



**POPULAR ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR END JUNE 30, 2021



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A MESSAGE FROM THE MAYOR

My fellow Knox Countians,

Thank you for allowing me to serve as your mayor and for the opportunity to present Knox County's Financial Report for 2021.

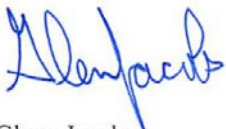
It is my belief that Knox County is the best place to live, work, and raise a family. We are committed to providing opportunities for everyone to thrive in an engaged and vibrant community.

Located at the foothills of the Smoky Mountains, Knox County is a special place with beautiful views, gleaming waterways, numerous hiking trails, biking and outdoor activities, along with the University of Tennessee which supports our volunteer spirit.

With a focus on jobs, education, and recreation, we will continue to move Knox County forward as we strive to recruit new industries and businesses, improve our roads and infrastructure, and continue to focus on ensuring our students receive a quality education.

I look forward to another year of progress with Knox County and hope you do as well.

Sincerely,



Glenn Jacobs
Knox County Mayor



Mayor
Glenn Jacobs





ABOUT THE PAFR

The Knox County Department of Finance is proud to present this Popular Annual Financial Report (PAFR). This report provides summarized information about the County's financial activities and is intended to give readers an overview of the County and its finances.

Although the PAFR is not audited, the financial information reported is based on the audited 2021 Annual Comprehensive Financial Report (ACFR). The Department of Finance is responsible for the preparation of the ACFR. The ACFR contains three basic sections: the introductory section, which provides general information on the government's structure, personnel, economic situation and finances; the financial section, which includes information on fund types, individual funds, and account groups; the statistical section, which provides a broad range of trend data covering key financial indicators from the past ten fiscal years. The report also contains demographic and miscellaneous data useful in assessing the County's financial situation.

The governmental funds presented in this report are in conformity with Generally Accepted Accounting Principles (GAAP). The County also maintains other smaller funds that are not presented here. See the ACFR for complete details on all County funds.

The 2021 ACFR is available online at https://knoxcounty.org/finance/annual_reports.php.



GFOA AWARDS

The Government Finance Officer 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, 2020. This was the 25th consecutive year that our government has achieved this prestigious award. 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.

The County has also received, for the 26th consecutive time, the GFOA Award for Distinguished Budget Presentation for its 2021 Annual Operating Budget. In qualifying for this 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, 2020. 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.





Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

Knox County Government

Tennessee

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

KNOX COUNTY GOVERNMENT



Fourth Row: Justin Biggs, Charles Busler, Kyle Ward

Third Row: Larsen Jay, John Schoonmaker

Second Row: Randy Smith, Richie Beeler, Carson Dailey

First Row: Courtney Durrett, Terry Hill, Dasha Lundy

Knox County is governed by an eleven-member board of commissioners, elected by district and at-large in partisan countywide elections held in August of even-numbered years. Commissioners serve four-year terms.

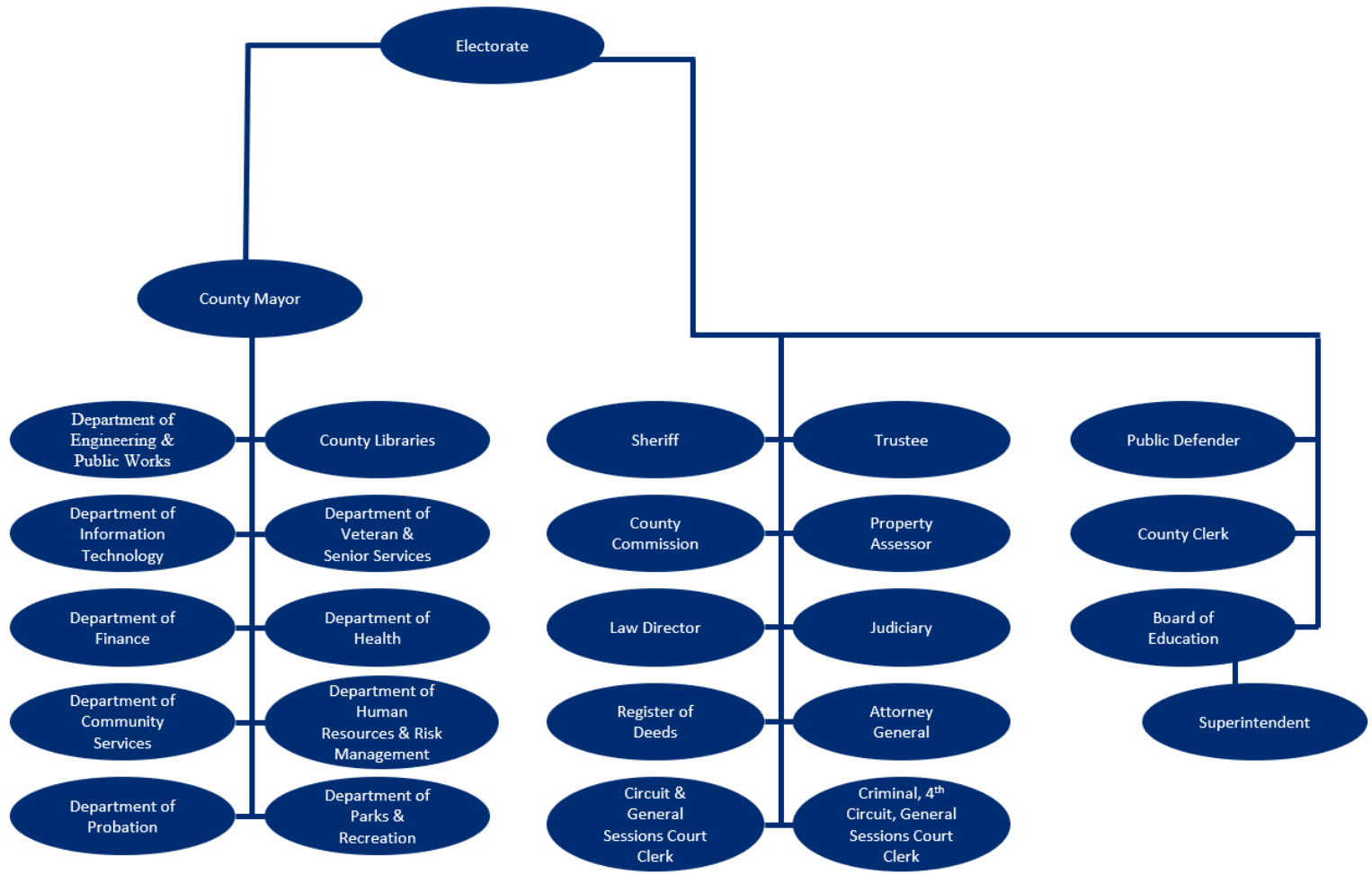
The board's primary duties are to adopt ordinances, emergency ordinances, and resolutions governing the operation of government or to regulate the conduct and affairs of the residents of Knox County. Each member of the Knox County Commission serves all Knox Countians eagerly and are happy to be of assistance to you.

