

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended June 30, 2024

Knox County Mayor Glenn Jacobs

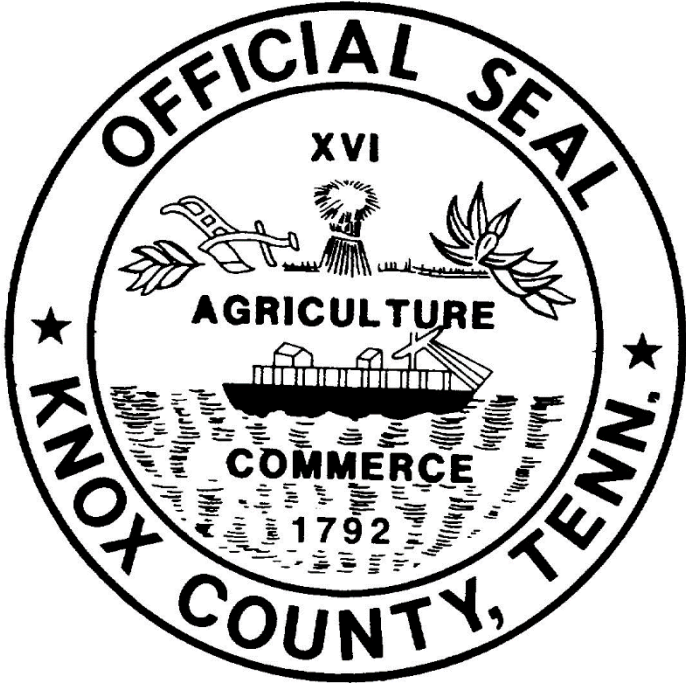


**KNOX COUNTY
TENNESSEE**

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Knox County, Tennessee



KNOX COUNTY, TENNESSEE
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OFFICE OF COUNTY MAYOR GLENN JACOBS

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

January 16, 2025

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, 2024, 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, 2024. 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
- Established and opened the Knox County Skilled Trades Academy and Regional Training Center (START) that serves both adults who are continuing education in HVAC, masonry, electrical, and carpentry fields and Knox County high school students who do not 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
- Established the annual “Night of Champions,” to pay tribute to all Knox County TSSAA State Championship winning teams.
- Worked with Knox County Criminal Court Clerk to open one of the only mental health courts in the state.
- Kicked off the Plumb Creek Park Stream Enhancement Project, a strategic effort aimed at revitalizing the water quality and ecosystem of Plumb Creek, a tributary of Beaver Creek, supported by federal funding.
- Extended the county’s maternity leave policy
- Committed to working with the state and federal governments on the responsible placement of refugees
- Building Phase IV of the Schaad Road Project.
- Entered into Phase II 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.
- Opened several new parks and working on another that recognizes 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 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.
- Reopened the Concord Park Par 3 Golf Course.
- Built a new splash pad at French Memorial Park in South Knox County.
- Has not raised property taxes.

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

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, 2023. 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
- Farragut Solution
- Bearden Middle Space Upgrade
- Halls Middle Gym Replacement

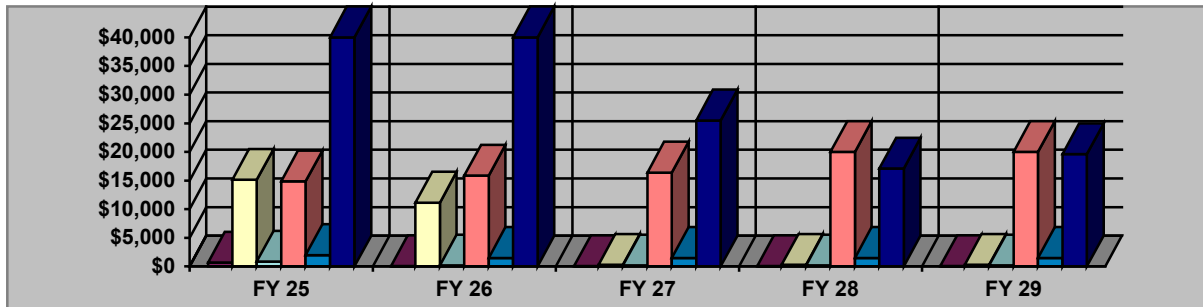
School Construction/Renovations:

