71,716
Subscription Liability	1,321	-
Accrued Interest	<u>4</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>3,669,544</u>	<u>4,435,674</u>
Noncurrent Liabilities:		
Compensated Absences	762	724
Claims Liability	14,213,917	17,266,482
Subscription Liability	<u>337</u>	<u>-</u>
TOTAL NONCURRENT LIABILITIES	<u>14,215,016</u>	<u>17,267,206</u>
TOTAL LIABILITIES	<u>17,884,560</u>	<u>21,702,880</u>
NET POSITION		
Unrestricted	<u>6,001,163</u>	<u>3,327,219</u>
TOTAL NET POSITION	<u>\$ 6,001,163</u>	<u>\$ 3,327,219</u>

KNOX COUNTY, TENNESSEE

Self Insurance Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	\$ 5,828,150	\$ 6,767,118
Operating Expenses		
Cost of Services	1,815,583	1,570,951
Amortization	986	-
Workers' Compensation & Other Claims	1,269,840	6,266,887
Other Expenses	67,747	95,675
Total Operating Expenses	<u>3,154,156</u>	<u>7,933,513</u>
Operating Income (Loss)	<u>2,673,994</u>	<u>(1,166,395)</u>
Nonoperating Expenses		
Interest Expense	<u>(50)</u>	<u>-</u>
Change in Net Position	2,673,944	(1,166,395)
Net Position, July 1	<u>3,327,219</u>	<u>4,493,614</u>
Net Position, June 30	<u>\$ 6,001,163</u>	<u>\$ 3,327,219</u>

KNOX COUNTY, TENNESSEE

**Building Operations Fund
Comparative Statements of Net Position**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 5,424,771	\$ 4,094,990
Accounts Receivable	1,053,584	2,415,496
Lease Receivable	432,317	453,595
TOTAL CURRENT ASSETS	<u>6,910,672</u>	<u>6,964,081</u>
Noncurrent Assets:		
Lease Receivable	<u>4,032,240</u>	<u>4,414,220</u>
Capital Assets:		
Leases - Buildings	5,054,736	3,608,389
Accumulated Depreciation and Amortization	<u>(262,710)</u>	<u>(90,777)</u>
Capital Assets (Net of Accumulated Depreciation)	<u>4,792,026</u>	<u>3,517,612</u>
TOTAL NONCURRENT ASSETS	<u>8,824,266</u>	<u>7,931,832</u>
TOTAL ASSETS	<u>15,734,938</u>	<u>14,895,913</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	525,150	629,342
Lease Liability - Current	112,725	80,904
Accrued Interest	9,082	7,519
TOTAL CURRENT LIABILITIES	<u>646,957</u>	<u>717,765</u>
Noncurrent Liabilities:		
Lease Liability	<u>4,898,291</u>	<u>3,532,791</u>
TOTAL LIABILITIES	<u>5,545,248</u>	<u>4,250,556</u>
DEFERRED INFLOW OF RESOURCES		
Leases	<u>4,327,593</u>	<u>4,791,993</u>
NET POSITION		
Unrestricted	<u>5,862,097</u>	<u>5,853,364</u>
TOTAL NET POSITION	<u>\$ 5,862,097</u>	<u>\$ 5,853,364</u>

KNOX COUNTY, TENNESSEE

Building Operations Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	\$ 13,046,274	\$ 14,064,413
Operating Expenses		
Cost of Services	16,660,141	15,616,965
Amortization	171,933	90,777
Total Operating Expenses	16,832,074	15,707,742
Operating Income (Loss)	(3,785,800)	(1,643,329)
Nonoperating Revenues (Expenses)		
Interest Income	100,874	156,329
Interest Expense	(106,341)	(92,928)
Total Nonoperating Revenues (Expenses)	(5,467)	63,401
Income (Loss) before Transfers	(3,791,267)	(1,579,928)
Transfers		
Transfers from Other Funds	3,800,000	1,500,000
Change in Net Position	8,733	(79,928)
Net Position, July 1	5,853,364	5,933,292
Net Position, June 30	<u>\$ 5,862,097</u>	<u>\$ 5,853,364</u>

KNOX COUNTY, TENNESSEE

Technical Support Service Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 372,722	\$ 225,602
Capital Assets:		
Machinery and Equipment	238,781	598,021
Subscription Asset	2,477,768	-
Accumulated Depreciation and Amortization	<u>(783,786)</u>	<u>(529,315)</u>
Capital Assets (Net of Accumulated Depreciation and Amortization)	<u>1,932,763</u>	<u>68,706</u>
TOTAL ASSETS	<u>2,305,485</u>	<u>294,308</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	15	1,982
Accrued Liabilities	32,275	27,867
Compensated Absences	56,393	57,102
Subscription Liability	627,378	-
Accrued Interest	<u>28,009</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>744,070</u>	<u>86,951</u>
Noncurrent Liabilities:		
Compensated Absences	570	577
Subscription Liability	<u>1,287,123</u>	<u>-</u>
TOTAL NONCURRENT LIABILITIES	<u>1,287,693</u>	<u>577</u>
TOTAL LIABILITIES	<u>2,031,763</u>	<u>87,528</u>
NET POSITION		
Net Investment in Capital Assets	18,262	68,706
Unrestricted	<u>255,460</u>	<u>138,074</u>
TOTAL NET POSITION	<u>\$ 273,722</u>	<u>\$ 206,780</u>

KNOX COUNTY, TENNESSEE

Technical Support Service Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
State of Tennessee	\$ -	\$ 400,000
Charges for Services	1,325,823	1,256,225
Total Operating Revenues	<u>1,325,823</u>	<u>1,656,225</u>
Operating Expenses		
Cost of Services	1,810,789	2,174,885
Depreciation and Amortization	613,711	8,578
Other Expense	370	372
Total Operating Expenses	<u>2,424,870</u>	<u>2,183,835</u>
Operating Loss	(1,099,047)	(527,610)
Nonoperating Expenses		
Interest Expense	<u>(34,011)</u>	<u>-</u>
Income (Loss) before Transfers	<u>(1,133,058)</u>	<u>(527,610)</u>
Transfers		
Transfers from Other Funds	<u>1,200,000</u>	<u>600,000</u>
Change in Net Position	66,942	72,390
Net Position, July 1	<u>206,780</u>	<u>134,390</u>
Net Position, June 30	<u><u>\$ 273,722</u></u>	<u><u>\$ 206,780</u></u>

KNOX COUNTY, TENNESSEE

Capital Leasing Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,445,780	\$ 1,600,000
Capital Assets:		
Lease Asset - Vehicles	1,010,063	-
Accumulated Amortization	<u>(78,210)</u>	<u>-</u>
Capital Assets (Net of Accumulated Amortization)	<u>931,853</u>	<u>-</u>
TOTAL ASSETS	<u>2,377,633</u>	<u>1,600,000</u>
LIABILITIES		
Current Liabilities:		
Lease Liability	211,942	-
Accrued Interest	<u>1,959</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>213,901</u>	<u>-</u>
Noncurrent Liabilities:		
Lease Liability	<u>722,327</u>	<u>-</u>
TOTAL LIABILITIES	<u>936,228</u>	<u>-</u>
NET POSITION		
Unrestricted	<u>1,441,405</u>	<u>1,600,000</u>
TOTAL NET POSITION	<u>\$ 1,441,405</u>	<u>\$ 1,600,000</u>

KNOX COUNTY, TENNESSEE

Capital Leasing Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Expenses		
Costs of Services	\$ 71,765	\$ -
Amortization	78,210	-
Total Operating Expenses	<u>149,975</u>	<u>-</u>
Operating Loss	<u>(149,975)</u>	<u>-</u>
Nonoperating Expenses		
Interest Expense	<u>(8,620)</u>	<u>-</u>
Income (Loss) before Transfers	<u>(158,595)</u>	<u>-</u>
Transfers		
Transfers From Other Funds	<u>-</u>	<u>1,600,000</u>
Change in Net Position	<u>(158,595)</u>	<u>1,600,000</u>
Net Position, July 1	<u>1,600,000</u>	<u>-</u>
Net Position, June 30	<u><u>\$ 1,441,405</u></u>	<u><u>\$ 1,600,000</u></u>

KNOX COUNTY, TENNESSEE

Self Insurance Healthcare Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 19,840,274	\$ 19,755,848
Accounts Receivable	1,395,666	918,066
Prepaid Items	-	82,780
	<u>21,235,940</u>	<u>20,756,694</u>
TOTAL CURRENT ASSETS		
	<u>21,235,940</u>	<u>20,756,694</u>
TOTAL ASSETS		
	<u>21,235,940</u>	<u>20,756,694</u>
LIABILITIES		
Liabilities:		
Accounts Payable	378,767	16,651
Accrued Liabilities	2,436	-
Claims Liability	1,786,403	1,967,126
	<u>2,167,606</u>	<u>1,983,777</u>
TOTAL LIABILITIES		
	<u>2,167,606</u>	<u>1,983,777</u>
TOTAL NET POSITION	<u>\$ 19,068,334</u>	<u>\$ 18,772,917</u>

KNOX COUNTY, TENNESSEE

Self Insurance Healthcare Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	<u>\$ 31,348,192</u>	<u>\$ 30,838,498</u>
Operating Expenses		
Cost of Services	1,708,955	1,549,929
Medical Claims	<u>29,343,820</u>	<u>28,753,119</u>
Total Operating Expenses	<u>31,052,775</u>	<u>30,303,048</u>
Change in Net Position	295,417	535,450
Net Position, July 1	<u>18,772,917</u>	<u>18,237,467</u>
Net Position, June 30	<u><u>\$ 19,068,334</u></u>	<u><u>\$ 18,772,917</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, 2023

	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
ASSETS									
Cash and Cash equivalents	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ 149,248	\$ -	\$ -	\$ 149,498
Investments, at Fair Value:									
Money Market Funds	-	-	-	-	-	-	129,274	-	129,274
Mutual Funds	33,377,884	206,873,912	277,191,672	9,007,339	25,608,910	2,337,390	6,486,921	4,422,684	565,306,712
Collective Investment Trusts	-	-	18,461,324	295,461	1,433,865	-	-	1,111,090	21,301,740
Investments, at Contract Value:									
Guaranteed Investment Contracts	-	-	94,061,117	3,395,540	7,887,856	-	-	539,888	105,884,401
Total Investments	33,377,884	206,873,912	389,714,113	12,698,340	34,930,631	2,337,390	6,616,195	6,073,662	692,622,127
Receivables:									
Notes Receivable from Participants	-	-	3,143,530	-	-	-	-	-	3,143,530
Accrued Interest and Dividends	6,010	11,550	-	-	-	-	-	-	17,560
Accrued Income	-	-	-	-	-	-	7,282	-	7,282
Total Assets	33,384,144	206,885,462	392,857,643	12,698,340	34,930,631	2,486,638	6,623,477	6,073,662	695,939,997
LIABILITIES									
Accounts Payable - Administrative Expenses	10,398	38,502	-	-	-	26,897	-	-	75,797
Accounts Payable - Investments Purchased	-	-	4,736,259	261,563	313,346	-	-	4,978	5,316,146
Total Liabilities	10,398	38,502	4,736,259	261,563	313,346	26,897	-	4,978	5,391,943
NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS	\$ 33,373,746	\$ 206,846,960	\$ 388,121,384	\$ 12,436,777	\$ 34,617,285	\$ 2,459,741	\$ 6,623,477	\$ 6,068,684	\$ 690,548,054

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, 2023**

	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
ADDITIONS									
Contributions:									
Employer	\$ 3,005,004	\$ 8,129,160	\$ 11,853,432	\$ 274,620	\$ -	\$ 564,682	\$ 600,000	\$ 175,822	\$ 24,602,720
Employees	70,267	1,136,691	10,557,408	945,976	3,137,164	-	-	393,599	16,241,105
Rollovers	-	-	542,344	-	147,869	-	-	-	690,213
Total Contributions	3,075,271	9,265,851	22,953,184	1,220,596	3,285,033	564,682	600,000	569,421	41,534,038
Investment Income (Loss):									
Interest and Dividend Income	1,367,871	7,761,498	13,503,451	491,580	1,138,295	144,212	132,873	252,114	24,791,894
Interest on Notes Receivable from Participants	-	-	160,572	-	-	-	-	-	160,572
Net Appreciation (Depreciation) in Fair Value of Investments	1,306,734	11,446,688	17,101,708	300,930	1,846,352	55,945	384,704	358,893	32,801,954
Total Investment Income (Loss)	2,674,605	19,208,186	30,765,731	792,510	2,984,647	200,157	517,577	611,007	57,754,420
Total Additions	5,749,876	28,474,037	53,718,915	2,013,106	6,269,680	764,839	1,117,577	1,180,428	99,288,458
DEDUCTIONS									
Benefits and Refunds	6,371,760	13,877,140	27,624,643	562,784	1,978,073	599,777	-	574,285	51,588,462
Administrative Expenses	113,818	784,392	62,156	-	-	681,428	68,085	-	1,709,879
Total Deductions	6,485,578	14,661,532	27,686,799	562,784	1,978,073	1,281,205	68,085	574,285	53,298,341
CHANGE IN NET POSITION	(735,702)	13,812,505	26,032,116	1,450,322	4,291,607	(516,366)	1,049,492	606,143	45,990,117
NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS, BEGINNING OF YEAR									
	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
NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS, END OF YEAR									
	\$ 33,373,746	\$ 206,846,960	\$ 388,121,384	\$ 12,436,777	\$ 34,617,285	\$ 2,459,741	\$ 6,623,477	\$ 6,068,684	\$ 690,548,054

KNOX COUNTY, TENNESSEE

**Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Closed Defined Benefit Plan**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 250	\$ 250
Investments, at Fair Value:		
Mutual Funds	<u>33,377,884</u>	<u>34,124,124</u>
Accrued Interest and Dividends	<u>6,010</u>	<u>-</u>
Total Assets	<u>33,384,144</u>	<u>34,124,374</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>10,398</u>	<u>14,926</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 33,373,746</u>	<u>\$ 34,109,448</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 3,005,004	\$ 3,220,457
Employees	<u>70,267</u>	<u>67,164</u>
Total Contributions	<u>3,075,271</u>	<u>3,287,621</u>
Investment Income (Loss):		
Interest and Dividend Income	1,367,871	1,821,828
Net Appreciation (Depreciation) in Fair Value of Investments	<u>1,306,734</u>	<u>(6,235,085)</u>
Total Investment Income (Loss)	<u>2,674,605</u>	<u>(4,413,257)</u>
Total Additions	<u>5,749,876</u>	<u>(1,125,636)</u>
DEDUCTIONS		
Benefits and Refunds	6,371,760	6,721,519
Administrative Expenses	<u>113,818</u>	<u>114,444</u>
Total Deductions	<u>6,485,578</u>	<u>6,835,963</u>
CHANGE IN NET POSITION	(735,702)	(7,961,599)
NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>34,109,448</u>	<u>42,071,047</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 33,373,746</u></u>	<u><u>\$ 34,109,448</u></u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Uniformed Officers Pension Plan
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	<u>206,873,912</u>	<u>193,086,514</u>
Accrued Interest and Dividends	<u>11,550</u>	<u>-</u>
Total Assets	<u>206,885,462</u>	<u>193,086,514</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>38,502</u>	<u>52,059</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 206,846,960</u></u>	<u><u>\$ 193,034,455</u></u>