Mission & Vision

Knox County's mission is to provide superior public service and support in an efficient and fiscally responsible way so that all residents can improve their quality of life while enjoying the benefits of a vibrant community. We believe that if we focus on transparency, invest in education and partner with our stakeholders, we will be able to create a pervasive culture of community vitality that guides us to becoming the workforce development center of East Tennessee.



ORGANIZATIONAL CHART



KNOX COUNTY AT-a-GLANCE

History

Knox County was created on June 11, 1792, by Governor William Blount from parts of Greene and Hawkins counties, and has the distinction of being one of only eight counties created during territorial administration. It is one of nine United States counties named for American Revolutionary War general and first United States Secretary of War Henry Knox. Parts of Knox County later became Blount (1795), Anderson (1801), Roane (1801), and Union (1850) counties.

Livability

Knoxville ranks among the nation's best places to live, raise a family, and own a business. It was ranked 14th "Least Expensive City" by Yahoo Finance in 2019, 2nd in Yahoo's "10 Coolest Cities with the Lowest Cost of Living" in 2021, and 7th in U-Haul's "Top 25 Growth Cities" for 2020.

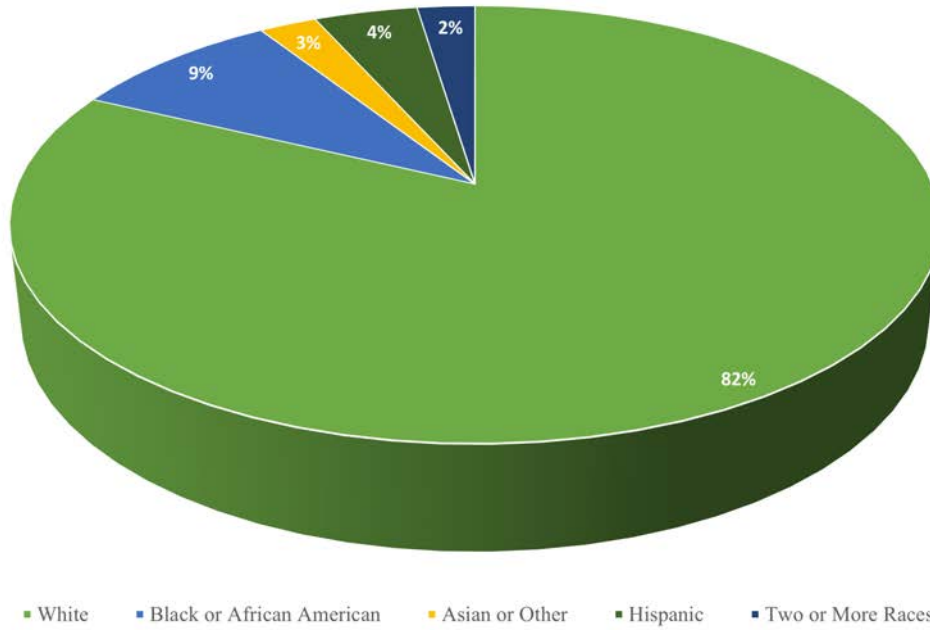
Post-Secondary Education

Four two-year colleges and ten four-year universities are located in Knox County and the surrounding area. The University of Tennessee was ranked 52nd among the nation's top public schools in 2021 by U.S. News and World Report.

Civic Organizations

The Knoxville Chamber has more than 2,200 members. United Way, Community Shares, and Community Action Committee support many youth, family, and social service programs. More than 250 neighborhood associations and many civic groups are active throughout the city and county.