- HVAC Upgrades
- Title IX Solutions
- Security Upgrades
- Sterchi Additions

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):

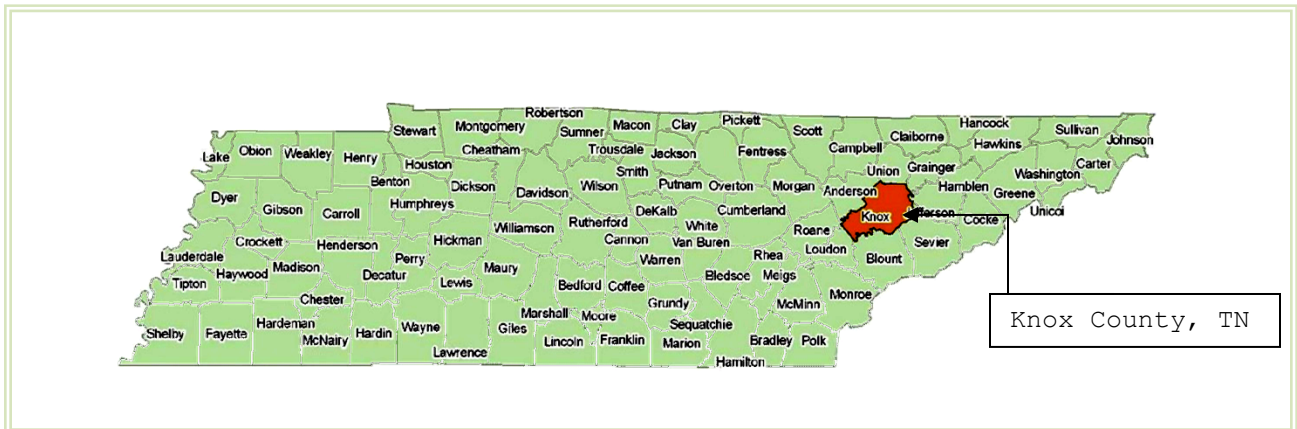
Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
Public Libraries	\$ 707	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,107
Countywide Projects	15,150	11,150	300	300	300	27,200
Parks & Recreation	870	200	200	200	200	1,670
Engineering & Public Works	14,870	15,890	16,400	20,000	20,000	87,160
Building Improvements & Other	2,000	1,500	1,500	1,500	1,500	8,000
Schools	79,300	82,200	25,500	17,100	19,600	223,700
Total – Approved Projects	\$ 112,897	\$ 111,040	\$ 44,000	\$ 39,200	\$ 41,700	\$ 348,837

Five Year Capital Plan
(In Thousands of Dollars)



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

ABOUT KNOX COUNTY



The County is the third most populous county in the State of Tennessee. Located in Eastern Tennessee at the headwaters of the Tennessee River, it is the hub of the areas of East Tennessee, Southeast Kentucky, Southwest Virginia and Western North Carolina. This area encompasses over two million people. The U.S. Census Bureau’s 2023 census demographic population data reported that 500,669 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, demographics, and other information about Knox County.) Knoxville, the County seat, is about 50 miles west of the North Carolina state line.

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

The City of Knoxville's 2023 population was reported at 200,400. It is the largest incorporated municipality in the County. Farragut, the only other municipality in the County, has an estimated population of 25,579. 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 2023 estimates, there were approximately 1,240 wholesale establishments, 1,904 retail establishments, and 11,572 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 2024, the Knoxville MSA ranked 16 amongst the top MSAs nationally. The Knoxville MSA ranks comparably to the Nashville MSA which ranked number 3 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.