KNOX COUNTY, TENNESSEE

**Comparative Statements of Changes in Fiduciary Net Position
Pension Trust Fund - Uniformed Officers Pension Plan**

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 8,129,160	\$ 7,480,882
Employees	<u>1,136,691</u>	<u>1,225,206</u>
Total Contributions	<u>9,265,851</u>	<u>8,706,088</u>
Investment Income (Loss):		
Interest and Dividend Income	7,761,498	11,359,654
Net Appreciation (Depreciation) in Fair Value of Investments	<u>11,446,688</u>	<u>(39,777,837)</u>
Total Investment Income	<u>19,208,186</u>	<u>(28,418,183)</u>
Total Additions	<u>28,474,037</u>	<u>(19,712,095)</u>
DEDUCTIONS		
Benefits and Refunds	13,877,140	12,875,063
Administrative Expenses	<u>784,392</u>	<u>642,958</u>
Total Deductions	<u>14,661,532</u>	<u>13,518,021</u>
CHANGE IN NET POSITION	13,812,505	(33,230,116)
NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>193,034,455</u>	<u>226,264,571</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR	<u>\$ 206,846,960</u>	<u>\$ 193,034,455</u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Asset Accumulation Plan
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 389,111</u>
Investments, at Fair Value:		
Mutual Funds	277,191,672	244,333,289
Collective Investment Trusts	18,461,324	20,711,664
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>94,061,117</u>	<u>93,808,427</u>
Total Investments	<u>389,714,113</u>	<u>358,853,380</u>
Receivables:		
Notes Receivable from Participants	<u>3,143,530</u>	<u>2,846,777</u>
Total Assets	<u>392,857,643</u>	<u>362,089,268</u>
LIABILITIES		
Accounts Payable - Investments Purchased	<u>4,736,259</u>	<u>-</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	<u><u>\$ 388,121,384</u></u>	<u><u>\$ 362,089,268</u></u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Changes in Fiduciary Net Position
Pension Trust Fund - Asset Accumulation Plan
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 11,853,432	\$ 12,308,584
Employees	10,557,408	10,390,738
Rollovers	542,344	1,131,668
	<u>22,953,184</u>	<u>23,830,990</u>
Total Contributions		
Investment Income (Loss):		
Interest and Dividend Income	13,503,451	28,332,541
Interest on Notes Receivable from Participants	160,572	120,303
Net Appreciation (Depreciation) in Fair Value of Investments	17,101,708	(78,258,264)
	<u>30,765,731</u>	<u>(49,805,420)</u>
Net Investment Income (Loss)		
Total Additions	<u>53,718,915</u>	<u>(25,974,430)</u>
DEDUCTIONS		
Benefits and Refunds	27,624,643	34,794,353
Administrative Expenses	62,156	1,336,071
	<u>27,686,799</u>	<u>36,130,424</u>
Total Deductions		
CHANGE IN NET POSITION	26,032,116	(62,104,854)
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR	<u>362,089,268</u>	<u>424,194,122</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR	<u>\$ 388,121,384</u>	<u>\$ 362,089,268</u>

KNOX COUNTY, TENNESSEE

**Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Sheriff's Total Accumulation Retirement Plan**

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ -	\$ 2,072
Investments, at Fair Value:		
Mutual Funds	9,007,339	7,371,044
Collective Investment Trusts	295,461	328,954
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>3,395,540</u>	<u>3,284,385</u>
Total Investments	<u>12,698,340</u>	<u>10,984,383</u>
Total Assets	<u>12,698,340</u>	<u>10,986,455</u>
LIABILITIES		
Accounts Payable - Investments Purchased	<u>261,563</u>	<u>-</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	<u>\$ 12,436,777</u>	<u>\$ 10,986,455</u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 274,620	\$ 1,812,179
Employees	945,976	906,074
Rollovers	-	93,921
Total Contributions	<u>1,220,596</u>	<u>2,812,174</u>
Investment Income:		
Interest and Dividend Income	491,580	754,602
Net Appreciation (Depreciation) in Fair Value of Investments	<u>300,930</u>	<u>(2,339,172)</u>
Net Investment Income	<u>792,510</u>	<u>(1,584,570)</u>
Total Additions	<u>2,013,106</u>	<u>1,227,604</u>
DEDUCTIONS		
Benefits and Refunds	562,784	550,273
Administrative Expenses	-	1,289,760
Total Deductions	<u>562,784</u>	<u>1,840,033</u>
CHANGE IN NET POSITION	1,450,322	(612,429)
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR	<u>10,986,455</u>	<u>11,598,884</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR	<u>\$ 12,436,777</u>	<u>\$ 10,986,455</u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Voluntary 457 Plan
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 33,618</u>
Investments, at Fair Value:		
Mutual Funds	25,608,910	21,251,660
Collective Investment Trusts	1,433,865	1,616,346
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>7,887,856</u>	<u>7,424,054</u>
Total Investments	<u>34,930,631</u>	<u>30,292,060</u>
Total Assets	<u>34,930,631</u>	<u>30,325,678</u>
LIABILITIES		
Accounts Payable - Investments Purchased	<u>313,346</u>	<u>-</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	<u><u>\$ 34,617,285</u></u>	<u><u>\$ 30,325,678</u></u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Changes in Fiduciary Net Position

Pension Trust Fund - Voluntary 457 Plan

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employee	\$ 3,137,164	\$ 2,928,251
Rollovers	147,869	32,308
	<u>3,285,033</u>	<u>2,960,559</u>
Total Contributions		
	3,285,033	2,960,559
Investment Income (Loss):		
Interest and Dividend Income	1,138,295	2,550,856
Net Appreciation (Depreciation) in Fair Value of Investments	1,846,352	(6,964,502)
	<u>2,984,647</u>	<u>(4,413,646)</u>
Total Investment Income (Loss)		
	2,984,647	(4,413,646)
Total Additions	<u>6,269,680</u>	<u>(1,453,087)</u>
DEDUCTIONS		
Benefits and Refunds	1,978,073	2,332,879
Administrative Expense	-	612
	<u>1,978,073</u>	<u>2,333,491</u>
Total Deductions		
	1,978,073	2,333,491
CHANGE IN NET POSITION	4,291,607	(3,786,578)
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR	<u>30,325,678</u>	<u>34,112,256</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR	<u>\$ 34,617,285</u>	<u>\$ 30,325,678</u>

KNOX COUNTY, TENNESSEE

**Comparative Statements of Fiduciary Net Position
Other Employee Benefit Trust Fund - Employee Disability Plan**

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 149,248	\$ 44,275
Investments, at Fair Value:		
Mutual Funds	2,337,390	2,000,757
Collective Investment Trusts	-	736,872
Investments, at Contract Value:		
Guaranteed Investment Contracts	-	235,056
Total Investments	<u>2,337,390</u>	<u>2,972,685</u>
Total Assets	<u>2,486,638</u>	<u>3,016,960</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>26,897</u>	<u>40,853</u>
NET POSITION - RESTRICTED FOR OPEB BENEFITS	<u>\$ 2,459,741</u>	<u>\$ 2,976,107</u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 564,682	\$ 2,195,279
Investment Income (Loss):		
Interest and Dividend Income	144,212	343,244
Net Appreciation (Depreciation) in Fair Value of Investments	55,945	(819,483)
Net Investment Income (Loss)	200,157	(476,239)
Total Additions	764,839	1,719,040
DEDUCTIONS		
Benefits and Refunds	599,777	540,141
Administrative Expenses	681,428	-
Total Deductions	1,281,205	540,141
CHANGE IN NET POSITION	(516,366)	1,178,899
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	2,976,107	1,797,208
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	<u>\$ 2,459,741</u>	<u>\$ 2,976,107</u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Other Employee Benefit Trust Fund - Retiree Healthcare Plan
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments, at Fair Value:		
Money Market Funds	\$ 129,274	\$ -
Mutual Funds	6,486,921	3,784,622
Collective Investment Trusts	-	1,384,929
Investments, at Contract Value:		
Guaranteed Investment Contracts	-	404,434
 Total Investments	<u>6,616,195</u>	<u>5,573,985</u>
 Accrued Income	<u>7,282</u>	<u>-</u>
 Total Assets	<u>6,623,477</u>	<u>5,573,985</u>
 NET POSITION - RESTRICTED FOR		
OPEB BENEFITS	<u>\$ 6,623,477</u>	<u>\$ 5,573,985</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 600,000	\$ 666,000
Investment Income (Loss):		
Interest and Dividend Income	132,873	694,354
Net Appreciation (Depreciation) in Fair Value of Investments	384,704	(1,486,735)
Total Investment Income (Loss)	517,577	(792,381)
Total Additions	1,117,577	(126,381)
DEDUCTIONS		
Administrative Expenses	68,085	61,806
CHANGE IN NET POSITION	1,049,492	(188,187)
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	5,573,985	5,762,172
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	\$ 6,623,477	\$ 5,573,985

KNOX COUNTY, TENNESSEE

**Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Medical Expense Retirement Plan**

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 18,290</u>
Investments, at Fair Value:		
Mutual Funds	4,422,684	3,746,440
Collective Investment Trusts	1,111,090	1,158,883
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>539,888</u>	<u>538,928</u>
 Total Investments	<u>6,073,662</u>	<u>5,444,251</u>
 Total Assets	<u>6,073,662</u>	<u>5,462,541</u>
 LIABILITIES		
Accounts Payable - Investments Purchased	<u>4,978</u>	<u>-</u>
 NET POSITION - RESTRICTED FOR OPEB BENEFITS	<u>\$ 6,068,684</u>	<u>\$ 5,462,541</u>

KNOX COUNTY, TENNESSEE

**Comparative Statements of Changes in Fiduciary Net Position
Pension Trust Fund - Medical Expense Retirement Plan
For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	\$ 175,822	\$ 131,250
Employees	<u>393,599</u>	<u>308,546</u>
Total Contributions	<u>569,421</u>	<u>439,796</u>
Investment Income (Loss):		
Interest and Dividend Income	252,114	748,239
Net Appreciation (Depreciation) in Fair Value of Investments	<u>358,893</u>	<u>(1,667,911)</u>
Net Investment Income (Loss)	<u>611,007</u>	<u>(919,672)</u>
Total Additions	<u>1,180,428</u>	<u>(479,876)</u>
DEDUCTIONS		
Benefits and Refunds	<u>574,285</u>	<u>797,640</u>
CHANGE IN NET POSITION	606,143	(1,277,516)
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	<u>5,462,541</u>	<u>6,740,057</u>
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	<u>\$ 6,068,684</u>	<u>\$ 5,462,541</u>

KNOX COUNTY, TENNESSEE
Combining Statements of Fiduciary Net Position
Custodial Funds
June 30, 2023
(With Comparative Totals for June 30, 2022)

	Municipal Sales Tax	Subdivision Bonds	External Agencies	Constitutional Officers	Totals	
					2023	2022
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 1,559,853	\$ 3,143,442	\$ 39,659,483	\$ 44,362,778	\$ 30,715,601
Accounts Receivable	12,447,027	-	-	798,380	13,245,407	12,590,922
TOTAL ASSETS	\$ 12,447,027	\$ 1,559,853	\$ 3,143,442	\$ 40,457,863	\$ 57,608,185	\$ 43,306,523
LIABILITIES						
Accounts Payable	\$ 124,470	\$ -	\$ -	\$ -	\$ 124,470	\$ 109
Due to Other Governments	12,322,557	-	-	-	12,322,557	11,774,494
TOTAL LIABILITIES	12,447,027	-	-	-	12,447,027	11,774,603
NET POSITION - RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS						
	\$ -	\$ 1,559,853	\$ 3,143,442	\$ 40,457,863	\$ 45,161,158	\$ 31,531,920

KNOX COUNTY, TENNESSEE

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds**

For the Year Ended June 30, 2023

	Municipal Sales Tax Fund	Subdivision Bonds	External Agencies Fund	Constitutional Officers Fund	Total All Custodial Funds
ADDITIONS					
Collected for Other Offices/Governments	\$ 73,486,081	\$ -	\$ -	\$ 107,308,097	\$ 180,794,178
Litigants, Heirs, & Others	-	-	-	39,417,841	39,417,841
Charges for Goods/Services	-	-	2,970,937	-	2,970,937
Bonds for New Developments	-	858,550	-	-	858,550
Interest Income	-	-	66,985	-	66,985
Grant Proceeds/Match	-	-	48,495,892	-	48,495,892
Community Contributions/Sponsorships	-	-	825,378	-	825,378
Other	-	-	2,165,056	-	2,165,056
Total Additions	<u>73,486,081</u>	<u>858,550</u>	<u>54,524,248</u>	<u>146,725,938</u>	<u>275,594,817</u>
DEDUCTIONS					
Distributed to Other Offices/Governments	72,751,220	-	-	104,381,989	177,133,209
Trustee's Commission	734,861	-	5,282	2,195,903	2,936,046
Release of Funds upon Completion of New Developments	-	300,700	-	-	300,700
Salary & Fringe Benefits	-	-	32,779,290	-	32,779,290
Purchase Capital Assets	-	-	785,777	-	785,777
Operating Expenditures	-	-	21,133,311	-	21,133,311
Indirect Costs	-	-	59,579	-	59,579
Jail Commissary Expenditures	-	-	-	1,479,224	1,479,224
Litigants, Heirs, and Others	-	-	-	24,619,851	24,619,851
Other	-	-	300,069	438,523	738,592
Total Deductions	<u>73,486,081</u>	<u>300,700</u>	<u>55,063,308</u>	<u>133,115,490</u>	<u>261,965,579</u>
CHANGE IN NET POSITION	-	557,850	(539,060)	13,610,448	13,629,238
NET POSITION - RESTRICTED BEGINNING OF YEAR	<u>-</u>	<u>1,002,003</u>	<u>3,682,502</u>	<u>26,847,415</u>	<u>31,531,920</u>
NET POSITION - RESTRICTED END OF YEAR	<u>\$ -</u>	<u>\$ 1,559,853</u>	<u>\$ 3,143,442</u>	<u>\$ 40,457,863</u>	<u>\$ 45,161,158</u>

KNOX COUNTY, TENNESSEE

**Combining Statement of Net Position
Nonmajor Component Units
June 30, 2023**

	Nonmajor Component Units				Total Nonmajor Component Units
	Knox County Emergency Communications District	Knox County Development Corporation	Knox County Railroad Authority	Knox Education Foundation	
Assets					
Cash and Cash Equivalents	\$ 24,217,009	\$ 3,303,309	\$ 9,280	\$ 5,272,207	\$ 32,801,805
Accounts Receivable	1,974	106,192	-	15,299	123,465
Contributions Receivable	-	-	-	192,741	192,741
Investments	-	-	-	999,931	999,931
Land Held for Resale	-	39,084,453	-	-	39,084,453
Prepaid Items	52,599	22,196	-	62,054	136,849
Other Assets	-	-	-	1,000	1,000
Capital Assets:					
Land and Construction in Process	7,885,346	-	-	-	7,885,346
Other Capital Assets, Net of Accumulated Depreciation	10,382,584	-	-	-	10,382,584
Total Assets	<u>42,539,512</u>	<u>42,516,150</u>	<u>9,280</u>	<u>6,543,232</u>	<u>91,608,174</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	1,220,208	-	-	-	1,220,208
Liabilities					
Accounts Payable and Accrued Liabilities	400,509	57,826	-	645,871	1,104,206
Noncurrent Liabilities:					
Due in Less than One Year	451,872	-	-	-	451,872
Due in More than One Year	542,859	591,695	-	-	1,134,554
Total Liabilities	<u>1,395,240</u>	<u>649,521</u>	<u>-</u>	<u>645,871</u>	<u>2,690,632</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	9,404	-	-	-	9,404
Net Position					
Investment in Capital Assets	18,249,272	-	-	-	18,249,272
Restricted for:					
Education Purposes	-	-	-	347,970	347,970
Other Purposes	-	115,920	-	-	115,920
Unrestricted	24,105,804	41,750,709	9,280	5,549,391	71,415,184
Total Net Position	<u>\$ 42,355,076</u>	<u>\$ 41,866,629</u>	<u>\$ 9,280</u>	<u>\$ 5,897,361</u>	<u>\$ 90,128,346</u>