KNOX COUNTY AT-a-GLANCE



GREETINGS from



3RD

Knox is the Third Largest County in the State

475,609

2020 Estimated Population of Knox

526

Knox Area in Square Miles

visit **knoxville**
TENN
#GREETINGSFROM



BUILDING PERMITS

\$260

million Commercial Valuations

\$676

million Residential Valuations

3,637

Residential Permits Issued

526,418 198

Parks

Park Acres

Miles of Greenways & Walking Trails



SHERIFF

1,086

Employees (FY21)

8,283

Arrests (2020)

4.8%

Unemployment Rate (Pandemic)

\$54,642

Per Capita Income

\$249,000

Median House Value

Largest Employer U.S. Department of Energy, Oak Ridge 17,079 Employees

Public Library & Branches

18



2,265

Miles of Streets

34

Streets Resurfaced (Miles)

5

Airlines

130

Flights Daily

2.0m

Passengers Annually

86

Traffic Signals



MAJOR INITIATIVES

- Continuing progress of the Knox-Blount Greenway mega-project designed to provide pedestrians and cyclists connectivity from Knoxville to the Great Smoky Mountain National Park.
- Creating a Comprehensive Land Use and Transportation Plan for the county and a specific Master Plan for Parks and Recreation.
- Making major investments into the county's splash pads.





2021 ACCOMPLISHMENTS



- Debuted new docuseries, 'Knox Narratives' to tell important stories about Knoxville, Knox County, and East Tennessee history using a long-form presentation.

- Developed the free SeeClickFix mobile app and web application that helps improve local roadways.

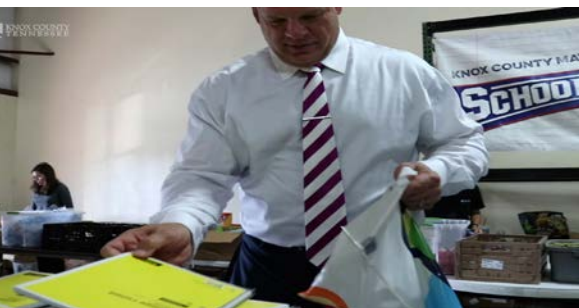
- Read City USA initiative started by the Mayor set a record by exceeding its goal of 1 million hours.



- Refinanced more than \$56 million in bond debt that will save taxpayers almost \$4.5 million.

- Launched a community newsletter.

- Hosted the second-ever drive-thru School Mania, which provided school supplies to Knox County students.