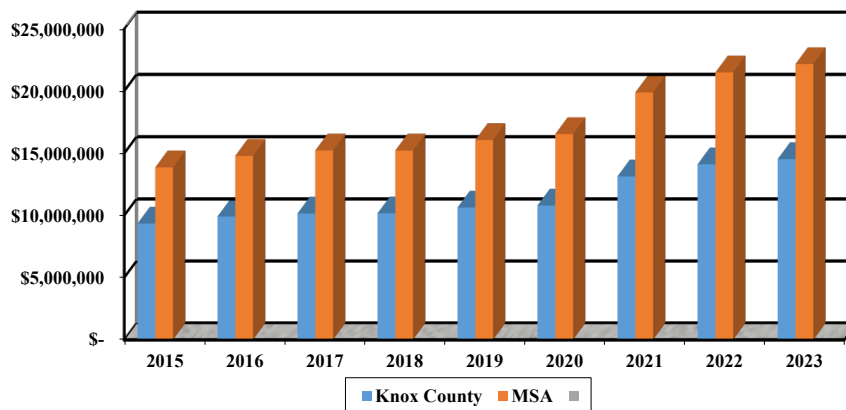
The area is also gaining a reputation as a prime location for corporate headquarters. High profile companies headquartered here in the MSA include the Tennessee Valley Authority, Jewelry Television, AC Entertainment, DeRoyal Industries, PetSafe/Radio Systems Corporation, and Regal Entertainment. Knox 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 2023 retail sales in the MSA grossed over \$22.1 billion, with approximately 66% of that total generated in Knox County.

RETAIL SALES

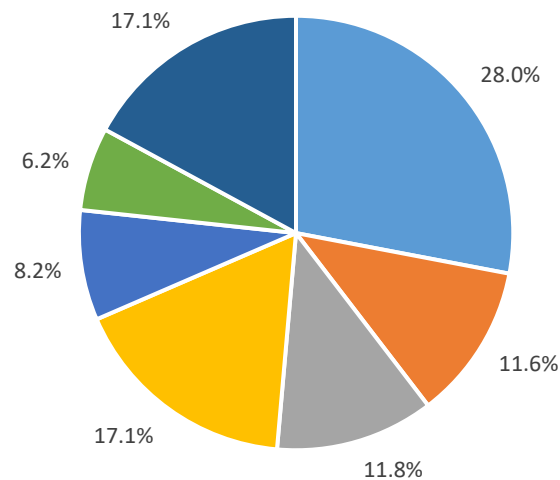
(in thousands)



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 13.3 million guests in 2023.

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

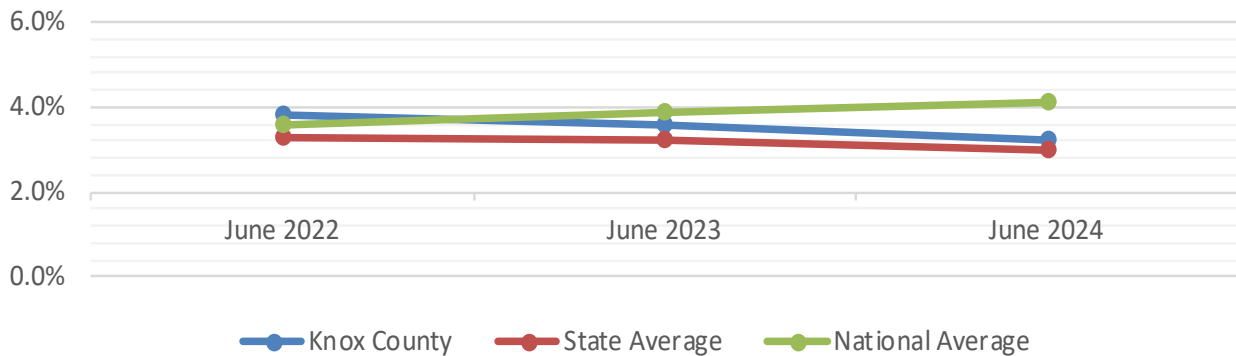
Per Capita Income

In 2023, Knox County's per capita income was \$67,323. This represents an increase of 6 percent compared to 2022.