KNOX COUNTY, TENNESSEE

Combining Statement of Activities

Nonmajor Component Units

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Component Units</u>				<u>Total Nonmajor Component Units</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>The District</u>	<u>The Corporation</u>	<u>KCRA</u>		<u>KEF</u>
Knox County Emergency Communications District	\$ 11,185,513	\$ 9,731,068	\$ -	\$ 48,000	\$ (1,406,445)	\$ -	\$ -	\$ -	\$ (1,406,445)
Knox County Development Corporation	2,119,012	215,483	-	-	-	(1,903,529)	-	-	(1,903,529)
Knox County Railroad Authority	500	-	-	-	-	-	(500)	-	(500)
Knox Education Foundation	5,214,469	-	5,374,986	-	-	-	-	160,517	160,517
Total component units	\$ 18,519,494	\$ 9,946,551	\$ 5,374,986	\$ 48,000	(1,406,445)	(1,903,529)	(500)	160,517	(3,149,957)
General Revenues:									
Investment Revenue					899,855	83,727	-	90,373	1,073,955
Payments from Primary Government					1,333,231	-	-	-	1,333,231
Other Governments and Citizens Groups					-	333,548	-	-	333,548
Grants and Contributions Not Restricted for Specific Programs					2,019,140	-	-	-	2,019,140
Total General Revenues					4,252,226	417,275	-	90,373	4,759,874
Change in Net Position					2,845,781	(1,486,254)	(500)	250,890	1,609,917
Net Position, July 1					39,509,295	43,352,883	9,780	5,646,471	88,518,429
Net Position, June 30					\$ 42,355,076	\$ 41,866,629	\$ 9,280	\$ 5,897,361	\$ 90,128,346

KNOX COUNTY, TENNESSEE
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2023

Governmental Activities, Payable through Debt Service Fund: Description of Indebtedness	Original Issue Amount	Interest Rate	Issuance Date	Last Maturity Date	Outstanding 6/30/2022	Transactions FY 2023:			Outstanding 6/30/2023
						Debt Issued	Principal Payments	Principal Refunded	
<u>Bonds Payable:</u>									
General Obligation, Series 2003	\$ 72,000,000	Variable Rate Swap to 3.95%	10/1/2003	6/1/2029	\$ 33,650,000	\$ -	\$ 3,975,000	\$ -	\$ 29,675,000
General Obligation, Series 2004	70,000,000	Variable Rate Swap to 3.40%	9/23/2004	6/1/2029	37,200,000	-	4,500,000	-	32,700,000
General Obligation, Series 2005	77,000,000	Variable Rate Swap to 3.89%	8/18/2005	6/1/2034	49,925,000	-	1,000,000	-	48,925,000
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	18,570,000	-	2,280,000	-	16,290,000
B General Obligation, Qualified School Construction Bonds Series 2010	29,236,000	0.00%	10/7/2010	7/1/2027	9,472,957	-	1,824,281	-	7,648,676
General Obligation, Series 2016	35,900,000	1.0 - 5.0%	4/15/2016	6/1/2036	26,025,000	-	1,475,000	-	24,550,000
General Obligation, Series 2017	90,265,000	3.0 - 5.0%	5/1/2017	6/1/2037	74,920,000	-	3,615,000	-	71,305,000
General Obligation Refunding, Series 2017B	57,780,000	2.0 - 5.0%	12/1/2017	6/1/2035	52,775,000	-	3,205,000	-	49,570,000
General Obligation, Series 2018	33,165,000	4.0 - 5.0%	7/24/2018	6/1/2038	26,530,000	-	1,660,000	-	24,870,000
General Obligation/Refunding, Series 2019	45,610,000	2.75 - 5.0%	5/15/2019	4/1/2038	34,115,000	-	4,210,000	-	29,905,000
General Obligation, Series 2019B	37,230,000	2.375 - 5.0%	10/10/2019	6/1/2040	34,770,000	-	1,330,000	-	33,440,000
B General Obligation Refunding, Series 2020A	17,420,000	1.5 - 5.0%	1/31/2020	8/1/2030	14,605,000	-	1,575,000	-	13,030,000
General Obligation Refunding, Series 2020B	38,090,000	1.875 - 5.0%	4/1/2020	6/1/2038	35,390,000	-	1,700,000	-	33,690,000
General Obligation, Series 2020C	55,155,000	3.0 - 5.0%	11/20/2020	6/1/2040	50,760,000	-	2,145,000	-	48,615,000
C General Obligation Refunding, Series 2020D	33,200,000	.35 - 1.0%	11/20/2020	6/1/2026	26,045,000	-	6,530,000	-	19,515,000
General Obligation Refunding, Series 2020E	22,905,000	1.5 - 2.1%	11/20/2020	6/1/2036	21,080,000	-	1,395,000	-	19,685,000
General Obligation, Series 2022	87,040,000	3.0 - 5.0%	4/14/2022	6/1/2042	87,040,000	-	2,065,000	-	84,975,000
General Obligation, Series 2023	70,000,000	4.0 - 5.0%	6/30/2023	6/1/2043	-	70,000,000	-	-	70,000,000
Total Bonds Payable through Debt Service Fund					\$ 701,872,957	\$ 70,000,000	\$ 44,484,281	\$ -	\$ 727,388,676
<u>Loan Payable:</u>									
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	\$ 901,964	\$ -	\$ 431,167	\$ -	\$ 470,797
<u>Financed Purchases:</u>									
Equipment Lease/Purchase Contract (Qualified Energy Conservation Bond Allocation from State of Tennessee)	\$ 12,450,000	4.87%	6/30/2015	12/1/2036	\$ 10,363,245	\$ -	\$ 438,281	\$ -	\$ 9,924,964
B STEM Academy	5,864,061	4.00%	1/1/2011	12/1/2030	3,058,192	-	308,288	-	2,749,904
Total Financed Purchases Payable through Debt Service Fund					\$ 13,421,437	\$ -	\$ 746,569	\$ -	\$ 12,674,868

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, 2023

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		\$33,165,000 General Obligation Bonds Series 2018	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 1,660,000	\$ 1,094,400
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	1,660,000	1,011,400
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	1,660,000	928,400
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	1,660,000	845,400
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	171,977	139,589	1,750,000	544,000	4,615,000	1,922,675	3,995,000	1,030,810	1,660,000	762,400
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	1,660,000	679,400
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	1,660,000	596,400
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	1,660,000	530,000
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	1,660,000	463,600
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	1,655,000	397,200
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	1,655,000	331,000
2035	-	-	-	-	-	-	-	-	-	-	-	-	2,225,000	142,187	5,950,000	583,125	4,955,000	151,127	1,655,000	264,800
2036	-	-	-	-	-	-	-	-	-	-	-	-	2,325,000	72,656	6,130,000	404,625	-	-	1,655,000	198,600
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,320,000	205,400	-	-	1,655,000	132,400
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,655,000	66,200
Totals	\$ 29,675,000	\$ 4,908,375	\$ 32,700,000	\$ 4,775,600	\$48,925,000	\$18,271,125	\$69,000,000	\$26,915,000	\$16,290,000	\$ 2,966,250	\$ 7,648,676	\$ 5,809,033	\$ 24,550,000	\$ 5,595,339	\$71,305,000	\$20,151,575	\$49,570,000	\$10,421,137	\$24,870,000	\$ 8,301,600

continued

KNOX COUNTY, TENNESSEE

Knox County Primary Government and Board of Education
 Schedule of Debt Service Requirements
 General Bonded Debt (Continued)
 June 30, 2023

Fiscal Year Ending June 30,	\$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		\$70,000,000 General Obligation Bonds Series 2023		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 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	\$ 1,915,000	\$ 2,782,561	\$ 45,969,281	\$ 28,772,993
2025	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	3,300,000	2,930,600	46,354,281	27,210,345
2026	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	3,500,000	2,765,600	48,214,281	25,360,070
2027	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	3,550,000	2,590,600	49,458,856	23,508,582
2028	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	3,365,000	2,413,100	51,996,977	20,175,185
2029	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	3,360,000	2,244,850	52,690,000	17,824,582
2030	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	3,645,000	2,076,850	51,605,000	15,545,693
2031	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	3,650,000	1,894,600	52,375,000	13,308,994
2032	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	3,645,000	1,748,600	53,235,000	11,278,615
2033	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	3,645,000	1,602,800	53,690,000	9,301,362
2034	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	3,645,000	1,457,000	55,185,000	7,315,811
2035	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	3,645,000	1,311,200	38,910,000	5,322,587
2036	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	3,645,000	1,165,400	29,105,000	4,174,136
2037	2,260,000	143,281	2,295,000	268,894	-	-	-	-	3,580,000	438,450	-	-	-	-	5,790,000	1,041,750	3,645,000	1,019,600	25,545,000	3,249,775
2038	2,325,000	72,657	2,355,000	205,783	-	-	-	-	3,630,000	331,050	-	-	-	-	5,790,000	868,050	3,645,000	873,800	19,400,000	2,417,540
2039	-	-	2,420,000	141,019	-	-	-	-	3,675,000	222,150	-	-	-	-	5,790,000	694,350	3,640,000	728,000	15,525,000	1,785,519
2040	-	-	2,485,000	71,443	-	-	-	-	3,730,000	111,900	-	-	-	-	5,785,000	520,650	3,640,000	582,400	15,640,000	1,286,393
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,000	347,100	3,640,000	436,800	9,425,000	783,900
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,000	173,550	3,640,000	291,200	9,425,000	464,750
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,640,000	145,600	3,640,000	145,600
Totals	\$ 29,905,000	\$ 8,328,692	\$ 33,440,000	\$ 10,093,712	\$ 13,030,000	\$ 1,583,437	\$ 33,690,000	\$ 6,755,269	\$ 48,615,000	\$ 16,430,150	\$ 19,515,000	\$ 361,812	\$ 19,685,000	\$ 2,665,115	\$ 84,975,000	\$ 33,838,050	\$ 70,000,000	\$ 31,061,161	\$ 727,388,676	\$ 219,232,432

KNOX COUNTY, TENNESSEE

**Knox County Primary Government
Schedule of Debt Service Requirements
General Bonded Debt
June 30, 2023**

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		\$24,177,185 General Obligation Bonds Series 2018	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 1,210,135	\$ 797,814
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	1,210,135	737,308
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	1,210,135	676,801
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	1,210,135	616,294
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	1,210,135	555,787
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	1,210,135	495,281
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	1,210,135	434,774
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	1,210,135	386,368
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	1,210,135	337,963
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	1,206,490	289,558
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	1,206,490	241,298
2035	-	-	-	-	-	-	-	-	-	-	900,000	57,812	2,090,000	204,725	3,755,000	114,527	1,206,490	193,038
2036	-	-	-	-	-	-	-	-	-	-	950,000	29,688	2,150,000	142,025	-	-	1,206,490	144,779
2037	-	-	-	-	-	-	-	-	-	-	-	-	2,220,000	72,150	-	-	1,206,490	96,519
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,206,490	48,260
Totals	\$ 14,290,999	\$ 2,721,230	\$ 21,488,570	\$ 3,138,252	\$ 31,769,482	\$ 11,864,368	\$ 50,450,000	\$ 19,679,155	\$ 10,588,500	\$ 1,928,061	\$ 9,995,000	\$ 2,277,616	\$ 25,025,000	\$ 7,072,525	\$ 36,670,000	\$ 7,758,277	\$ 18,130,155	\$ 6,051,842

continued

KNOX COUNTY, TENNESSEE

**Knox County Primary Government
Schedule of Debt Service Requirements
General Bonded Debt (Continued)
June 30, 2023**

Fiscal Year Ending June 30,	\$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		\$29,878,000 General Obligation Bonds Series 2023		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 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	\$ 817,377	\$ 1,187,677	\$ 25,666,933	\$ 14,485,807
2025	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	1,408,534	1,250,864	25,885,090	13,647,511
2026	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	1,493,900	1,180,437	26,881,422	12,667,375
2027	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	1,515,241	1,105,742	25,770,255	11,660,666
2028	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	1,436,278	1,029,980	27,863,582	10,530,777
2029	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	1,434,144	958,166	28,824,225	9,314,133
2030	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	1,555,790	886,459	27,388,619	8,041,974
2031	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	1,557,926	808,670	28,291,988	6,838,333
2032	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	1,555,790	746,352	29,207,005	5,709,104
2033	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	1,555,790	684,121	29,600,966	4,591,348
2034	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	1,555,790	621,889	30,508,540	3,460,576
2035	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	1,555,790	559,658	18,752,423	2,308,139
2036	1,425,000	136,031	1,285,000	190,119	-	-	1,282,551	197,778	-	-	720,009	15,120	1,910,156	400,984	1,555,790	497,426	12,484,996	1,753,950
2037	1,470,000	93,281	1,320,000	154,782	-	-	1,300,718	159,302	-	-	-	-	1,910,156	343,680	1,555,790	435,194	10,983,154	1,354,908
2038	1,515,000	47,344	1,355,000	118,483	-	-	1,318,884	120,280	-	-	-	-	1,910,156	286,375	1,555,790	372,963	8,861,320	993,705
2039	-	-	1,395,000	81,219	-	-	1,335,234	80,714	-	-	-	-	1,910,156	229,070	1,553,656	310,731	6,194,046	701,734
2040	-	-	1,430,000	41,112	-	-	1,355,217	40,657	-	-	-	-	1,908,506	171,766	1,553,656	248,585	6,247,379	502,120
2041	-	-	-	-	-	-	-	-	-	-	-	-	1,908,506	114,510	1,553,656	186,439	3,462,162	300,949
2042	-	-	-	-	-	-	-	-	-	-	-	-	1,908,487	57,255	1,553,656	124,292	3,462,143	181,547
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,553,656	62,146	1,553,656	62,146
Totals	\$ 19,040,000	\$ 5,393,812	\$ 19,250,000	\$ 5,810,413	\$ 17,271,447	\$ 3,463,142	\$ 17,663,238	\$ 5,969,550	\$ 19,515,000	\$ 361,812	\$ 8,830,769	\$ 1,195,581	\$ 28,033,744	\$ 11,163,375	\$ 29,878,000	\$ 13,257,791	\$ 377,889,904	\$ 109,106,802

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
Schedule of Debt Service Requirements
General Bonded Debt
June 30, 2023**

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
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	-	-
Totals	\$ 15,384,001	\$ 2,187,145	\$ 11,211,430	\$ 1,637,348	\$ 17,155,518	\$ 6,406,757	\$ 18,550,000	\$ 7,235,845	\$ 5,701,500	\$ 1,038,189	\$ 7,648,676	\$ 5,809,033	\$ 14,555,000	\$ 3,317,723	\$ 46,280,000	\$ 13,079,050	\$ 12,900,000	\$ 2,662,860

continued

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -
Knox County Board of Education
Schedule of Debt Service Requirements
General Bonded Debt (Continued)
June 30, 2023