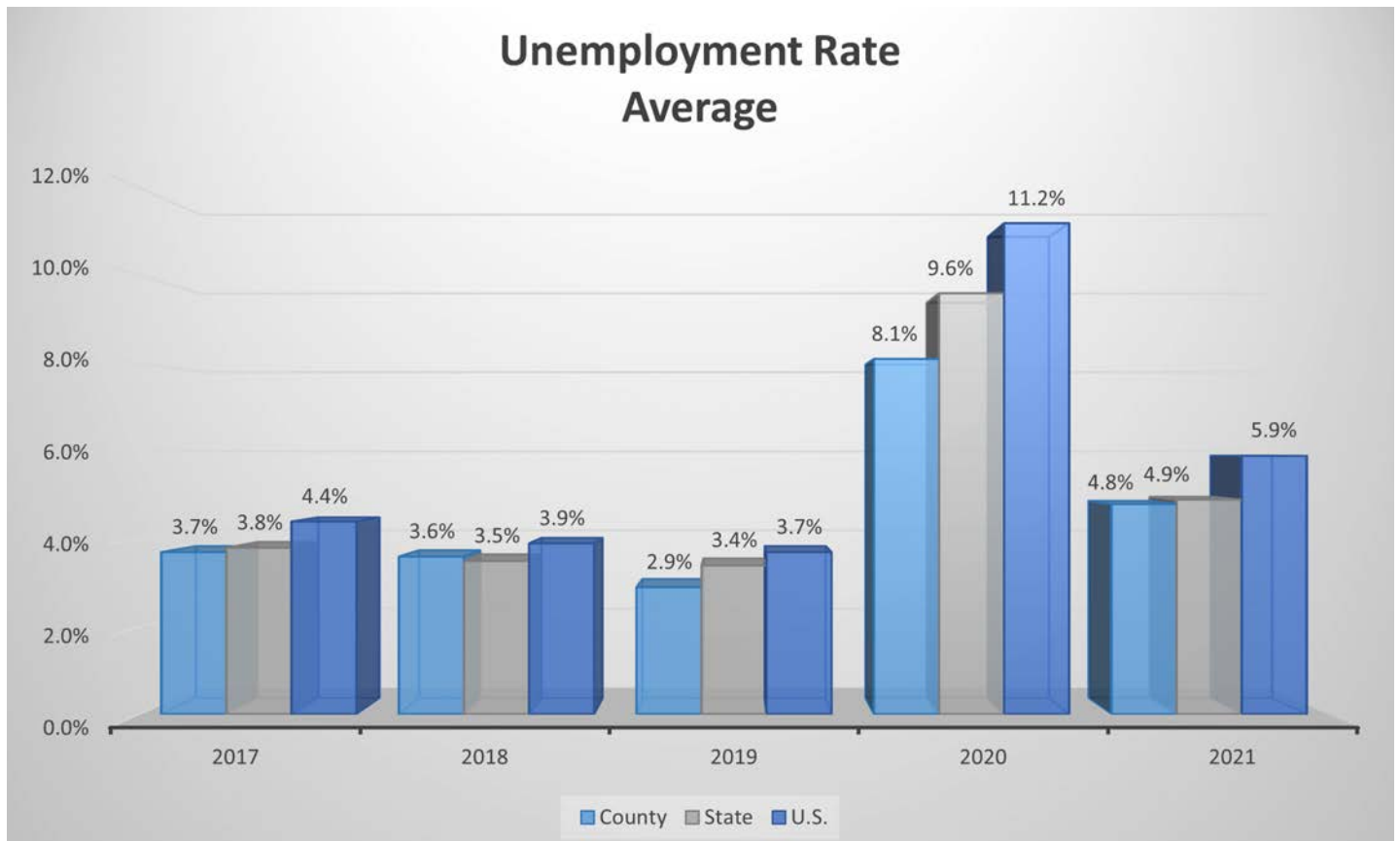


- Hosted the county's first-ever Fall Festival and Trunk-or-Treat events.



EMPLOYMENT

The County's unemployment rate has been consistently lower than the national rates for the past five years. The following graph presents the average annual unemployment rates for that time. The County's unemployment rate was 4.8% in 2021, a significant improvement over the prior year rates due to the pandemic.





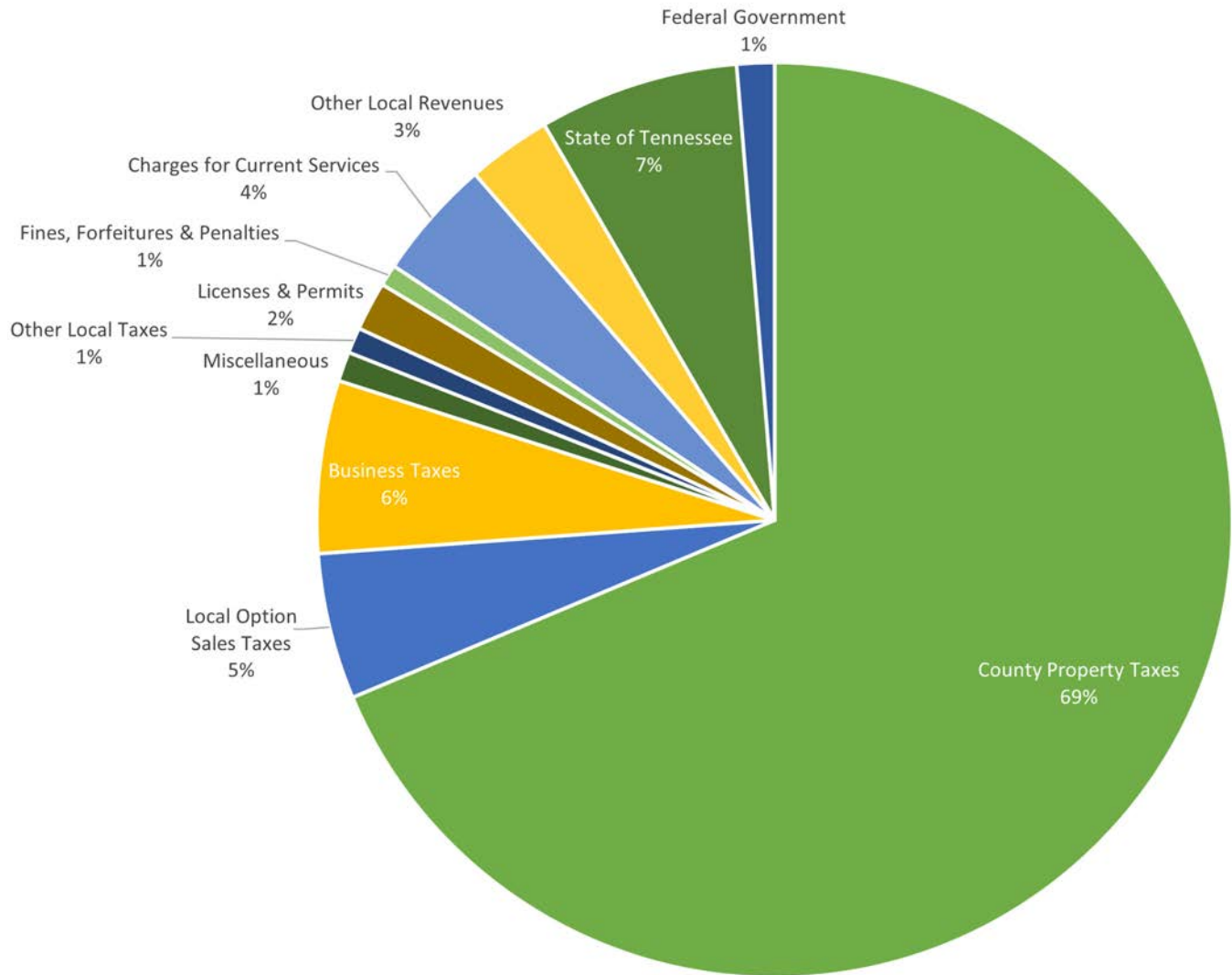
The County is within the Knoxville Metropolitan Statistical Area (MSA) which is home to the U.S Department of Energy and Covenant Health, which are major employers. The County’s primary occupations are in educational services, health care, hospitality, and retail trade sectors. Industry sectors such as agriculture, utilities, and management of companies and enterprises comprise small portions of the Knox County Industry Structure. The largest employers by number of employees have remained relatively consistent through the years. The following table lists organizations employing the most area workers as of the most recent available information.