Unemployment

Historically, Knox County's unemployment rate has been low relative to the state and national rates. For the month of June 2024, the seasonally adjusted unemployment rates for the County, state and nation stood at 3.2%, 3.0% and 4.1%, 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 2024 adopted budget provided for a moderate increase of 8.51% 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 11.7%. 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, 2024 is \$776,669,395 after the issuance of \$95,250,000 in new debt, with \$43,900,000 allocated to the County and \$51,350,000 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, 2023. This was the twenty-eight 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-ninth consecutive time, the GFOA Award for Distinguished Budget Presentation for its 2024 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.

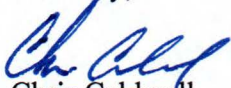
The County received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR award) for the fiscal year ended June 30, 2023. The award represents a significant achievement by the County. Each eligible report is reviewed by judges who evaluate the report based on the following 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, Cody Taylor, 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

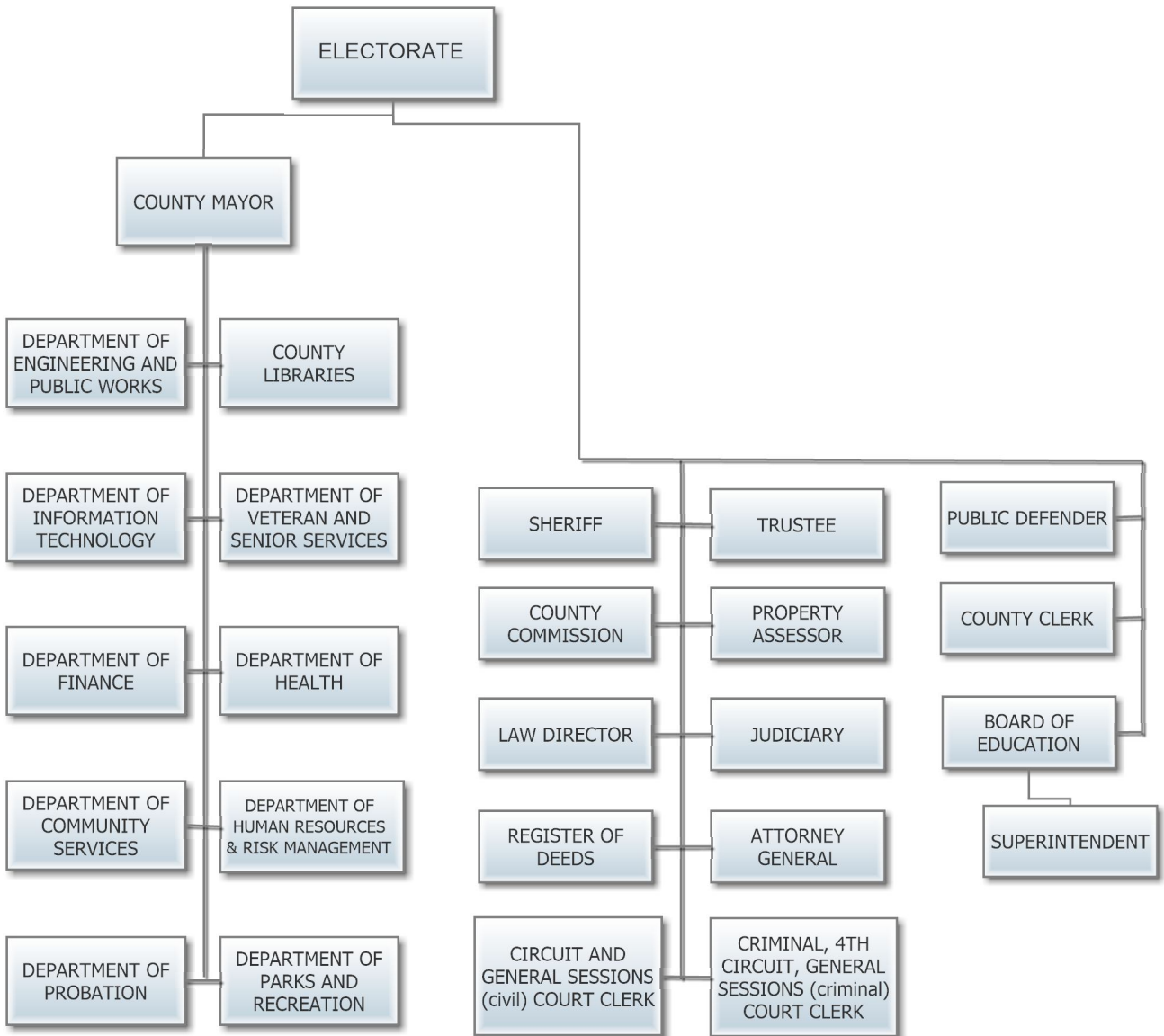
June 30, 2023

Christopher P. Morill

Executive Director/CEO



KNOX COUNTY, TENNESSEE
COUNTY ORGANIZATIONAL STRUCTURE
As of June 30, 2024





KNOX COUNTY, TENNESSEE
ROSTER OF ELECTED OFFICIALS AND OTHERS
As of June 30, 2024

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 - Eric Lutton
Register of Deeds - Nick McBride
Sheriff - Tom Spangler
Trustee - Justin Biggs

Board of Commissioners:

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

Board of Education:

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

Superintendent of Schools:

Dr. Jon Rysewyk

Audit Committee:

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

Finance Director:

Chris Caldwell, MBA, CCFO

Pension Board:

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

Retirement Office:

Jennifer Schroeder, Executive Director



PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
Telephone: 865-769-0660
Fax: 865-769-1660

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, 2024, 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, 2024, 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 0.3% of total assets and deferred outflows, 0.8% of net position, and 0.5% of the revenues of the County as of June 30, 2024. 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 xxiv 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 142 through 164 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 financials statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental section and the Component Unit - Board of Education section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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