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		\$40,122,000 General Obligation Bonds Series 2023		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 1,097,623	\$ 1,594,884	\$ 20,302,348	\$ 14,287,186
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	1,891,466	1,679,736	20,469,191	13,562,834
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	2,006,100	1,585,163	21,332,859	12,692,695
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	2,034,759	1,484,858	23,688,601	11,847,916
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	1,928,722	1,383,120	24,133,395	9,644,408
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	1,925,856	1,286,684	23,865,775	8,510,449
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	2,089,208	1,190,390	24,216,379	7,503,718
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	2,092,076	1,085,931	24,083,014	6,470,662
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	2,089,210	1,002,248	24,027,995	5,569,511
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	2,089,210	918,679	24,089,034	4,710,014
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	2,089,210	835,111	24,676,460	3,855,235
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	2,089,210	751,542	20,157,577	3,014,448
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	2,089,210	667,974	16,620,004	2,420,186
2037	448,510	35,881	790,000	50,000	975,000	114,112	-	-	-	-	2,279,282	279,148	-	-	3,879,844	698,070	2,089,210	584,406	14,561,846	1,894,867
2038	448,510	17,940	810,000	25,313	1,000,000	87,300	-	-	-	-	2,311,116	210,770	-	-	3,879,844	581,675	2,089,210	500,837	10,538,680	1,423,835
2039	-	-	-	-	1,025,000	59,800	-	-	-	-	2,339,766	141,436	-	-	3,879,844	465,280	2,086,344	417,269	9,330,954	1,083,785
2040	-	-	-	-	1,055,000	30,331	-	-	-	-	2,374,783	71,243	-	-	3,876,494	348,884	2,086,344	333,815	9,392,621	784,273
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,876,494	232,590	2,086,344	250,361	5,962,838	482,951
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,876,513	116,295	2,086,344	166,908	5,962,857	283,203
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,086,344	83,454	2,086,344	83,454
Totals	\$ 6,289,980	\$ 1,953,172	\$ 9,265,000	\$ 2,509,799	\$ 13,600,000	\$ 3,787,511	\$ 11,335,000	\$ 1,120,587	\$ 15,575,451	\$ 2,767,500	\$ 29,939,455	\$ 9,361,101	\$ 10,087,791	\$ 1,264,881	\$ 55,768,591	\$ 20,603,381	\$ 40,122,000	\$ 17,803,370	\$ 349,498,772	\$ 110,125,630

KNOX COUNTY, TENNESSEE
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2022	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2023
GOVERNMENTAL ACTIVITIES:								
Lease Liability								
Buildings								
Metro Knoxville Airport	\$ 100,683	0.514%	7/1/2021	6/30/2023	\$ 50,456	\$ -	\$ 50,456	\$ -
County Clerk - Halls Lease	359,273	1.059	2/1/2016	1/31/2026	287,577	-	78,377	209,200
Graham - Isajah's Landing East - Clerk	1,080,414	1.913	6/1/2020	5/31/2035	1,024,103	-	56,364	967,739
Mascot Branch Library lease	47,576	1.681	5/1/2017	4/30/2032	43,477	-	4,101	39,376
Clifford LLC - Election Election	95,631	0.514	6/1/2018	5/31/2023	45,834	-	45,834	-
Hart TC IV - Sheriff Office Space Turkey Creek	11,329	2.366	7/1/2022	6/30/2027	-	11,329	2,178	9,151
Schaad Companies LLC - Election Commission Renewal FY23	324,447	2.31	6/1/2023	5/31/2028	-	324,447	5,458	318,989
TVA East Tower	3,608,389	2.583	8/1/2020	3/31/2061	3,613,695	-	(12,587)	3,626,282
John H. Daniel - TRADES	1,446,347	1.58	12/20/2021	12/8/2032	-	1,446,347	61,613	1,384,735
Knox County Drug Court	60,539	0.727	2/1/2019	1/31/2024	37,916	-	23,694	14,222
Total Building Lease Liability					5,103,059	1,782,123	315,488	6,569,695
Land								
Bower Field	114,893	0.514	7/31/2017	1/30/2052	110,942	-	110,942	-
Bower Field Renewal FY23	55,437	2.452	5/3/2022	7/2/2032	-	55,438	5,672	49,766
The Carter Convenience Center	318,585	2.068	1/1/2017	12/31/2036	300,448	-	17,956	282,492
Volunteer Landing Marina	30,990	0.893	4/1/2015	3/31/2025	22,810	-	8,230	14,580
Total Land Lease Liability					434,200	55,438.00	142,801	346,838
Equipment								
Canon C5240 & C5503	32,663	1.217	7/1/2021	1/30/2027	27,356	-	5,339	22,017
Sharp Copiers - COUNTY	506,870	1.217	7/1/2021	1/30/2027	424,509	-	82,849	341,660
RICOH MP301SPF	5,059	1.217	11/15/2016	7/14/2027	4,239	-	827	3,412
Ricoh MP C307 - CONT4183-01	3,973	1.217	2/20/2017	7/19/2027	3,330	-	650	2,680
Ricoh MPC2504EX - CONT5053-01	7,366	1.217	3/6/2018	7/26/2027	6,175	-	1,205	4,970
Ricoh MP C3504ex - CONT4897-01	10,489	1.217	8/28/2017	7/27/2027	8,792	-	1,716	7,076
Ricoh MP 3555SP - CONT4920-01	9,802	1.217	8/31/2017	7/31/2027	8,240	-	1,581	6,659
Ricoh - Office of the District Attorney General	55,511	1.217	10/12/2017	7/11/2027	46,508	-	9,077	37,431
Ricoh Copiers - Knox County Veterans Office	2,627	1.217	7/24/2018	7/23/2027	2,202	-	430	1,772
Epson Workforce Pro Color MFP WF-R5690 - Knox County Sheriff's Office	13,794	1.217	3/6/2018	6/5/2027	11,522	-	2,288	9,234
Kyocera P2135DN Printer - Knox County Sheriff's Office	1,217	1.217	3/6/2018	7/5/2027	1,019	-	199	820
Ricoh IM C2500 - Knox County Sheriff's Office	6,691	1.217	3/6/2018	7/5/2027	5,605	-	1,094	4,511
Ricoh IM C300F - Knox County Sheriff's Office	7,493	1.217	3/6/2018	7/5/2027	6,276	-	1,225	5,051
Ricoh MP 301SPF - Knox County Sheriff's Office	42,987	1.217	3/6/2018	7/5/2027	36,008	-	7,027	28,980
Ricoh MP 3054 - Knox County Sheriff's Office	3,449	1.217	3/6/2018	7/5/2027	2,889	-	564	2,325
Ricoh MP 3055SP - Knox County Sheriff's Office	3,998	1.217	3/6/2018	7/5/2027	3,349	-	654	2,695
Ricoh MP 3555SP - Knox County Sheriff's Office	5,070	1.217	3/6/2018	7/5/2027	4,247	-	829	3,418
Ricoh MP 402SPF - Knox County Sheriff's Office	5,834	1.217	3/6/2018	7/5/2027	4,887	-	954	3,933
Ricoh MP 4055SP - Knox County Sheriff's Office	9,433	1.217	3/6/2018	7/5/2027	7,902	-	1,542	6,360
Ricoh MP 501SPF - Knox County Sheriff's Office	5,361	1.217	3/6/2018	7/5/2027	4,491	-	876	3,614
Ricoh MP 5055SP - Knox County Sheriff's Office	5,566	1.217	3/6/2018	7/5/2027	4,662	-	910	3,752
Ricoh MP 601SPF - Knox County Sheriff's Office	14,297	1.217	3/6/2018	7/5/2027	11,976	-	2,337	9,638
Ricoh MP 6055SP - Knox County Sheriff's Office	31,670	1.217	3/6/2018	7/5/2027	26,528	-	5,177	21,351
Ricoh MP C2004EX - Knox County Sheriff's Office	20,440	1.217	3/6/2018	7/5/2027	17,122	-	3,342	13,780
Ricoh MP C3004ex - Knox County Sheriff's Office	5,862	1.217	3/6/2018	7/5/2027	4,910	-	958	3,952
Ricoh MP C307 - Knox County Sheriff's Office	27,627	1.217	3/6/2018	7/5/2027	23,142	-	4,517	18,626
Ricoh MP C3504ex - Knox County Sheriff's Office	28,889	1.217	3/6/2018	7/5/2027	22,524	-	4,396	18,128
Ricoh MP C407 - Knox County Sheriff's Office	3,447	1.217	3/6/2018	7/5/2027	2,887	-	563	2,324
Ricoh MP C4504ex - Knox County Sheriff's Office	15,099	1.217	3/6/2018	7/5/2027	12,648	-	2,468	10,179
Ricoh MP C6503 - Knox County Sheriff's Office	16,487	1.217	3/6/2018	7/5/2027	13,810	-	2,695	11,115
Ricoh MP C8003 - Knox County Sheriff's Office	22,274	1.217	3/6/2018	7/5/2027	18,658	-	3,641	15,017
Ricoh MPC2504EX - Knox County Sheriff's Office	13,523	1.217	3/6/2018	7/5/2027	11,328	-	2,211	9,117
Ricoh SP C440DN Color Printer - Knox County Sheriff's Office	846	1.217	3/6/2018	7/5/2027	709	-	138	570
Ricoh MP C307 - Corryton Senior Center	3,794	1.217	12/31/2019	7/31/2027	3,190	-	612	2,578
Ricoh MP 2555SPDF - Knox County Clerk - Main	6,432	1.217	8/1/2019	7/31/2027	5,402	-	1,036	4,366
Ricoh MP 305SPF - Knox County Clerk - Main	2,074	1.217	11/14/2019	7/13/2027	1,738	-	339	1,399
Ricoh MP C307 - Knox County Governmental Library	8,025	1.217	8/27/2019	7/26/2027	6,727	-	1,313	5,414
Ricoh MP C6503 - Knox County Health Department	87,982	1.217	4/26/2019	7/25/2027	73,748	-	14,393	59,355
Ricoh IM C4500 - Knox County Mayor's Office	13,848	1.217	8/14/2019	7/13/2027	11,603	-	2,265	9,339
IM350F Black and White Multifunction Printer - Knox County Property Management	1,256	0.727	12/20/2019	12/19/2024	891	-	367	524
Ricoh MP C307 - Halls Senior Center	3,745	1.217	2/21/2020	7/20/2027	3,139	-	613	2,526
Ricoh IM C4500 - Knox County Clerk - Commission Library	13,247	1.217	2/7/2020	7/6/2027	11,097	-	2,166	8,931
Ricoh MP 2555SP - Knox County Clerk - East	7,933	1.217	2/7/2020	7/6/2027	6,645	-	1,297	5,348
IM350F & Ricoh MP 2555SP - Knox County Clerk - Main	10,705	1.217	2/7/2020	7/6/2027	8,967	-	1,750	7,217
Ricoh MP 2555SPDF & IM350F - Knox County Clerk - Main	34,009	1.217	12/21/2020	7/20/2027	28,502	-	5,563	22,940
Ricoh MP 2555SP - Knox County Register of Deeds	5,636	1.217	7/28/2020	7/27/2027	4,724	-	922	3,802
Ricoh MP C307 - South Knoxville Senior Center	3,745	1.217	1/15/2020	7/14/2027	3,138	-	613	2,526
Ricoh IM C3000 - Tennessee District Attorneys General Conference	18,139	1.217	2/19/2020	7/18/2027	15,201	-	2,967	12,234
RICOH MP-C2504	6,687	1.217	1/23/2020	7/22/2027	5,605	-	1,094	4,511

KNOX COUNTY, TENNESSEE
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2022	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2023
Ricoh MP 5055SP, IM C6500 & MP 4055SP - Knox County Criminal Court Clerk	215,835	1.217	6/15/2021	7/14/2027	180,341	-	35,812	144,529
RICOH IM350F	11,590	1.015	8/2/2021	8/1/2027	9,856	-	1,898.86	7,957
Ricoh IM C2500 - Knox County Fire Prevention	6,936	1.3	12/7/2021	7/6/2027	6,228	-	1,213.37	5,014
RICOH MP-301SPF	18,602	1.134	8/11/2021	6/10/2027	15,744	-	3,131.58	12,612
IX-9A Series	21,243	2.773	8/1/2021	7/31/2026	21,243	-	4,662	16,581
IX-7 Series	32,034	1.217	5/16/2017	7/15/2027	27,237	-	5,319	21,918
IM350F & Ricoh IM C3000 - Knox County Trustee	13,674	1.106	8/31/2021	7/31/2027	11,632	-	2,237	9,395
Total Equipment Lease Liability					1,253,044		245,862	1,007,183
Vehicles								
Chevrolet Equinox 2022 (3) FY23	77,411	2.275	8/23/2022	8/31/2026	-	77,411	16,123	61,288
Chevrolet Silverado Z71 (5) FY23	313,012	2.682	1/18/2023	1/31/2028	-	313,012	26,602	286,410
Chevrolet Silverado 5500-HD 2023 FY23	120,738	2.682	2/15/2023	2/29/2028	-	120,738	8,672	112,067
Chevrolet Traverse 2023 (5) FY23	164,023	2.676	3/22/2023	3/31/2027	-	164,023	11,069	152,954
Chevrolet Traverse 2023 (3) FY23	99,846	2.327	4/10/2023	4/30/2027	-	99,846	5,475	94,371
Chevrolet Silverado 1500 FY23	56,117	2.31	4/12/2023	4/30/2028	-	56,117	2,407	53,710
Chevrolet Silverado 2500-HD 2023 FY23	45,430	2.31	4/17/2023	4/30/2028	-	45,430	1,835	43,594
Chevrolet Silverado 3500-HD 2023 FY23	69,684	2.31	5/16/2023	5/31/2028	-	69,684	1,781	67,903
Chevrolet Traverse 2023 FY23 IT	31,676	2.327	5/3/2023	5/31/2027	-	31,676	1,256	30,420
Chevrolet Traverse 2023 FY23 County Clerk	32,126	2.327	6/6/2023	6/30/2027	-	32,126	574	31,552
Total Vehicle Lease Liability						1,010,063	75,794	934,269
Total Lease Liability Governmental					6,790,304	2,847,625	779,945	8,857,984
BUSINESS-TYPE ACTIVITIES:								
Lease Liability								
Equipment								
E-Z-GO Golf Cart	65,009	0.514	8/1/2018	7/31/2023	34,725	-	30,771	3,954
Wells Fargo Lease - Bunker Rake	9,630	0.514	10/1/2019	9/30/2023	4,805	-	3,842	963
Wells Fargo Lease - Mower	23,167	0.727	10/1/2019	9/30/2024	16,090	-	7,119	8,971
Total Equipment Lease Liability					55,620		41,732	13,889
GENERAL PURPOSE SCHOOLS FUND ACTIVITIES:								
Lease Liability								
Land								
Robert D. Craton 5th Ave Lease	323,653	1.217	9/1/2017	8/31/2027	276,547	-	48,872	227,675
Total Land Lease Liability					276,547		48,872	227,675
Equipment								
Pitney Bowes - Halls MS	3,592	1.059	5/17/2017	6/16/2026	2,885	-	709	2,176
Riso Copiers - School	1,711,479	1.059	7/1/2021	6/30/2026	1,375,178	-	338,355	1,036,822
Epson Copiers - School	1,710,080	1.059	7/1/2021	6/30/2026	1,374,053	-	338,078	1,035,975
Konica Minolta Copier - School	71,620	1.059	7/1/2021	6/30/2026	57,547	-	14,159	43,388
Canon Copiers - PO22000020 & PO22000177	634,251	1.059	7/1/2021	6/30/2026	509,622	-	125,389	384,233
Canon Copiers - PO22001219, PO22001238, PO22001253, PO22001350 & PO22001601	30,361	0.972	7/1/2021	6/30/2026	24,386	-	6,008	18,378
Canon Copiers - Image Runner IRDX6755i	4,847	1.059	7/1/2021	6/30/2026	3,894	-	958	2,936
Canon Copiers - Contract 39769	761,625	0.727	7/1/2021	6/30/2024	509,285	-	253,716	255,569
Canon Copier - Canon IRADV DX C5760i	2,967	1.177	9/1/2021	6/30/2026	2,465	-	605	1,860
Ricoh Copiers - Knox County Schools Maintenance	27,391	1.217	2/5/2018	7/4/2027	22,943	-	4,477	18,466
Ricoh Copiers - Knox County Schools Maintenance Annex	8,964	1.217	4/26/2018	7/25/2027	7,513	-	1,467	6,047
Total Equipment Lease Liability					3,889,773		1,083,922	2,805,851
Vehicles								
2019 Dodge Charger	134,143	0.514	9/1/2020	8/31/2023	72,385	-	62,017	10,368
Nissan Cargo Van	97,930	1.059	5/20/2021	7/19/2026	79,009	-	19,034	59,975
Nissan Pathfinder 4x4 2022	31,423	1.217	5/20/2021	7/19/2026	25,369	-	6,096	19,273
Chevrolet Malibu 4dr Sedan 2022	21,360	1.217	5/20/2021	7/19/2026	17,244	-	4,144	13,100
Chevrolet Malibu 4dr Sedan 2022 (2)	53,358	1.217	5/20/2021	7/19/2026	43,076	-	10,352	32,724
Chevrolet Malibu 4dr Sedan 2022 (8) FY23	162,121	2.366	9/1/2022	9/30/2027	-	162,121	25,477	136,644
Chevrolet Malibu 4dr Sedan 2022 FY23	26,453	2.366	8/31/2022	8/31/2027	-	26,453	4,251	22,202
Nissan Pathfinder 4x4 2023 FY23	44,910	2.682	12/9/2022	12/31/2027	-	44,910	4,983	39,927
Total Vehicle Lease Liability					237,084	233,484	136,355	334,213
Total Lease Liability General Purpose Schools					4,403,404	233,484	1,269,149	3,367,739
Total Lease Liability					\$ 11,249,328	\$ 3,081,109	\$ 2,090,825	\$ 12,239,611