TOP 10 EMPLOYERS 2021

	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF EMPLOYEES
1	U.S. Department of Energy, Oak Ridge Operations	17,079	4.08%
2	Covenant Health	11,060	2.64%
3	Knox County Public Schools	9,519	2.28%
4	The University of Tennessee	8,959	2.14%
5	Walmart Stores	6,863	1.64%
6	University Health System	5,137	1.23%
7	K-V-A-T Food Stores	4,634	1.11%
8	The Dollywood Company	4,500	1.08%
9	Clayton Homes	4,262	1.02%
10	DENSO Manufacturing	4,200	1.00%
	TOTAL	76,213	18.22%

COUNTY'S GENERAL FUND

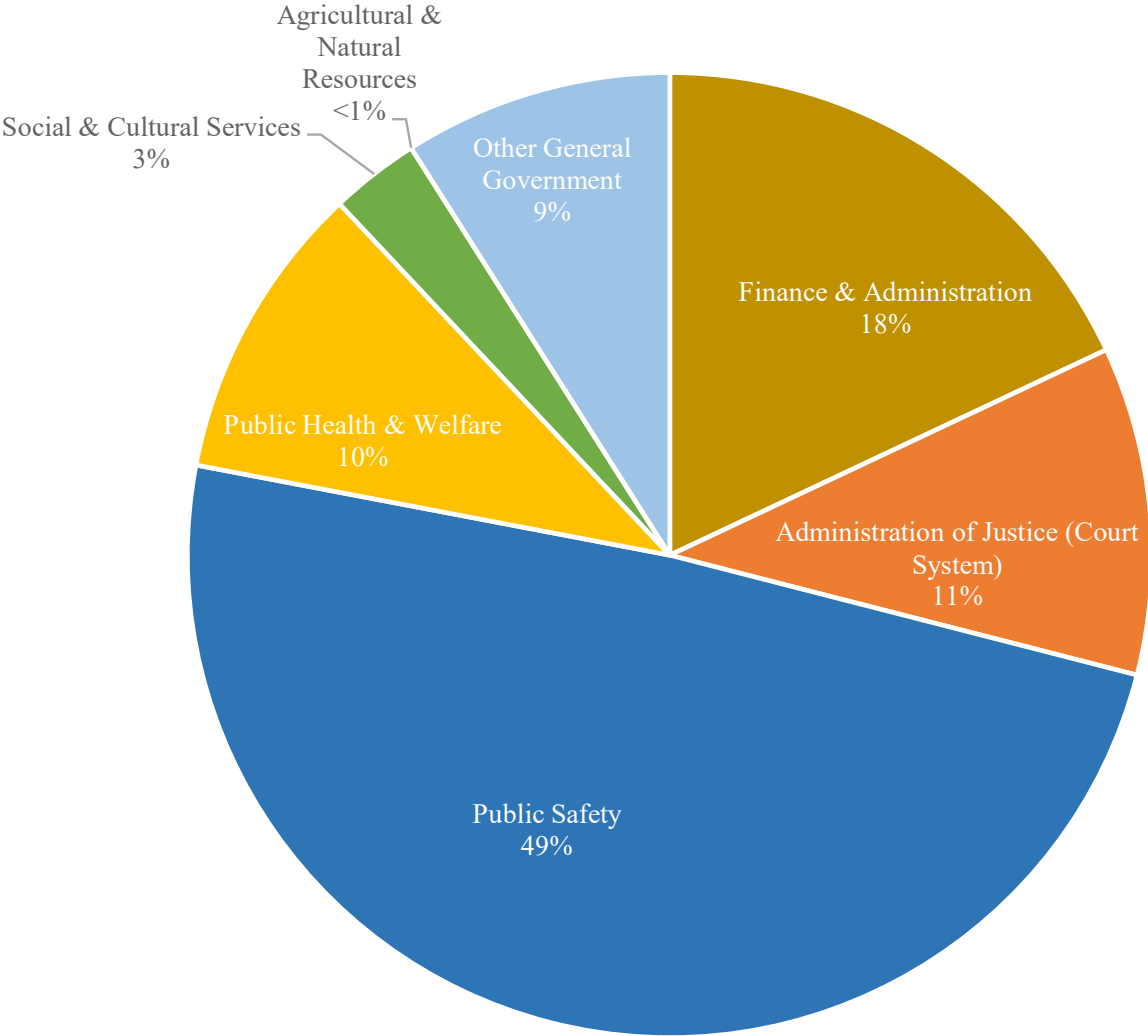
WHERE THE MONEY COMES FROM



The General Fund accounts for resources traditionally associated with governments that are not required legally or by financial management to be accounted for in another fund. The 'Miscellaneous' section consists of the wheel tax, increases in equity interest in joint ventures, and from other government and citizen groups. 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.