In accordance with *Government Auditing Standards*, we have also issued, in a separately bound document, our report dated January 16, 2025, 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 16, 2025, 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 16, 2025

Knox County, Tennessee
Management's Discussion and Analysis (Unaudited)
June 30, 2024

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, 2024 and 2023. 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 \$12,297,371 (deficit net position). This amount includes a negative \$349,789,515 of unrestricted net position. The negative unrestricted net position and total net position amounts resulted primarily from the process by which the Primary Government issues debt on behalf of the Board of Education component unit. See footnote on page 1.
- The Primary Government's change in net position for its governmental activities was a decrease of \$9,663,928. Total net position for the Primary Government (governmental and business-type activities) decreased by \$9,648,974.
- The Primary Government's governmental funds reported total fund balances of \$231,909,042, an increase of \$28,218,676 for the fiscal year.
- The Knox County Government's total bonded debt at the end of the year totaled \$776,669,395, an increase of 6.8% compared to the prior year total of \$727,388,676. Of the current year total, \$396,122,971 pertains to County general government activities and \$380,546,424 pertains to the Knox County Board of Education component unit. Bond principal paid in the current year totaled \$45,969,281 and debt issued totaled \$95,250,000.
- The County Property Tax Rate was \$1.554 for the fiscal year. The rate remained unchanged from the prior year.

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, 2024

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, 2024

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, 2024

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 14-141 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 142-164 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and the individual fund statements are presented on pages 165-201. Combining and individual fund statements for proprietary funds can be found on pages 202-223 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	2024	2023	Variance
Current and Other Assets	\$ 613,116,264	\$ 582,124,506	\$ 30,991,758
Capital Assets	694,221,341	662,399,003	31,822,338
Total Assets	<u>1,307,337,605</u>	<u>1,244,523,509</u>	<u>62,814,096</u>
Deferred Outflows of Resources	<u>54,425,518</u>	<u>73,300,314</u>	<u>(18,874,796)</u>
Other Liabilities	179,823,567	183,620,385	(3,796,818)
Long-term Liabilities Outstanding	<u>969,793,086</u>	<u>923,945,033</u>	<u>45,848,053</u>
Total Liabilities	<u>1,149,616,653</u>	<u>1,107,565,418</u>	<u>42,051,235</u>
Deferred Inflows of Resources	<u>224,443,841</u>	<u>212,891,848</u>	<u>11,551,993</u>
Net Position:			
Net Investment in Capital Assets	305,107,752	293,112,141	11,995,611
Restricted	32,384,392	22,347,954	10,036,438
Unrestricted (Deficit)	<u>(349,789,515)</u>	<u>(318,093,538)</u>	<u>(31,695,977)</u>
Total Net Position (Deficit)	<u>\$ (12,297,371)</u>	<u>\$ (2,633,443)</u>	<u>\$ (9,663,928)</u>