KNOX COUNTY, TENNESSEE
Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year
June 30, 2023

Year Ending, June 30,	Leases		
	Principal	Interest	Total
2024	1,652,098	213,461	1,865,559
2025	2,250,292	186,852	2,437,144
2026	1,858,035	160,410	2,018,445
2027	911,086	137,795	1,048,881
2028	467,271	123,906	591,177
2029	311,008	116,581	427,589
2030	323,178	110,657	433,835
2031	336,456	104,502	440,958
2032	353,994	98,028	452,022
2033	256,151	91,753	347,904
2034	183,719	87,425	271,144
2035	180,829	83,393	264,222
2036	92,180	80,296	172,476
2037	83,916	78,045	161,961
2038	75,388	76,073	151,461
2039	78,891	74,084	152,975
2040	82,501	72,004	154,505
2041	86,220	69,830	156,050
2042	90,053	67,558	157,611
2043	94,002	65,185	159,187
2044	98,070	62,709	160,779
2045	102,260	60,126	162,386
2046	106,576	57,434	164,010
2047	111,021	54,629	165,650
2048	115,599	51,708	167,307
2049	120,314	48,666	168,980
2050	125,169	45,501	170,670
2051	130,167	42,209	172,376
2052	135,314	38,786	174,100
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	140,931	1,521	142,452
Total	\$ 12,239,611	\$ 2,731,167	\$ 14,970,778

KNOX COUNTY, TENNESSEE

Schedule of Salaries and Insurance Coverage of Principal Elected Officials
For the year ended June 30, 2023

OFFICIAL	AUTHORIZATION FOR SALARY	SALARY PAID DURING YEAR	POLICY AMOUNT	INSURANCE COMPANY
Assessor of Property	Section 8-24-102 (k), T.C.A.	\$ 172,007	\$ 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.	\$ 164,528	\$ 400,000	National Union Fire Insurance
County Clerk	Section 8-24-102 (k), T.C.A.	\$ 149,572	\$ 400,000	National Union Fire Insurance
County Mayor	Section 8-24-102, T.C.A.	\$ 198,669	\$ 400,000	National Union Fire Insurance
Criminal and Fourth Circuit Court Clerk	Section 8-24-102 (k), T.C.A.	\$ 164,528	\$ 400,000	National Union Fire Insurance
Law Director	Section 3.08, Knox County Charter	\$ 194,791	N/A	N/A
Register of Deeds	Section 8-24-102 (k), T.C.A.	\$ 149,572	\$ 400,000	National Union Fire Insurance
Sheriff	Section 8-24-102 (j), T.C.A.	\$ 189,208	\$ 100,000	Hartford Fire Insurance
Trustee	Section 8-24-102 (k), T.C.A.	\$ 149,571	\$ 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.

Knox County Board of Education**Statement of Net Position**June 30, 2023

	Board of Education
	Total -- Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 54,735,349
Investments, at Fair Value	102,074,119
Accounts Receivable	28,556,296
Local Taxes Receivable, net	151,443,537
Lease Receivable	17,678
Inventories	2,064,851
Prepaid Items	807,424
Net Pension Asset	76,643,586
Capital Assets:	
Land and Construction in Process	89,140,375
Other Capital Assets, Net of Accumulated Depreciation	421,154,871
Total Assets	926,638,086
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	87,751,108
Deferred Outflows Related to Other Post-Employment Benefits	17,229,108
Total Deferred Outflows of Resources	104,980,216
Liabilities	
Accounts Payable and Accrued Liabilities	60,316,547
Unearned Revenue	591,754
Accrued Interest	5,919
Noncurrent Liabilities:	
Portion Due in Less than One Year:	
Self-insurance Liability	70,000
Other Long-term Obligations	8,042,844
Portion Due in More than One Year:	
Net Pension Liability	15,707,550
Total Other Post-Employment Benefits Liability	43,715,449
Self-insurance Liability	2,310,595
Other Long-term Obligations	21,016,254
Total Liabilities	151,776,912
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	15,678,304
Deferred Inflows Related to Other Post-Employment Benefits	11,806,731
Deferred Inflows of Property Taxes and Other Receivables	108,858,434
Total Deferred Inflows of Resources	136,343,469
Net Position	
Investment in Capital Assets	502,816,941
Net Investment in Capital Assets	91,586
Restricted for:	
Education Purposes	44,763,262
Capital Purposes-Education	14,814,671
Pensions	148,716,390
Unrestricted	32,295,071
Total Net Position	\$ 743,497,921

Knox County Board of Education

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and
		Charges for Services	Operating Grants and Contributions	Changes in Net Position
				Governmental Activities
Knox County Board of Education:				
Governmental activities:				
Education	\$ 711,456,460	\$ 35,262,341	\$ 115,022,364	\$ (561,141,755)
Education - Payment to Primary Government	18,186,683	-	-	(18,186,683)
Total primary government	<u>\$ 729,643,143</u>	<u>\$ 35,262,341</u>	<u>\$ 115,022,364</u>	<u>(579,328,438)</u>
General Revenues:				
Property Taxes				111,667,830
Sales Taxes				231,296,010
Wheel Taxes				1,885,756
Other Local Taxes				819,734
Interest Income				4,337,354
Miscellaneous				57,327
State of Tennessee Basic Education Program				251,356,119
Payments from Knox County Primary Government				40,214,371
Intergovernmental Revenues				3,941,843
Total General Revenues				<u>645,576,344</u>
Change in Net Position				66,247,906
Net Position, July 1				<u>677,250,015</u>
Net Position, June 30				<u>\$ 743,497,921</u>

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit

**Knox County Board of Education
Balance Sheet**

Governmental Funds

June 30, 2023

	General Purpose School	School Construction Capital Projects	School Federal Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 12,688,098	\$ 4,393,741	\$ -	\$ 37,653,510	\$ 54,735,349
Investments, at Fair Value	82,580,877	19,493,242	-	-	102,074,119
Receivables (Net of Allowance for Uncollectibles):					
Accounts	8,721,856	-	13,890,517	5,943,923	28,556,296
Local Taxes	151,443,537	-	-	-	151,443,537
Leases	17,678	-	-	-	17,678
Due from Other Funds	15,608,702	-	-	389,001	15,997,703
Inventories	1,317,704	-	-	747,147	2,064,851
Prepaid Items	741,947	-	55,003	10,474	807,424
TOTAL ASSETS	\$ 273,120,399	\$ 23,886,983	\$ 13,945,520	\$ 44,744,055	\$ 355,696,957
LIABILITIES					
Accounts Payable	\$ 1,176,321	\$ 9,072,312	\$ 2,245,147	\$ 656,696	\$ 13,150,476
Accrued Liabilities	47,094,034	-	-	158,061	47,252,095
Due to Other Funds	389,001	-	11,870,599	3,738,103	15,997,703
Unearned Revenue	-	-	-	591,754	591,754
TOTAL LIABILITIES	48,659,356	9,072,312	14,115,746	5,144,614	76,992,028
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes and Other Receivable	110,628,374	-	-	-	110,628,374
FUND BALANCES					
Nonspendable	2,059,651	-	55,003	757,621	2,872,275
Restricted	9,167,856	14,814,671	-	37,050,640	61,033,167
Committed	4,861,316	-	-	1,791,180	6,652,496
Assigned	6,413,891	-	-	-	6,413,891
Unassigned (Deficit)	91,329,955	-	(225,229)	-	91,104,726
TOTAL FUND BALANCES (DEFICIT)	113,832,669	14,814,671	(170,226)	39,599,441	168,076,555
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 273,120,399	\$ 23,886,983	\$ 13,945,520	\$ 44,744,055	\$ 355,696,957

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, 2023

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

Ending Fund Balance - Governmental Funds	\$	168,076,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		510,295,246
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.		76,643,586
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	\$	87,751,108
Deferred outflows related to other postemployment benefits		17,229,108
Deferred inflows related to pensions		(15,678,304)
Deferred inflows related to other postemployment benefits		<u>(11,806,731)</u>
		77,495,181
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.		1,769,940
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences	\$	19,571,409
Accrued Interest		5,919
Lease and SBITA Obligations		4,636,817
Financed Purchases		2,749,904
Termination Benefits		2,014,944
Self-insurance Liability		2,380,595
Total Other Post-Employment Benefits Liability		43,715,449
Net Pension Liability		<u>15,707,550</u>
		<u>(90,782,587)</u>
Net Position of Governmental Activities	\$	<u><u>743,497,921</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, 2023

	General Purpose School	School Construction Capital Projects	School Federal Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 113,152,627	\$ -	\$ -	\$ -	\$ 113,152,627
Local Option Sales Taxes	231,296,010	-	-	-	231,296,010
Wheel Tax	1,885,756	-	-	-	1,885,756
Other Local Taxes	819,734	-	-	-	819,734
Licenses and Permits	43,524	-	-	-	43,524
Charges for Current Services	469,485	-	-	7,948,466	8,417,951
Other Local Revenues	6,376,743	30,000	-	24,737,948	31,144,691
Fees Received from County Officials	-	-	-	229,377	229,377
State of Tennessee	257,897,171	-	-	9,501,628	267,398,799
Federal Government	725,050	-	72,061,019	25,039,422	97,825,491
Other Governments and Citizen Groups	19,069	-	-	816,879	835,948
Interest Earned	4,111,567	-	-	-	4,111,567
Payments from Primary Government	-	40,214,371	-	-	40,214,371
Total Revenues	616,796,736	40,244,371	72,061,019	68,273,720	797,375,846
Expenditures					
Current:					
Education	563,975,539	-	53,156,921	67,505,972	684,638,432
Capital Outlay	1,023,614	46,238,493	16,733,507	387,602	64,383,216
Payments to Primary Government	18,186,683	-	-	-	18,186,683
Debt Service:					
Principal	1,434,274	-	-	51,695	1,485,969
Interest	51,807	-	-	22,143	73,950
Total Expenditures	584,671,917	46,238,493	69,890,428	67,967,412	768,768,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,124,819	(5,994,122)	2,170,591	306,308	28,607,596
Other Financing Sources (Uses)					
Transfers from Other Funds	393	9,731,622	81,381	3,968,065	13,781,461
Transfers to Other Funds	(11,447,421)	-	(2,245,647)	(88,393)	(13,781,461)
Lease and Subscription Financing	784,713	-	-	976,915	1,761,628
Total Other Financing Sources (Uses)	(10,662,315)	9,731,622	(2,164,266)	4,856,587	1,761,628
Net Change in Fund Balances	21,462,504	3,737,500	6,325	5,162,895	30,369,224
Fund Balances, July 1	92,370,165	11,077,171	(176,551)	34,436,546	137,707,331
Fund Balances (Deficit), June 30	\$ 113,832,669	\$ 14,814,671	\$ (170,226)	\$ 39,599,441	\$ 168,076,555

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, 2023

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

Net Change in Fund Balances - Total Governmental Funds		\$ 30,369,224
<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 (\$52,742,492) exceeded depreciation and amortization (\$29,578,289) in the current period.</p>		
		23,164,203
<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>		
		1,769,940
<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>		
		(3,254,737)
<p>Governmental funds report other financing sources and capital assets regarding the commencement of lease and subscription financing arrangements, and report the payments on those arrangements as expenditures. However, the inception of lease and subscription financing arrangements increases long-term liabilities for governmental activities, and payments reduce the related long-term liabilities for governmental activities.</p>		
		(233,412)
<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	\$ (189,404,929)	
Deferred Outflows Related to Other Post-Employment Benefits	(1,185,838)	
Deferred Outflows Related to Pensions	(13,424,295)	
	(13,424,295)	(204,015,062)
<p>(Increase) decrease in liabilities and deferred inflows:</p>		
Self-insurance Liability	(18,399)	
Accrued Interest	(2,290)	
Termination Benefits	492,793	
Total Other Post-Employment Benefits Liability	2,839,849	
Net Pension Liability	297,908	
Deferred Inflows Related to Pensions	219,032,511	
Deferred Inflows Related to Other Post-Employment Benefits	(3,827,006)	
Compensated Absences Liability	(675,904)	
Financed Purchases	308,288	
	308,288	218,447,750
Change in Net Position of Governmental Activities		\$ 66,247,906

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
General Fund - General Purpose School
Comparative Balance Sheets**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 12,688,098	\$ 4,578,794
Investments, at Fair Value	82,580,877	67,895,239
Receivables (Net of Allowance for Uncollectibles):		
Accounts	8,721,856	8,289,806
Local Taxes	151,443,537	155,870,613
Leases	17,678	20,093
Due from Primary Government	-	204,442
Due from Other Funds	15,608,702	16,738,967
Prepaid Items	741,947	1,176,927
Inventories	1,317,704	1,089,779
	<u>273,120,399</u>	<u>255,864,660</u>
TOTAL ASSETS	<u>\$ 273,120,399</u>	<u>\$ 255,864,660</u>
LIABILITIES		
Accounts Payable	\$ 1,176,321	\$ 2,171,396
Accrued Liabilities	47,094,034	44,357,814
Due to Other Funds	389,001	60,020
	<u>48,659,356</u>	<u>46,589,230</u>
TOTAL LIABILITIES	<u>48,659,356</u>	<u>46,589,230</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes and Other Receivable	<u>110,628,374</u>	<u>116,905,265</u>
FUND BALANCES		
Nonspendable	2,059,651	2,266,706
Restricted	9,167,856	7,106,092
Committed	4,861,316	6,876,760
Assigned	6,413,891	1,462,475
Unassigned	91,329,955	74,658,132
	<u>113,832,669</u>	<u>92,370,165</u>
TOTAL FUND BALANCES	<u>113,832,669</u>	<u>92,370,165</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 273,120,399</u>	<u>\$ 255,864,660</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, 2023 and 2022**

	2023	2022
Revenues		
Property Taxes	\$ 113,152,627	\$ 108,418,760
Local Option Sales Taxes	231,296,010	215,237,167
Wheel Tax	1,885,756	1,808,993
Other Local Taxes	819,734	709,767
Licenses and Permits	43,524	37,427
Charges for Current Services	469,485	413,939
Other Local Revenues	6,376,743	7,335,126
State of Tennessee	257,897,171	249,606,217
Federal Government	725,050	678,572
Other Governments and Citizen Groups	19,069	5,318
Interest Earned	4,111,567	211,830
Payment from Primary Government	-	1,932,000
Total Revenues	616,796,736	586,395,116
Expenditures		
Current:		
Education	563,975,539	533,181,530
Capital Outlay	1,023,614	1,309,594
Payments to Primary Government	18,186,683	14,931,933
Debt Service:		
Principal	1,434,274	1,225,640
Interest	51,807	46,842
Total Expenditures	584,671,917	550,695,539
Excess of Revenues Over Expenditures	32,124,819	35,699,577
Other Financing Sources (Uses)		
Transfers from Other Funds	393	-
Transfers to Other Funds	(11,447,421)	(7,497,966)
Lease and Subscription Financing	784,713	5,629,045
Total Other Financing Sources (Uses)	(10,662,315)	(1,868,921)
Net Change in Fund Balances	21,462,504	33,830,656
Fund Balances, July 1	92,370,165	58,539,509
Fund Balances, June 30	\$ 113,832,669	\$ 92,370,165