COUNTY'S GENERAL FUND

WHERE THE MONEY GOES



COUNTY'S GENERAL FUND

REVENUE - GENERAL FUND

Category	2019	2020	2021	20/21 Variance
County Property Taxes	\$ 125,637,491	\$ 126,640,655	\$ 129,930,136	\$ 3,289,481
Local Option Sales Taxes	6,839,780	7,672,552	9,773,736	2,101,184
Business Taxes	10,492,518	10,809,938	11,541,602	731,664
Wheel Taxes	572,282	564,983	595,939	30,956
Other Local Taxes	2,686,853	2,036,010	1,715,029	(320,981)
Licenses & Permits	5,043,155	5,340,198	3,270,600	(2,069,598)
Fines, Forfeitures & Penalties	2,190,263	2,313,421	1,444,113	(869,308)
Charges for Current Services	8,458,108	7,829,148	8,081,856	252,708
Other Local Revenues	6,423,269	6,231,325	5,610,525	(620,800)
State of Tennessee	12,851,494	16,092,038	12,865,323	(3,226,715)
Federal Government	1,414,906	2,597,015	3,009,348	412,333
Other Governments & Citizen Groups	421,131	796,941	448,113	(348,828)
Increase in Equity Interest in Joint Venture	298,686	408,316	930,016	521,700
Total Revenues	\$ 183,329,936	\$ 189,332,540	\$ 189,216,336	\$ (116,204)

Notes:

*Property taxes and sales taxes continue to out perform projections. The County is experiencing a robust economy.

*Building permits that were previously in the Licenses & Permits category were moved under the Engineering & Public Works Fund.

*Several revenue items from the State of Tennessee decreased in the current year.

EXPENDITURES - GENERAL FUND

Category	2019	2020	2021	20/21 Variance
Finance & Administration	\$ 33,493,502	\$ 32,699,879	\$ 32,904,296	\$ 204,417
Administration of Justice (Court System)	20,012,386	20,015,623	20,127,356	111,733
Public Safety	88,340,254	88,622,008	87,953,708	(668,300)
Public Health & Welfare	23,457,235	18,412,051	17,650,112	(761,939)
Social & Cultural Services	5,231,099	5,893,413	5,484,322	(409,091)
Agricultural & Natural Resources	483,133	488,941	391,064	(97,877)
Other General Government	16,774,661	16,402,264	19,066,276	2,664,012
Total Expenditures	\$ 187,792,270	\$ 182,534,179	\$ 183,577,134	\$ 1,042,955

Note: In the category of Other General Government a one-time pay adjustment was approved during FY 2021 for \$1.5 million.

SCHOOL'S GENERAL FUND

REVENUE - GENERAL FUND

Category	2019	2020	2021	20/21 Variance
Property Taxes	\$ 102,501,659	\$ 103,802,639	\$ 106,153,334	\$ 2,350,695
Local Option Sales Taxes	157,968,631	163,255,052	186,716,867	23,461,815
Wheel Tax	1,719,672	1,697,739	1,790,760	93,021
Other Local Taxes	1,038,560	787,312	673,680	(113,632)
Licenses & Permits	34,627	33,275	34,999	1,724
Charges for Current Services	486,473	400,960	410,389	9,429
Other Local Revenues	4,677,941	4,533,456	3,819,895	(713,561)
State of Tennessee	226,073,473	233,354,463	242,268,770	8,914,307
Federal Government	671,598	673,679	615,460	(58,219)
Other Governments & Citizen Groups	18,449	12,000	215,335	203,335
Interest Earned	724,327	329,345	940,434	611,089
Payments from Primary Government	2,082,000	1,932,000	1,932,000	-
Total Revenues	\$ 497,997,410	\$ 510,811,920	\$ 545,571,923	\$ 34,760,003

Note: School's revenues have increased over the last three years through a continued robust economy.