Knox County, Tennessee
Management’s Discussion and Analysis (Unaudited)
June 30, 2024

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 \$349,789,515 reflects a negative change of (\$31,695,977) compared to the prior year unrestricted net position deficit of \$318,093,538.

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

	2024	2023	Variance
Net Investment in Capital Assets	\$ 305,107,752	\$ 293,112,141	\$ 11,995,611
Restricted:			
Debt Service	10,809,438	5,388,988	5,420,450
Public Health and Welfare	2,772,430	2,062,194	710,236
Public Safety	6,304,455	5,432,584	871,871
Social and Cultural Services	7,140,666	5,524,953	1,615,713
Pensions	1,388,358	328,904	1,059,454
Other Purposes	3,969,045	3,610,331	358,714
Total Restricted Net Position	32,384,392	22,347,954	10,036,438
Unrestricted (Deficit)	(349,789,515)	(318,093,538)	(31,695,977)
Total Net Position (Deficit)	\$ (12,297,371)	\$ (2,633,443)	\$ (9,663,928)

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, 2024 results from the County’s recognition of long-term debt issued on behalf of the Knox County Board of Education. Because the Board cannot by law issue its own debt, the County issues debt on behalf of the Board, and pays the proceeds to the Board. The Board then uses these proceeds for its capital purposes and records the capital assets on its own Statement of Net Position. Therefore, the assets are shown on the Board’s Component Unit financial

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

At June 30, 2024, the amount of bonds, leases and loans issued by the County on behalf of the Board still outstanding was \$387,637,972, compared to the prior year amount of \$357,376,568. 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 \$37,848,457 in 2024 and a positive unrestricted net position of \$39,283,030 in 2023.

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 an increase in assets and a decrease in deferred inflows of resources.

Governmental activities. Governmental activities decreased the Knox County Primary Government's net position by \$9,663,928 in 2024. This decrease is mainly attributed to increases in each of the functional areas of expenses. Total expenses increased 10% over the previous year. This was mainly due to increases in salaries and benefits and grant expenditures related to ARPA. The change in net position also includes a \$11M increase in payments to component units which is mainly to the Board related to the new bond issuance.

The following table shows the changes in the Statement of Activities for the Primary Government-Governmental Activities for the fiscal years ended June 30, 2024 and 2023.

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Knox County Primary Government
Governmental Activities