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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Property Taxes	\$ 109,060,000	\$ 109,060,000	\$ 113,152,627	\$ 4,092,627	\$ 106,950,400	\$ 108,418,760	\$ 1,468,360
Local Option Sales Taxes	220,635,000	217,367,000	231,296,010	13,929,010	186,178,035	215,237,167	29,059,132
Wheel Tax	1,750,000	1,750,000	1,885,756	135,756	1,750,000	1,808,993	58,993
Other Local Taxes	900,000	900,000	819,734	(80,266)	900,000	709,767	(190,233)
Licenses and Permits	36,000	36,000	43,524	7,524	36,000	37,427	1,427
Charges for Current Services	275,000	275,000	469,485	194,485	275,000	413,939	138,939
Other Local Revenues	7,321,100	7,321,100	6,376,743	(944,357)	5,721,100	7,335,126	1,614,026
State of Tennessee	250,483,000	253,751,000	256,036,805	2,285,805	245,983,000	247,760,383	1,777,383
Federal Government	600,000	600,000	725,050	125,050	600,000	678,572	78,572
Other Governments and Citizen Groups	-	-	19,069	19,069	-	5,318	5,318
Interest Earned	350,000	350,000	4,111,567	3,761,567	400,000	211,830	(188,170)
Payments from Primary Government	-	-	-	-	1,932,000	1,932,000	-
Total Revenues	591,410,100	591,410,100	614,936,370	23,526,270	550,725,535	584,549,282	33,823,747
Expenditures							
Current:							
Education:							
Personal Services	389,377,559	384,962,068	380,369,592	4,592,476	358,749,174	358,145,785	603,389
Employee Benefits	107,555,621	107,457,821	102,406,555	5,051,266	100,600,953	98,233,273	2,367,680
Contracted Services	35,904,728	39,533,245	38,166,001	1,367,244	35,212,428	34,040,136	1,172,292
Supplies and Materials	24,362,772	35,383,592	28,064,443	7,319,149	25,876,773	22,326,541	3,550,232
Other Charges	13,007,700	15,682,245	14,594,663	1,087,582	19,996,327	19,862,443	133,884
Capital Outlay	714,250	4,963,802	1,023,614	3,940,188	1,795,568	1,309,594	485,974
Payments to Primary Government	18,648,870	18,188,870	18,186,683	2,187	14,929,356	14,931,933	(2,577)
Total Expenditures	589,571,500	606,171,643	582,811,551	23,360,092	557,160,579	548,849,705	8,310,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,838,600	(14,761,543)	32,124,819	46,886,362	(6,435,044)	35,699,577	42,134,621
Other Financing Sources (Uses)							
Transfers from Other Funds	-	-	393	393	-	-	-
Transfers to Other Funds	(1,928,500)	(11,937,132)	(11,447,421)	489,711	(4,402,900)	(7,497,966)	(3,095,066)
Lease and SBITA Financing	-	551,229	784,713	233,484	5,629,045	5,629,045	-
Total Other Financing Sources (Uses)	(1,928,500)	(11,385,903)	(10,662,315)	723,588	1,226,145	(1,868,921)	(3,095,066)
Net Change in Fund Balances	(89,900)	(26,147,446)	21,462,504	47,609,950	(5,208,899)	33,830,656	39,039,555
Fund Balances, July 1	92,370,165	92,370,165	92,370,165	-	58,539,509	58,539,509	-
Fund Balances, June 30	\$ 92,280,265	\$ 66,222,719	\$ 113,832,669	\$ 47,609,950	\$ 53,330,610	\$ 92,370,165	\$ 39,039,555

Note: The revenue and expenditure totals in this statement do not include \$1,860,366 for FY '23 and \$1,845,834 for FY '22 of non-cash on-behalf payments that are not included in the budget.

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
School Construction Capital Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,393,741	\$ 2,141,288
Investments, at Fair Value	<u>19,493,242</u>	<u>19,610,898</u>
TOTAL ASSETS	<u>\$ 23,886,983</u>	<u>\$ 21,752,186</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 9,072,312</u>	<u>\$ 10,675,015</u>
TOTAL LIABILITIES	<u>9,072,312</u>	<u>10,675,015</u>
Fund Balances:		
Restricted	<u>14,814,671</u>	<u>11,077,171</u>
TOTAL FUND BALANCES	<u>14,814,671</u>	<u>11,077,171</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,886,983</u>	<u>\$ 21,752,186</u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenues		
Other Local Revenues	\$ 30,000	\$ -
Payments from Primary Government	<u>40,214,371</u>	<u>58,325,000</u>
Total Revenues	<u>40,244,371</u>	<u>58,325,000</u>
Expenditures		
Capital Projects	<u>46,238,493</u>	<u>71,636,673</u>
Total Expenditures	<u>46,238,493</u>	<u>71,636,673</u>
Deficiency of Revenues Under Expenditures	<u>(5,994,122)</u>	<u>(13,311,673)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	<u>9,731,622</u>	<u>2,700,000</u>
Net Change in Fund Balance	3,737,500	(10,611,673)
Fund Balances, July 1	<u>11,077,171</u>	<u>21,688,844</u>
Fund Balances, June 30	<u>\$ 14,814,671</u>	<u>\$ 11,077,171</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, 2023*

	Project Budget	Expenditures			Available
		Prior Years	Current	Total	
Expenditures					
<i>Capital Projects:</i>					
<i>School Renovation:</i>					
Physical Plant Upgrades	\$ 15,811,779	\$ 12,153,005	\$ 2,123,143	\$ 14,276,148	\$ 1,535,631
Foundation Stabilization	750,000	359,460	286,289	645,749	104,251
Security Upgrades	17,975,000	13,371,991	2,145,961	15,517,952	2,457,048
Tech Upgrades Systemwide	2,346,876	1,602,509	-	1,602,509	744,367
School Accessibility	500,000	161,272	187,844	349,116	150,884
HVAC Upgrades	15,433,137	10,646,466	2,171,587	12,818,053	2,615,084
Roofing Upgrades	14,569,655	7,382,458	2,503,105	9,885,563	4,684,092
Land Acquisition	6,325,561	3,133,695	86,403	3,220,098	3,105,463
BEP Growth Mod Class Relocation	5,112,391	4,077,873	477,948	4,555,821	556,569
Drive Parking Upgrades	3,150,000	2,649,940	476,536	3,126,476	23,524
Env. Testing & Rem.	1,250,000	771,776	21,736	793,512	456,488
Inskip Elementary Addition	6,380,730	6,380,730	-	6,380,730	-
Analysis/Design:Tipton St. Road	1,557,790	1,557,790	-	1,557,790	-
Cafeteria Upgrades - Powell High School	3,177,260	3,160,579	15,293	3,175,872	1,388
Adrian Burnett Elementary	23,247,532	17,521,328	3,609,794	21,131,122	2,116,410
Lonsdale Construction	23,800,000	18,840,136	2,836,757	21,676,893	2,123,107
Richard Yoakley Renovations	-	-	199,525	199,525	(199,525)
Playground Improvements	50,000	-	-	-	50,000
Gibbs Softball Outfield Wall	10,000	-	9,844	9,844	156
Halls High Renovation	2,743,052	649,079	1,860,805	2,509,884	233,168
Gibbs High Stadium Upgrade	3,600,000	2,205,140	1,282,821	3,487,961	112,039
Bearden Middle Seating	127,371	-	-	-	127,371
Farragut Elementary	3,088,200	47,897	-	47,897	3,040,303
Title IX Solutions	8,000,000	2,699,978	4,496,076	7,196,054	803,946
Fire Alarm System Upgrades	3,000,000	1,666,912	622,699	2,289,611	710,389
Northwest Elementary	33,513,274	8,424,478	17,028,648	25,453,126	8,060,148
Sterchi 250 Student Addition	3,000,000	-	687,113	687,113	2,312,887
Brickey-McCloud Additions	251,726	237,601	14,126	251,726	-
Harden Valley ACAD Classroom Addition	10,972,000	-	614,033	614,033	10,357,967
Trane III (see note)	-	23,643,192	2,480,408	26,123,600	(26,123,600)
<i>Total Capital Projects</i>	<u>\$ 209,743,335</u>	<u>\$ 143,345,285</u>	<u>\$ 46,238,493</u>	<u>\$ 189,583,777</u>	<u>\$ 20,159,558</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. Subsequent to the end of the year, resources were realized that eliminated this deficit.

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
School Federal Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Receivables (Net of Allowance for Uncollectibles):		
Accounts	\$ 13,890,517	\$ 15,610,021
Prepaid Items	<u>55,003</u>	<u>25,237</u>
TOTAL ASSETS	<u><u>\$ 13,945,520</u></u>	<u><u>\$ 15,635,258</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 2,245,147	\$ 3,081,042
Due to Other Funds	<u>11,870,599</u>	<u>12,730,767</u>
TOTAL LIABILITIES	<u>14,115,746</u>	<u>15,811,809</u>
 Fund Balances:		
Nonspendable	55,003	25,237
Unassigned (Deficit)	<u>(225,229)</u>	<u>(201,788)</u>
TOTAL FUND BALANCES (DEFICIT)	<u>(170,226)</u>	<u>(176,551)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 13,945,520</u></u>	<u><u>\$ 15,635,258</u></u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenues		
Federal Government	<u>\$ 72,061,019</u>	<u>\$ 70,038,370</u>
Expenditures		
Current:		
Education	53,156,921	54,103,727
Capital Outlay	<u>16,733,507</u>	<u>13,720,169</u>
Total Expenditures	<u>69,890,428</u>	<u>67,823,896</u>
Excess of Revenues Over Expenditures	<u>2,170,591</u>	<u>2,214,474</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	81,381	20,006
Transfers to Other Funds	<u>(2,245,647)</u>	<u>(2,245,913)</u>
Total Other Financing Uses	<u>(2,164,266)</u>	<u>(2,225,907)</u>
Net Change in Fund Balances	6,325	(11,433)
Fund Balances, July 1	<u>(176,551)</u>	<u>(165,118)</u>
Fund Balances (Deficit), June 30	<u><u>\$ (170,226)</u></u>	<u><u>\$ (176,551)</u></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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
State of Tennessee	\$ -	\$ 13,515,000	\$ -	\$ (13,515,000)	\$ -	\$ -	\$ -
Federal Government	-	193,800,124	72,061,019	(121,739,105)	209,062,695	70,038,370	(139,024,325)
Total Revenues	-	207,315,124	72,061,019	(135,254,105)	209,062,695	70,038,370	(139,024,325)
Expenditures							
Current:							
Education:							
Personal Services	-	66,448,513	32,579,179	33,869,334	75,924,493	26,121,824	49,802,669
Employee Benefits	-	14,435,581	7,852,664	6,582,917	16,323,151	6,365,730	9,957,421
Contracted Services	-	26,022,785	3,639,941	22,382,844	13,355,658	2,290,536	11,065,122
Supplies and Materials	-	20,520,878	4,495,261	16,025,617	26,226,604	13,907,330	12,319,274
Other Charges	-	29,379,310	4,589,876	24,789,434	27,953,754	5,418,307	22,535,447
Capital Outlay	-	47,152,607	16,733,507	30,419,100	48,791,927	13,720,169	35,071,758
Total Expenditures	-	203,959,674	69,890,428	134,069,246	208,575,587	67,823,896	140,751,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,355,450	2,170,591	(1,184,859)	487,108	2,214,474	1,727,366
Other Financing Sources (Uses)							
Transfer from Other Funds	-	257,400	81,381	(176,019)	97,357	20,006	(77,351)
Transfer to Other Funds	-	(3,612,850)	(2,245,647)	1,367,203	(3,461,626)	(2,245,913)	1,215,713
Total Other Financing Sources (Uses)	-	(3,355,450)	(2,164,266)	1,191,184	(3,364,269)	(2,225,907)	1,138,362
Net Change in Fund Balances	-	-	6,325	6,325	(2,877,161)	(11,433)	2,865,728
Fund Balances, July 1	(176,551)	(176,551)	(176,551)	-	(165,118)	(165,118)	-
Fund Balances (Deficit), June 30	\$ (176,551)	\$ (176,551)	\$ (170,226)	\$ 6,325	\$ (3,042,279)	\$ (176,551)	\$ 2,865,728

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, 2023

	<u>School General Projects</u>	<u>Central Cafeteria</u>	<u>Internal School Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 22,614,899	\$ 15,038,611	\$ 37,653,510
Receivables (Net of Allowance for Uncollectibles):				
Accounts	5,517,535	338,118	88,270	5,943,923
Due from Other Funds	-	389,001	-	389,001
Inventories	145,830	601,317	-	747,147
Prepaid Items	1,930	8,544	-	10,474
TOTAL ASSETS	<u>\$ 5,665,295</u>	<u>\$ 23,951,879</u>	<u>\$ 15,126,881</u>	<u>\$ 44,744,055</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 194,997	\$ 344,041	\$ 117,658	\$ 656,696
Accrued Liabilities	-	158,061	-	158,061
Due to Other Funds	3,350,293	387,810	-	3,738,103
Unearned Revenue	181,065	410,689	-	591,754
TOTAL LIABILITIES	<u>3,726,355</u>	<u>1,300,601</u>	<u>117,658</u>	<u>5,144,614</u>
Fund Balances:				
Nonspendable	147,760	609,861	-	757,621
Restricted	-	22,041,417	15,009,223	37,050,640
Committed	1,791,180	-	-	1,791,180
TOTAL FUND BALANCES	<u>1,938,940</u>	<u>22,651,278</u>	<u>15,009,223</u>	<u>39,599,441</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,665,295</u>	<u>\$ 23,951,879</u>	<u>\$ 15,126,881</u>	<u>\$ 44,744,055</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, 2023

	School General Projects	Central Cafeteria	Internal School Funds	Total Nonmajor Governmental Funds
Revenues				
Charges for Current Services	\$ 1,202,617	\$ 6,745,849	\$ -	\$ 7,948,466
Other Local Revenues	405,281	578,513	23,754,154	24,737,948
Investment Revenues	-	229,377	-	229,377
State of Tennessee	9,248,521	253,107	-	9,501,628
Federal Government	-	25,039,422	-	25,039,422
Other Governments and Citizen Groups	816,879	-	-	816,879
Total Revenues	11,673,298	32,846,268	23,754,154	68,273,720
Expenditures				
Current:				
Education	15,089,890	30,205,162	22,210,920	67,505,972
Capital Outlay	26,260	361,342	-	387,602
Debt service:				
Principal	-	51,695	-	51,695
Interest	-	22,143	-	22,143
Total Expenditures	15,116,150	30,640,342	22,210,920	67,967,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,442,852)	2,205,926	1,543,234	306,308
Other Financing Sources (Uses)				
Transfers from Other Funds	3,953,065	15,000	-	3,968,065
Transfers to Other Funds	(393)	-	(88,000)	(88,393)
Subscription Financing	-	976,915	-	976,915
Total Other Financing Sources (Uses)	3,952,672	991,915	(88,000)	4,856,587
Net Change in Fund Balances	509,820	3,197,841	1,455,234	5,162,895
Fund Balances, July 1	1,429,120	19,453,437	13,553,989	34,436,546
Fund Balances, June 30	\$ 1,938,940	\$ 22,651,278	\$ 15,009,223	\$ 39,599,441