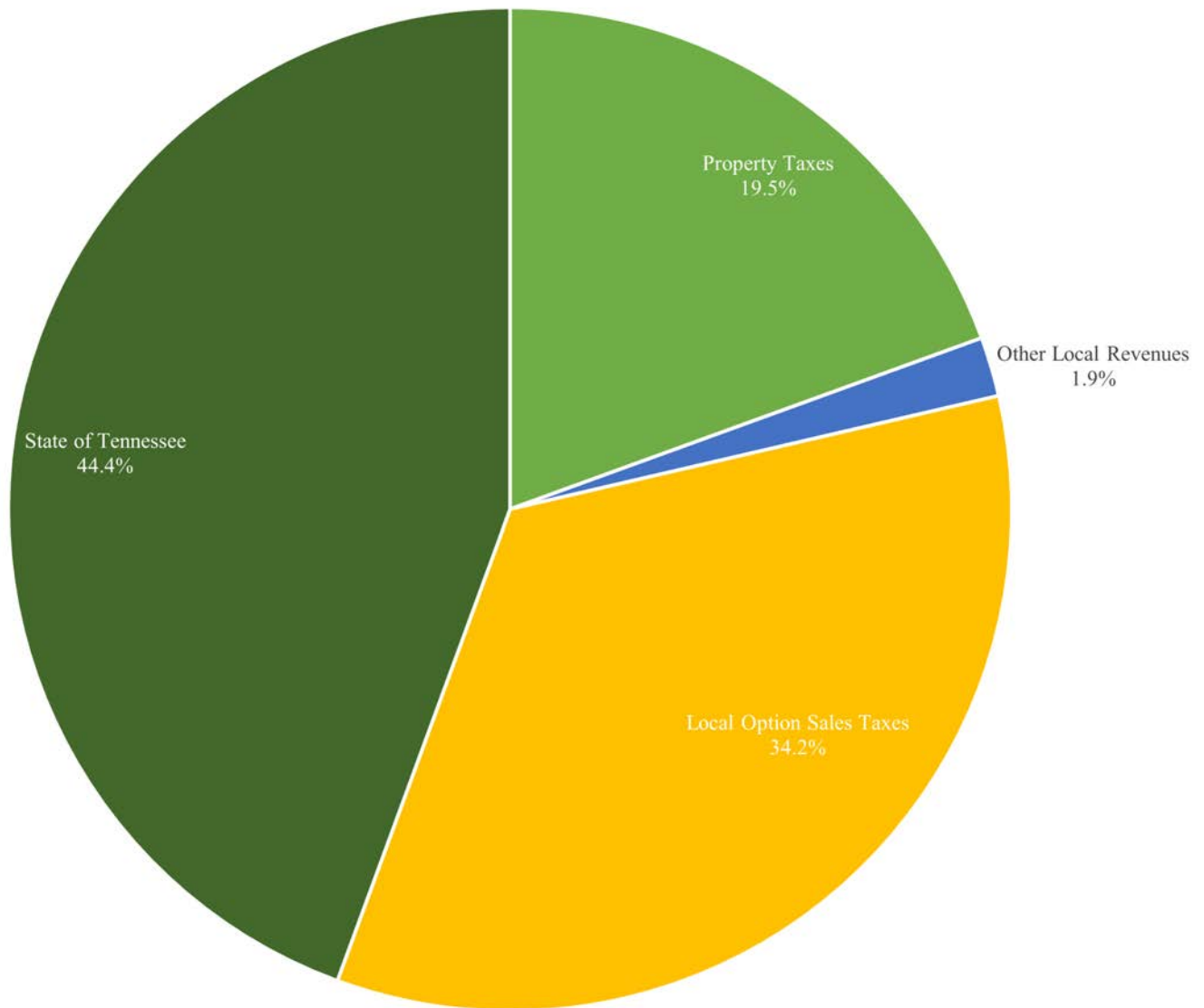
EXPENDITURES - GENERAL FUND

Category	2019	2020	2021	20/21 Variance
Personal Services	\$ 316,257,731	\$ 328,241,913	\$ 340,169,080	\$ 11,927,167
Employee Benefits	88,969,412	93,091,698	94,427,585	1,335,887
Contracted Services	30,432,151	31,149,169	28,660,108	(2,489,061)
Supplies & Materials	29,791,076	28,003,070	22,807,460	(5,195,610)
Other Charges	15,147,771	14,631,470	12,068,215	(2,563,255)
Capital Outlay	1,248,501	1,188,577	2,073,915	885,338
Payments to Primary Government	13,297,034	11,072,668	11,449,356	376,688
Total Expenditures	\$ 495,143,676	\$ 507,378,565	\$ 511,655,719	\$ 4,277,154

Note: Expenditures within the School's General Fund is made up of thousands of accounts and can fluctuate greatly from year to year.