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
School General Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Receivables (Net of Allowance for Uncollectibles):		
Accounts	\$ 5,517,535	\$ 5,917,421
Prepaid Items	1,930	33,006
Inventories	145,830	157,803
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 5,665,295</u>	<u>\$ 6,108,230</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 194,997	\$ 931,186
Due to Other Funds	3,350,293	3,716,324
Unearned Revenue	181,065	31,600
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>3,726,355</u>	<u>4,679,110</u>
Fund Balances:		
Nonspendable	147,760	190,809
Committed	1,791,180	1,238,311
	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>1,938,940</u>	<u>1,429,120</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,665,295</u>	<u>\$ 6,108,230</u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenues		
Charges for Current Services	\$ 1,202,617	\$ 1,144,843
Other Local Revenues	405,281	132,363
State of Tennessee	9,248,521	8,764,654
Other Governments and Citizens Groups	816,879	665,630
	<hr/>	<hr/>
Total Revenues	11,673,298	10,707,490
	<hr/>	<hr/>
Expenditures		
Current:		
Education	15,089,890	15,062,447
Capital Outlay	26,260	-
	<hr/>	<hr/>
Total Expenditures	15,116,150	15,062,447
	<hr/>	<hr/>
Deficiency of Revenues Under Expenditures	(3,442,852)	(4,354,957)
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Transfers from Other Funds	3,953,065	4,105,434
Transfers to Other Funds	(393)	(40,969)
	<hr/>	<hr/>
Total Other Financing Sources	3,952,672	4,064,465
	<hr/>	<hr/>
Net Change in Fund Balances	509,820	(290,492)
Fund Balances, July 1	1,429,120	1,719,612
	<hr/>	<hr/>
Fund Balances, June 30	\$ 1,938,940	\$ 1,429,120
	<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, 2023 and 2022

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Charges for Current Services	\$ -	\$ 1,230,059	\$ 1,202,617	\$ (27,442)	\$ 1,139,447	\$ 1,144,843	\$ 5,396
Other Local Revenues	-	347,645	405,281	57,636	95,775	132,363	36,588
State of Tennessee	-	11,446,610	9,248,521	(2,198,089)	12,440,872	8,764,654	(3,676,218)
Other Governments and Citizens Groups	-	818,617	816,879	(1,738)	731,550	665,630	(65,920)
Total Revenues	-	13,842,931	11,673,298	(2,169,633)	14,407,644	10,707,490	(3,700,154)
Expenditures							
Current:							
Education:							
Personal Services	-	10,134,847	9,384,752	750,095	10,305,072	8,452,135	1,852,937
Employee Benefits	-	2,537,840	2,117,861	419,979	2,770,667	2,237,417	533,250
Contracted Services	-	1,294,243	837,838	456,405	1,519,600	904,765	614,835
Supplies and Materials	-	4,883,646	2,062,789	2,820,857	5,330,075	2,867,702	2,462,373
Other Charges	-	956,386	686,650	269,736	735,524	600,428	135,096
Capital Outlay	-	285,561	26,260	259,301	123,529	-	123,529
Total Expenditures	-	20,092,523	15,116,150	4,976,373	20,784,467	15,062,447	5,722,020
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,249,592)	(3,442,852)	2,806,740	(6,376,823)	(4,354,957)	2,021,866
Other Financing Sources (Uses)							
Transfers from Other Funds	-	5,304,910	3,953,065	(1,351,845)	5,154,782	4,105,434	(1,049,348)
Transfers to Other Funds	-	-	(393)	(393)	-	(40,969)	(40,969)
Total Other Financing Sources (Uses)	-	5,304,910	3,952,672	(1,352,238)	5,154,782	4,064,465	(1,090,317)
Net Change in Fund Balances	-	(944,682)	509,820	1,454,502	(1,222,041)	(290,492)	931,549
Fund Balances, July 1	1,429,120	1,429,120	1,429,120	-	1,719,612	1,719,612	-
Fund Balances, June 30	\$ 1,429,120	\$ 484,438	\$ 1,938,940	\$ 1,454,502	\$ 497,571	\$ 1,429,120	\$ 931,549

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
Central Cafeteria Fund
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 22,614,899	\$ 19,830,240
Receivables (Net of Allowance for Uncollectibles):		
Accounts	338,118	417,157
Due from Other Funds	389,001	60,020
Inventories	601,317	476,591
Prepaid Items	8,544	-
	<u>23,951,879</u>	<u>20,784,008</u>
TOTAL ASSETS	<u>\$ 23,951,879</u>	<u>\$ 20,784,008</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 344,041	\$ 556,713
Accrued Liabilities	158,061	49,181
Due to Other Funds	387,810	291,876
Unearned Revenue	410,689	432,801
	<u>1,300,601</u>	<u>1,330,571</u>
TOTAL LIABILITIES	<u>1,300,601</u>	<u>1,330,571</u>
Fund Balances:		
Nonspendable	609,861	476,591
Restricted	22,041,417	18,976,846
	<u>22,651,278</u>	<u>19,453,437</u>
TOTAL FUND BALANCES	<u>22,651,278</u>	<u>19,453,437</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,951,879</u>	<u>\$ 20,784,008</u>

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, 2023 and 2022

	2023	2022
Revenues		
Charges for Current Services	\$ 6,745,849	\$ 1,314,856
Other Local Revenues	578,513	460,049
Investment Revenues	229,377	1,221
State of Tennessee	253,107	229,543
Federal Government	25,039,422	36,027,055
Total Revenues	32,846,268	38,032,724
Expenditures		
Current:		
Education:		
Food Service	30,205,162	27,181,672
Capital Outlay	361,342	600,532
Debt Service:		
Principal	51,695	-
Interest	22,143	-
Total Expenditures	30,640,342	27,782,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,205,926	10,250,520
Other Financing Sources (Uses)		
Transfers from Other Funds	15,000	-
Subscription Financing	976,915	-
Total Other Financing Uses	991,915	-
Net Change in Fund Balances	3,197,841	10,250,520
Fund Balances, July 1	19,453,437	9,202,917
Fund Balances, June 30	\$ 22,651,278	\$ 19,453,437

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, 2023 and 2022**

	2023				2022		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Charges for Current Services	\$ 5,625,000	\$ 5,625,000	\$ 6,745,849	\$ 1,120,849	\$ 1,300,000	\$ 1,314,856	\$ 14,856
Other Local Revenues	499,000	499,000	578,513	79,513	300,000	460,049	160,049
Investment Revenue	1,000	1,000	229,377	228,377	-	1,221	1,221
State of Tennessee	250,000	250,000	253,107	3,107	250,000	229,543	(20,457)
Federal Government	21,480,000	22,530,000	25,039,422	2,509,422	25,510,000	36,027,055	10,517,055
Total Revenues	27,855,000	28,905,000	32,846,268	3,941,268	27,360,000	38,032,724	10,672,724
Expenditures							
Current:							
Education:							
Food Service:							
Personal Services	10,890,000	9,083,000	9,082,550	450	8,770,000	8,670,192	99,808
Employee Benefits	3,270,000	2,585,000	2,582,481	2,519	2,602,000	2,509,883	92,117
Contracted Services	1,360,000	1,636,843	1,614,084	22,759	1,695,500	1,578,576	116,924
Supplies & Materials	10,660,000	14,484,011	14,493,267	(9,256)	12,996,400	12,917,414	78,986
Other Charges	1,525,000	2,484,915	2,506,618	(21,703)	1,520,000	1,505,607	14,393
Capital Outlay	150,000	361,406	361,342	64	1,025,600	600,532	425,068
Total Expenditures	27,855,000	30,635,175	30,640,342	(5,167)	28,609,500	27,782,204	827,296
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,730,175)	2,205,926	3,936,101	(1,249,500)	10,250,520	11,500,020
Other Financing Uses							
Transfers from Other Funds	-	-	15,000	15,000	-	-	-
Subscription Financing	976,915	976,915	976,915	-	-	-	-
Total Other Financing Sources (Uses)	976,915	976,915	991,915	15,000	(1,249,500)	10,250,520	11,500,020
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	976,915	(753,260)	3,197,841	3,951,101	(1,249,500)	10,250,520	11,500,020
Fund Balances, July 1	19,453,437	19,453,437	19,453,437	-	9,202,917	9,202,917	-
Fund Balances, June 30	\$ 20,430,352	\$ 18,700,177	\$ 22,651,278	\$ 3,951,101	\$ 7,953,417	\$ 19,453,437	\$ 11,500,020

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
Internal School Funds
Comparative Balance Sheets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 15,038,611	\$ 13,650,441
Receivables (Net of Allowance for Uncollectibles):		
Accounts	<u>88,270</u>	<u>12,874</u>
TOTAL ASSETS	<u><u>\$ 15,126,881</u></u>	<u><u>\$ 13,663,315</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 117,658</u>	<u>\$ 109,326</u>
TOTAL LIABILITIES	<u>117,658</u>	<u>109,326</u>
Fund Balances:		
Restricted for Education	<u>15,009,223</u>	<u>13,553,989</u>
TOTAL FUND BALANCES	<u>15,009,223</u>	<u>13,553,989</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 15,126,881</u></u>	<u><u>\$ 13,663,315</u></u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenues		
Other Local Revenues	\$ 23,754,154	\$ 17,173,933
Total Revenues	<u>23,754,154</u>	<u>17,173,933</u>
Expenditures		
Current:		
Operation of Non-instructional Services	<u>22,210,920</u>	<u>18,227,253</u>
Total Expenditures	<u>22,210,920</u>	<u>18,227,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,543,234</u>	<u>(1,053,320)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	-	2,959,408
Transfers to Other Funds	<u>(88,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(88,000)</u>	<u>2,959,408</u>
Net Change in Fund Balances	1,455,234	1,906,088
Fund Balances, July 1	<u>13,553,989</u>	<u>11,647,901</u>
Fund Balances, June 30	<u>\$ 15,009,223</u>	<u>\$ 13,553,989</u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	<u>\$ 41,545,917</u>	<u>\$ 43,086,272</u>
Receivables:		
Accrued Interest and Dividends	<u>7,453</u>	<u>-</u>
Total Assets	<u>41,553,370</u>	<u>43,086,272</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>9,860</u>	<u>12,156</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 41,543,510</u></u>	<u><u>\$ 43,074,116</u></u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions:		
Employer	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Investment Income (Loss):		
Interest and Dividend Income	1,725,815	2,575,893
Net Appreciation (Depreciation) in Fair Value of Investments	<u>2,086,436</u>	<u>(8,739,015)</u>
Total Investment Income (Loss)	<u>3,812,251</u>	<u>(6,163,122)</u>
Total Additions	<u>5,012,251</u>	<u>(4,963,122)</u>
DEDUCTIONS		
Benefits and Refunds	6,432,526	6,478,244
Administrative Expenses	<u>110,331</u>	<u>92,159</u>
Total Deductions	<u>6,542,857</u>	<u>6,570,403</u>
CHANGE IN NET POSITION	(1,530,606)	(11,533,525)
NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>43,074,116</u>	<u>54,607,641</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 41,543,510</u></u>	<u><u>\$ 43,074,116</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.

Contents	Page
Financial Trends	275-282
<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	283-286
<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	287-289
<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	290-291
<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	292-294
<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 and Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Net Position	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government										
Governmental activities										
Total governmental activities net position	\$ 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)	\$ (2,633,443)
Business-type activities										
Total business-type activities net position	\$ 527,788	\$ 587,410	\$ 512,539	\$ 444,240	\$ 442,942	\$ 404,252	\$ 353,783	\$ 384,145	\$ 402,212	\$ 474,835
Total primary governmental net position	\$ 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)	\$ (2,158,608)
Changes in Net Position										
Expenses										
Primary government:										
Governmental activities:										
Finance and Administration	\$ 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	\$ 47,986,929
Finance and Administration - payment to component unit	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	2,500,000
Administration of Justice	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	31,168,136
Public Safety	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	123,370,527
Public Safety - payment to component unit	326,200	326,200	485,002	856,322	1,191,595	1,191,595	1,191,595	1,166,603	1,166,603	1,166,603
Public Health and Welfare	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	39,258,041
Public Health and Welfare - payment to component unit	211,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628
Social and Cultural Services	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	25,279,930
Agricultural and Natural Resources	519,433	470,977	490,451	518,339	520,063	483,133	488,941	391,064	487,814	491,522
Other General Government	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	59,612,700
Other General Government - payment to component unit	600,000	600,000	625,000	665,000	700,000	725,000	730,500	730,500	693,499	-
Engineering & Public Works	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	42,136,022
Education - payment to component unit	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	40,214,371
Debt Service - interest and fees	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	33,448,059
Debt Service - other	745,863	-	-	-	-	-	-	-	-	-
Total governmental activities	307,832,385	303,012,700	316,828,336	381,825,914	319,136,773	363,215,263	338,502,913	357,393,172	439,759,575	446,799,468
Business-type activities:										
Three Ridges Golf Course	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	1,872,241
Total primary government expenses	\$ 308,769,989	\$ 304,012,790	\$ 317,891,963	\$ 382,963,614	\$ 320,317,784	\$ 364,420,759	\$ 339,810,202	\$ 358,962,013	\$ 441,431,021	\$ 448,671,709

NOTE: Knox County implemented GASB Statement Number 68 in fiscal year 2015.
Knox County implemented GASB Statement Number 75 in fiscal year 2018.

Continued

KNOX COUNTY, TENNESSEE

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Primary government:										
Governmental activities:										
Charges for Services:										
Finance and Administration	\$ 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	\$ 27,535,153
Administration of Justice	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	11,446,233
Public Safety	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	7,889,151
Public Health and Welfare	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	5,896,667
Social and Cultural Services	885,537	778,733	771,108	890,986	816,249	762,846	603,244	545,902	616,245	703,333
Other General Government	282,845	298,127	303,569	318,940	280,504	260,242	306,041	312,346	75,146	71,061
Engineering & Public Works	267,125	122,259	142,101	473,550	154,050	154,100	184,268	3,081,970	3,275,283	3,267,363
Operating grants and contributions	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	66,351,420
Capital grants and contributions	-	-	-	-	3,440,398	6,215,851	6,548,486	8,020,823	21,782,423	14,697,956
Total governmental activities	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	137,858,337
Business-type activities:										
Charges for Services	861,989	798,212	788,756	759,401	814,837	819,556	956,820	1,461,267	1,515,263	1,600,904
Capital grants and contributions	-	-	-	35,000	44,876	27,250	-	37,936	57,950	38,960
Total business-type activities	861,989	798,212	788,756	794,401	859,713	846,806	956,820	1,499,203	1,573,213	1,639,864
Total primary government program revenues	\$ 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	\$ 139,498,201
Net (expenses)/revenues										
Primary government activities	\$ (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)	\$ (309,173,508)

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Primary government:										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 195,534,484
Sales taxes	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	24,221,447
Lodging taxes	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	13,309,431
Business taxes	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	15,755,440
Wheel taxes	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	13,609,363
Other local taxes	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	4,665,662
Investment revenue	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	11,556,554
Other revenues	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	36,966,043
Contracts - other governments and citizens	728,102	381,842	296,117	308,350	428,174	352,694	309,730	300,542	290,606	302,390
Miscellaneous	966,103	828,323	746,701	1,443,103	1,176,215	788,341	1,788,758	877,491	600,965	632,965
Special Item - Sale of Capital Asset	-	-	-	-	-	-	-	-	-	6,000,000
Transfers	-	(250,000)	(200,000)	(275,000)	(320,000)	(320,000)	(300,000)	(100,000)	(115,000)	(305,000)
Total governmental activities	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	322,248,779
Business-type activities:										
Transfers	-	250,000	200,000	275,000	320,000	320,000	300,000	100,000	115,000	305,000
Total primary government	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	322,553,779
Change in Net Position										
Primary government activities	\$ (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)	\$ 13,380,271

Note: Knox County implemented GASB Statement Number 75 in fiscal year 2018.
Note: Knox County implemented GASB Statement Number 68 in fiscal year 2015.