SCHOOL'S GENERAL FUND

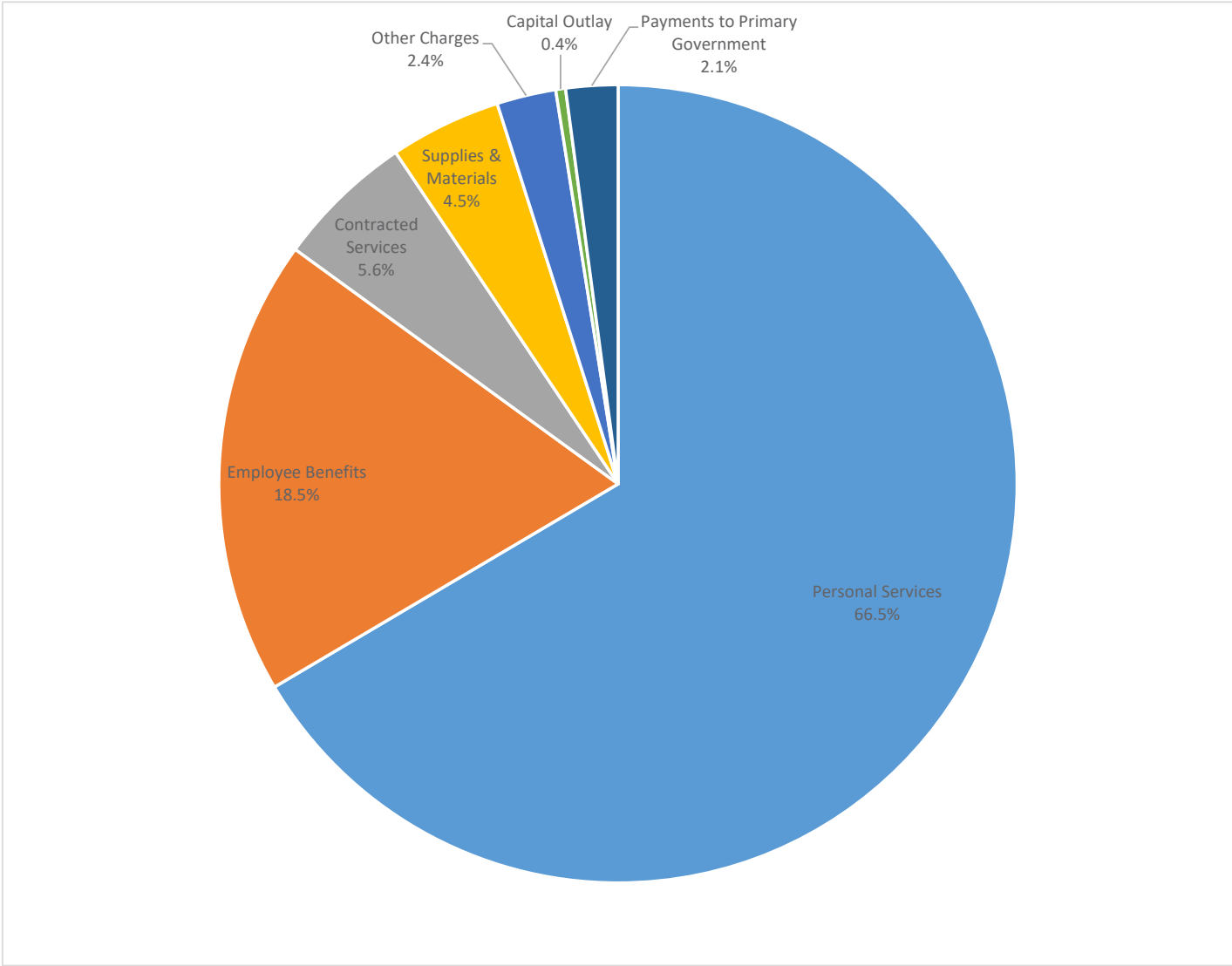
WHERE THE MONEY COMES FROM



General Purpose School Fund: This fund is used to account for general operations of the Board of Education. Major funding is provided through local tax levies and state education funds. The 'Other Local Revenues' section consists of the wheel tax, other local tax, licenses and permits, charges for current services, federal government, other governments and citizen groups, interest earned, and payments from the primary government.

SCHOOL'S GENERAL FUND

WHERE THE MONEY GOES

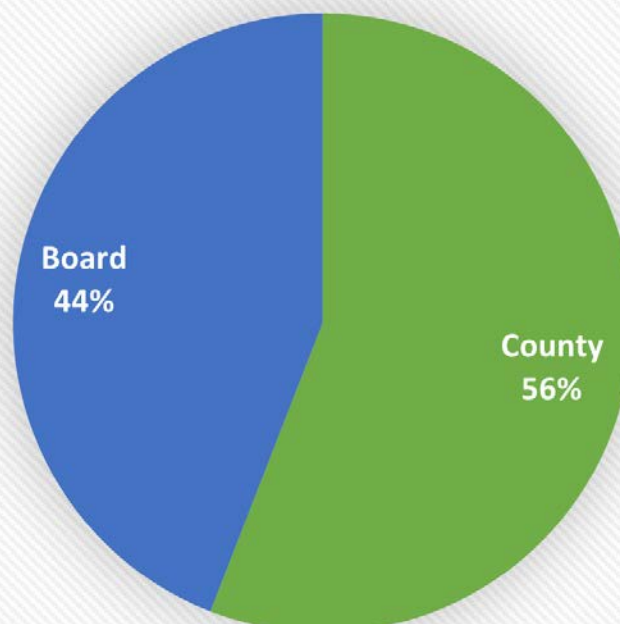


DEBT

Knox County’s total bonded debt decreased by \$5,212,256 or 1.4% during the current fiscal year. This was due to principal bond payments that were more than debt issuances, as shown in the table below. The current year increase in total bonded debt was due to planned bond issuances. Future scheduled principal payments on bonds exceed planned bond issuances. They will keep the County on track to maintain the Mayor’s commitment to lowering the overall bonded debt levels of the County and Board of Education.

Bonded Debt Balance for 2021	County	Board	Total
Beginning Balance	\$ 373,155,577	\$ 273,065,941	\$ 646,221,518
Principal Paid	(68,726,942)	(30,617,339)	(99,344,281)
Proceeds from Debt Issuances	63,514,686	47,745,314	111,260,000
Ending Balance - Bonds	\$ 367,943,321	\$ 290,193,916	\$ 658,137,237

Bonded Debt Balance for 2021





PROPERTY TAX

Knox’s County greatest revenue stream is from property taxes. The amount of property tax collected is established by the Property Assessor, followed by the County Commission approval based on the needs of the budget. The tax rate for 2021 was \$2.12 for every \$100 of assessed value. For every property tax dollar collected, 89 cents was used to support Knox County’s general fund, 80 cents was allocated to the general-purpose school fund and 43 cents toward the debt service fund.

	Amount	% Total Levy
General Fund	\$ 0.89	42%
General Purpose School Fund	\$ 0.80	38%
Debt Service Fund	\$ 0.43	20%
Total Tax Levv	\$ 2.12	100%





**KNOX COUNTY
FINANCE DEPARTMENT**

www.knoxcounty.org