KNOX COUNTY, TENNESSEE

**Primary Government Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

Fiscal Year	Property Tax	Sales Tax	Lodging Tax	Business Tax	Wheel Tax	Other Local Tax	Total
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
2023	195,534,484	24,221,447	13,309,431	15,755,440	13,609,363	4,665,662	267,095,827

KNOX COUNTY, TENNESSEE

**Component Units Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

Fiscal Year	Property Tax	Sales Tax	Wheel Tax	Other Local Tax	Total
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
2023	111,667,830	231,296,010	1,885,756	819,734	345,669,330

KNOX COUNTY, TENNESSEE

**Reporting Unit Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

Fiscal Year	Property Tax	Sales Tax	Lodging Tax	Business Tax	Wheel Tax	Other Local Tax	Total
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
2023	307,202,314	255,517,457	13,309,431	15,755,440	15,495,119	5,485,396	612,765,157

KNOX COUNTY, TENNESSEE

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ 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	\$ 10,046,040
Restricted	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	3,934,908
Committed	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	8,784,210
Assigned	1,401,378	1,130,360	789,441	387,963	921,525	251,677	695,016	761,483	2,581,315	2,502,599
Unassigned	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	84,984,625
Total general fund	<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>	<u>\$ 110,252,382</u>
All other governmental funds										
Nonspendable	\$ 3,953,715	\$ 3,958,516	\$ 114,681	\$ 104,525	\$ 93,419	\$ 79,623	\$ 67,892	\$ 70,220	\$ 95,389	\$ 159,296
Restricted	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	56,654,740
Committed	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	30,581,918
Assigned	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	6,042,030
Unassigned	-	-	-	-	(13,247,367)	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 93,437,984</u>

KNOX COUNTY, TENNESSEE

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 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	\$ 269,545,630
Licenses and permits	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	3,000,164
Fines, forfeitures and penalties	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	3,469,570
Charges for current services	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	46,318,825
Other local revenues	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	18,509,774
State of Tennessee	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	8,048,056
Federal government	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	26,857,803
Other governments and citizen groups	723,019	646,219	1,210,967	592,769	1,748,187	998,711	1,028,405	704,699	54,318,734	52,400,336
Investment earnings	2,023,800	15,686	18,121	-	-	-	-	1,750,402	1,137,320	1,130,272
Payments from component units	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	18,186,683
Increase in equity interest in joint venture	-	-	-	-	406,204	298,686	408,316	930,016	1,270,769	1,010,759
Total revenues	297,841,407	303,451,641	315,638,013	319,777,562	337,976,198	339,247,956	344,942,985	366,248,499	423,189,750	449,049,872
Expenditures										
Finance and administration	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	45,084,850
Finance and administration - payments to component unit	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	2,500,000
Administration of justice	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	30,361,075
Public safety	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	96,354,864
Public safety - payments to component unit	326,200	326,200	485,002	856,322	1,191,595	1,191,595	1,191,595	1,166,603	1,166,603	1,166,603
Public health and welfare	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	38,230,181
Public health and welfare - payments to component unit	211,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628
Social and cultural services	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	22,472,998
Agricultural and natural resources	519,433	470,977	490,451	518,339	520,063	483,133	488,941	391,064	487,814	491,522
Other general government	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	63,285,839
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	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	25,454,346
Decrease in equity interest in joint venture	493,210	931,800	153,036	180,513	-	-	-	-	-	-
Debt proceeds paid to component unit	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	443,145
Education - Payments to component unit	-	-	-	9,968,536	-	39,410,750	15,800,000	35,800,000	58,325,000	40,214,371
Capital Outlay	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	41,971,654
Debt Service:										
Principal	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	47,159,736
Interest	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	25,065,238
Other charges	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	12,126,882
Total expenditures	344,891,758	339,090,291	353,914,412	422,622,546	347,187,088	391,917,678	363,228,380	412,743,030	497,343,366	492,549,932
Excess (deficiency) of revenues over (under) expenditures	(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)	(43,500,060)
Other financing sources (uses)										
Transfers in	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	36,301,988
Transfers out	(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)	(42,343,988)
Capital lease proceeds	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	70,000,000
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	3,397,228
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 and Subscription Financing	-	-	-	-	-	-	-	-	3,646,192	5,778,678
Total other financing sources (uses)	54,930,744	43,725,732	35,909,689	95,890,385	(2,561,273)	71,534,938	38,275,441	60,167,733	91,866,605	73,133,906
Net change in fund balances	\$ 7,880,393	\$ 8,087,082	\$ (2,366,710)	\$ (6,954,599)	\$ (11,772,163)	\$ 18,865,216	\$ 19,990,046	\$ 13,673,202	\$ 17,712,989	\$ 29,633,846
Debt service as a percentage of noncapital expenditures	19.67%	20.16%	19.92%	16.44%	20.67%	18.60%	20.43%	17.88%	14.80%	16.23%

KNOX COUNTY, TENNESSEE

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Years
(Unaudited)**

Lien Date January 1 (See Note)	Real Property		Personal Property	Public Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
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%
2022	11,436,774,844	6,635,195,435	827,355,570	297,204,910	19,196,530,759	1.554	67,704,559,975	28.35%

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.

In 2022, the County underwent a reappraisal of property values

KNOX COUNTY, TENNESSEE

**Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

	Year Taxes Are Payable									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Knox County Direct Rates										
General	\$ 0.97	\$ 0.96	\$ 0.96	\$ 0.97	\$ 0.97	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.6524
Debt Service	0.31	0.30	0.48	0.47	0.47	0.43	0.43	0.43	0.43	0.3552
Schools	1.08	1.06	0.88	0.88	0.88	0.80	0.80	0.80	0.80	0.5464
Total direct rate	2.36	2.32	2.32	2.32	2.32	2.12	2.12	2.12	2.12	1.5540
City of Knoxville Rates	2.46	2.39	2.73	2.73	2.73	2.46	2.46	2.46	2.46	2.1556
Total direct & overlapping rates	<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>	<u>\$ 3.7096</u>

Sources: *Knox County, Tennessee.*
City of Knoxville, Tennessee.

KNOX COUNTY, TENNESSEE

**Principal Property Taxpayers
Tax Year 2022 and Nine Years Ago
(Unaudited)**

<u>Taxpayer</u>	<u>Tax Year 2022</u>			<u>Tax Year 2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Pilot Corporation	\$ 80,484,683	1	0.38%	-		-
Comcast	73,740,701	2	0.35%	-		-
Metro Knoxville	61,584,120	3	0.29%	\$ 61,823,680	1	0.57%
Exedy America Corporation	59,672,065	4	0.28%	16,708,076	7	0.15%
SREIT Forest Ridge Apartments	52,668,200	5	0.25%	-		-
West Town Mall	47,104,600	6	0.22%	27,749,840	5	0.26%
Rohm & Haas	44,427,285	7	0.21%	12,810,940	10	0.12%
SREIT Eagle Pointe Apartments LLC	42,151,655	8	0.20%	-		-
Cellco Partnership	37,489,605	9	0.18%	-		-
Hart TC	36,896,485	10	0.17%	14,401,120	8	0.13%
AT&T Mobility	-		-	30,113,327	4	0.28%
Fort Sander Regional Medical Center	-		-	-		-
Verizon	-		-	31,471,225	3	0.29%
Bellsouth Communications	-		-	53,206,781	2	0.49%
Tennessee Holding	-		-	17,720,000	6	0.16%
Hertz Knoxville One	-		-	13,600,000	9	0.13%
Totals	<u>\$ 536,219,399</u>		<u>2.53%</u>	<u>\$ 279,604,989</u>		<u>2.58%</u>

Source: Knox County, Tennessee Trustee Department.

KNOX COUNTY, TENNESSEE

**Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 250,998	\$ 243,519	97.0%	\$ 7,146	\$ 250,665	99.9%
2015	254,900	246,882	96.9%	7,692	254,574	99.9%
2016	258,413	252,032	97.5%	6,002	258,034	99.9%
2017	262,496	255,342	97.3%	6,689	262,031	99.8%
2018	266,918	260,052	97.4%	6,381	266,433	99.8%
2019	271,797	264,933	97.5%	6,284	271,217	99.8%
2020	275,507	268,208	97.4%	6,585	274,793	99.7%
2021	282,225	274,735	97.3%	6,477	281,212	99.6%
2022	287,618	281,588	97.9%	4,302	285,890	99.4%
2023	298,006	292,563	98.2%	-	292,563	98.2%

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)

Fiscal Year	Primary Government			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Financed Purchases and Loans	Leases & Subscriptions (3)			
2014	\$ 638,895	\$ 8,709	\$ 27,245	\$ 674,849	3.50%	\$ 1.507
2015	630,512	6,813	38,931	676,256	3.34%	1.498
2016	623,116	4,913	37,571	665,600	3.15%	1.459
2017	677,324	3,010	35,921	716,255	3.22%	1.551
2018	635,773	2,595	34,179	672,547	2.85%	1.445
2019	660,942	2,176	32,343	695,461	2.86%	1.492
2020	674,054	1,755	11,147	686,956	2.64%	1.461
2021	689,823	1,330	10,770	701,923	2.41%	1.465
2022	736,365	11,265	6,846	754,476	2.40%	1.550
2023	760,997	10,396	14,215	785,608	2.50% (2)	1.578 (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 290 for personal income and population data.

(2) Estimated, schedule will be updated when the information becomes available.

(3) Subscriptions added in FY23

KNOX COUNTY, TENNESSEE

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)
(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
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%	1,513
2023	760,997	1.12% (3)	1,529

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 283 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 290.

(3) Estimated, schedule will be updated when the information becomes available.

KNOX COUNTY, TENNESSEE

Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
(amounts expressed in thousands)
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 785,607	100.00%	\$ 785,607
Subtotal, direct debt	<u>785,607</u>		<u>785,607</u>
City of Knoxville overlapping debt	116,490	100.00%	116,490
Town of Farragut overlapping debt	-	100.00%	-
Subtotal, overlapping debt	<u>116,490</u>		<u>116,490</u>
Total direct and overlapping debt	<u>\$ 902,097</u>		<u>\$ 902,097</u>

Note: Percentage of overlap based on assessed property values.

KNOX COUNTY, TENNESSEE

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	(1)	Per Capita Personal Income	(1)	Median Age	(3)	School Enrollment	(3)	Unemployment Rate	(2)
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		4.8%	
2022	486,677	31,402,606		59,934		39.0		126,341 (4)		3.8%	
2023	497,745 (4)	31,402,606 (4)		63,494		39.0 (4)		126,341 (4)		3.6%	

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 2022 and Nine Years Ago
(Unaudited)**

Employer (1)	2022			2013		
	Employees (2)	Rank	Percentage of Total Knoxville MSA Employment (3)	Employees (2)	Rank	Percentage of Total Knoxville MSA Employment (3)
Covenant Health	11,913	1	4.75%	9,122	1	4.00%
Knox County Public Schools	10,047	2	4.00%	7,066	2	3.10%
The University of Tennessee	9,299	3	3.70%	6,550	3	2.87%
Walmart Stores	6,863	4	2.73%	5,776	4	2.53%
University Health System	5,387	5	2.15%	4,061	5	1.78%
K-VA-T Food Stores	4,302	6	1.71%	3,857	6	1.69%
State of Tennessee, Regional Office	3,122	7	1.24%	2,808	9	1.23%
Tennova Healthcare	2,927	8	1.17%	3,124	7	1.37%
Knox County Government	2,941	9	1.06%	2,991	8	1.31%
McDonalds	2,663	10	1.06%	-		-
The Kroger Company	-		-	2,555	10	1.37%
Total	59,464		23.57%	47,910		21.25%

(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)**

	Full-time Equivalent Employees by Function									
Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	508	529	547	552	549	553	555	535	526	528
Public safety	1,038	1,041	1,054	1,063	1,040	1,069	1,084	1,086	1,118	1,121
Public health and welfare	283	286	298	306	290	294	292	287	307	359
Highways	113	115	117	116	118	123	125	151	153	157
Social, cultural, and recreation	197	200	200	202	198	204	210	208	209	207
Total	2,139	2,171	2,216	2,239	2,195	2,243	2,266	2,267	2,313	2,372

Source: Knox County Budget.

KNOX COUNTY, TENNESSEE

**Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sheriff (1)										
Arrests	24,969	23,400	23,498	11,722	10,802	10,461	8,283	8,902	9,139	*
Accidents	2,903	2,861	3,097	3,131	3,365	2,840	2,256	2,619	2,641	*
Incidents	30,707	29,653	28,960	31,366	30,868	28,160	26,890	27,610	26,421	*
Health services (2)										
Community Health:										
Presentations performed by Community Health Division	-	-	-	-	-	119	144	114	163	218
Attendees at Community Health Presentations	-	-	-	-	-	2,667	3,209	1,711	3,070	4,541
Air Quality:										
Compliance evaluations/complaint investigations conducted	-	-	-	-	-	752	864	704	845	880
Environmental Health:										
Inspections on food establishments, mobile food units, childcare facilities, school cafeterias conducted	-	-	-	-	-	2,786	7,024	3,827	3,948	7,501
Communicable and Environmental Disease:										
Reportable disease investigations conducted	-	-	-	-	-	7,564	11,774	90,017	89,469	31,233
Health Services:										
Patient encounters	-	-	-	-	-	83,048	76,073	128,859	59,628	60,386
Vaccines administered	-	-	-	-	-	34,487	27,993	65,719	29,407	26,006
Dental Services:										
Patient encounters	-	-	-	-	-	4,768	6,365	4,178	3,533	6,047
Children served through school-based sealant program	-	-	-	-	-	1,671	1,504	224	6,037	1,336
Emergency Preparedness:										
Outreach events	-	-	-	-	-	30	45	127	48	12
Regional exercises	-	-	-	-	-	4	9	2	5	7
Epidemiology data reports	-	-	-	-	-	6	5	2	6	8
Engineering & public works (2)										
Street resurfacing (miles)	21	12	25	48	50	27	9	34	38	50
Road maintenance service orders processed	2,563	2,302	2,653	2,560	2,471	2,872	3,815	2,017	2,133	2,554
Litter reduction from right of way (miles)	1,035	906	1,040	766	749	779	719	773	700	769
Parks & recreation (2)										
Number of park shelter reservations	5,500	6,000	7,000	4,875	4,854	5,467	5,705	5,832	6,205	1,144
Total all participants on all teams	40,000	60,000	22,750	39,668	32,135	31,026	28,235	30,130	33,146	1,600
Total number of attendees at events	160,000	170,000	63,600	114,801	101,792	104,076	99,972	104,490	107,261	134,580

* Information not yet available.

(1) Information kept by calendar year.

(2) Information kept by fiscal year.

(3) Parks & Recreation is no longer affiliated with the community park youth sports organizations

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	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	1
Engineering & Public Works										
Streets (lane miles)	2,230	2,236	2,241	2,244	2,248	2,256	2,263	2,265	2,279	2,279
Bridges	143	143	143	143	145	148	148	149	149	149
Traffic signals	70	73	75	76	81	81	85	86	87	89
Parks & Recreation										
Parks acreage	2,600	2,025	2,169	2,169	2,169	2,176	2,262	2,262	2,275	2,275
Parks	49	48	48	48	48	49	52	52	52	52
Spray pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	13	13	13	13	13	13	13	13	13	13

Source: Knox County, Tennessee Public Safety, Engineering & Public Works and the Parks & Recreation Departments.