Year Ended June 30,

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Program Revenues:			
Charges for Services	\$ 64,732,694	\$ 56,808,961	\$ 7,923,733
Operating Grants and Contributions	71,077,354	66,351,420	4,725,934
Capital Grants and Contributions	18,775,958	14,697,956	4,078,002
General Revenues			
Local Taxes	285,359,293	267,095,827	18,263,466
Payments from Component Units	9,071,724	18,186,683	(9,114,959)
Intergovernmental Revenues	14,851,616	13,227,756	1,623,860
Other General Revenues	18,954,237	18,043,513	910,724
Total Revenues	<u>482,822,876</u>	<u>454,412,116</u>	<u>28,410,760</u>
Expenses:			
Finance and Administration	65,648,272	47,986,929	17,661,343
Administration of Justice	35,504,954	31,168,136	4,336,818
Public Safety	135,961,879	123,370,527	12,591,352
Public Health and Welfare	41,625,413	39,258,041	2,367,372
Social and Cultural Services	25,874,959	25,279,930	595,029
Agricultural and Natural Resources	555,225	491,522	63,703
Other General Government	64,240,735	59,612,700	4,628,035
Engineering & Public Works	41,309,376	42,136,022	(826,646)
Debt Service	26,148,560	33,448,059	(7,299,499)
Payments to Component Units	55,302,431	44,047,602	11,254,829
Total Expenses	<u>492,171,804</u>	<u>446,799,468</u>	<u>45,372,336</u>
Excess (Deficiency) of Revenues over (under)			
Expenses before Transfers	(9,348,928)	7,612,648	(16,961,576)
Special Item - Sale of Capital Asset	-	6,000,000	(6,000,000)
Transfers to Other Funds	(315,000)	(305,000)	(10,000)
Change in Net Position	(9,663,928)	13,307,648	(22,971,576)
Net Position, July 1 (Deficit)	(2,633,443)	(15,941,091)	13,307,648
Net Position, June 30 (Deficit)	<u>\$ (12,297,371)</u>	<u>\$ (2,633,443)</u>	<u>\$ (9,663,928)</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

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federal and state governments. The increase in operating grants and contributions is due mainly to State of Tennessee grants from THDA related to housing stability. Program revenues also include capital grants and contributions. Capital contributions experienced an increase due to the County's continued demand for housing projects. During the current year the County received \$13,735,951 in contributions from developers related to road projects compared to \$11,652,883 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. The decrease in this area during the current year is due to shifting pennies on the property tax rate to the debt service fund allowing the Board to reduce its payment to the County. 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 2024, combined property and sales tax revenue was \$235,729,973. The 2023 corresponding total was \$219,755,931, for a net increase of \$15,974,042. 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 salary and benefits and 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 (\$51M 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 \$315,000 in the current year to the golf course fund for additional support. The change in net position of \$14,954 for the golf course fund includes the effects of depreciation and amortization, a noncash expense, totaling \$73,918. Of the ending net position, \$513,121 was invested in capital assets, with the remaining deficit amount of \$23,332 unrestricted. These amounts reflect the results of ordinary business operations.

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

June 30,

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Current and Other Assets	\$ 133,755	\$ 122,278	\$ 11,477
Capital Assets	514,922	472,768	42,154
Total Assets	<u>648,677</u>	<u>595,046</u>	<u>53,631</u>
Current Liabilities	100,660	118,299	(17,639)
Noncurrent Liabilities	58,228	1,912	56,316
Total Liabilities	<u>158,888</u>	<u>120,211</u>	<u>38,677</u>
Net Position:			
Invested in Capital Assets	513,121	458,879	54,242
Unrestricted (Deficit)	(23,332)	15,956	(39,288)
Total Net Position	<u>\$ 489,789</u>	<u>\$ 474,835</u>	<u>\$ 14,954</u>

Condensed Statement of Primary Government-Business-type Activities

Year Ended June 30,

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Program Revenues:			
Charges for Services	\$ 1,760,896	\$ 1,600,904	\$ 159,992
Expenses:			
Operating Expenses	2,159,774	1,872,040	287,734
Operating Income (Loss)	<u>(398,878)</u>	<u>(271,136)</u>	<u>(127,742)</u>
Nonoperating Income (Loss)	<u>(39)</u>	<u>(201)</u>	<u>162</u>
Capital Contributions and Transfers:			
Capital Contributions	98,871	38,960	59,911
Transfer from Other Funds	315,000	305,000	10,000
Total Capital Contributions and Transfers	<u>413,871</u>	<u>343,960</u>	<u>69,911</u>
Change in Net Position	14,954	72,623	(57,669)
Net Position, July 1	<u>474,835</u>	<u>402,212</u>	<u>72,623</u>
Net Position, June 30	<u>\$ 489,789</u>	<u>\$ 474,835</u>	<u>\$ 14,954</u>

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FINANCIAL ANALYSIS OF THE FUNDS

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

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

The categories of fund balance are:

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

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

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

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

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

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

Primary Government-Governmental Fund Balances

June 30,

	2024	2023	Variance
Nonspendable	\$ 11,353,367	\$ 10,205,336	\$ 1,148,031
Restricted	74,107,753	60,589,648	13,518,105
Committed	47,553,101	39,366,128	8,186,973
Assigned	9,897,580	8,544,629	1,352,951
Unassigned	88,997,241	84,984,625	4,012,616
 Total Fund Balances	 \$ 231,909,042	 \$ 203,690,366	 \$ 28,218,676

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As of the end of the current fiscal year, the Knox County Government’s governmental funds reported combined ending fund balances of \$231,909,042, an increase of \$28,218,676 in comparison with the prior year total of \$203,690,366. 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 40.3% of actual expenditures compared to 42.1% last year. The increase in fund balance is primarily attributed to increased tax revenues, grant revenues from the State and a \$483K reimbursement from the City for the County’s Election Commission to run the City elections. 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,		
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Nonspendable	\$ 11,183,012	\$ 10,046,040	\$ 1,136,972
Restricted	4,676,183	3,934,908	741,275
Committed	7,658,000	8,784,210	(1,126,210)
Assigned	1,385,575	2,502,599	(1,117,024)
Unassigned	<u>88,997,241</u>	<u>84,984,625</u>	<u>4,012,616</u>
 Total Fund Balances	 <u><u>\$ 113,900,011</u></u>	 <u><u>\$ 110,252,382</u></u>	 <u><u>\$ 3,647,629</u></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 an increase in fund balance of \$9,753,663, compared to the prior year decrease of \$2,380,208. The difference 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.

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Debt Service Fund - Fund Balances

	June 30,		
	2024	2023	Variance
Nonspendable	\$ 36,406	\$ -	\$ 36,406
Restricted	10,809,438	5,388,988	5,420,450
Committed	19,610,899	15,314,092	4,296,807
Total Fund Balances	\$ 30,456,743	\$ 20,703,080	\$ 9,753,663

The Public Improvement Capital Projects Fund experienced a net increase in fund balance in 2024, 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 of \$95,250,000 (a \$25M increase over prior year) allocated \$51,350,000 (a \$11.2M increase over the prior year) to the Board's construction fund for new school construction and renovations. The fund also received \$18.7M (a \$16.5M increase over the prior year) in federal grants for local utility district projects. 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,		
	2024	2023	Variance
Restricted	\$ 43,111,719	\$ 38,570,598	\$ 4,541,121
Committed	50,000	75,000	(25,000)
Total Fund Balance	\$ 43,161,719	\$ 38,645,598	\$ 4,516,121

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 2024, 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 \$21M. The funds were received prior to incurring significant expenditures; therefore, they are reported as unearned revenue, which had little effect on ending fund balance in the current year. The results of fund balance are shown in the following table:

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Federal, State and Other Grants Fund - Fund Balances

June 30,

	2024	2023	Variance
Nonspendable	\$ 133,005	\$ 143,966	\$ (10,961)
Restricted	3,733,723	2,857,718	876,005
Total Fund Balances	\$ 3,866,728	\$ 3,001,684	\$ 865,044

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 2024 is shown in the table below. Most of the variance was due primarily to increased retirement contributions and an increase in workers’ compensation and other claims. 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,

	2024	2023	Variance
Net Position - All ISF	\$ 37,177,132	\$ 35,885,832	\$ 1,291,300
Charges for Services	\$ 94,886,491	\$ 89,305,658	\$ 5,580,833
Net Position as a % of Charges for Services	39.2%	40.2%	

GENERAL FUND BUDGETARY HIGHLIGHTS

The total fund balance of the County’s General Fund increased by \$3,647,629 during 2024, compared to last year’s \$9,060,549 increase. The General Fund’s original budget planned for a net use of fund balance for the year of \$6,040,617. Therefore, the actual results were a \$9,688,246 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:

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General Fund - Budget vs. Actual

	Year Ended June 30, 2024		
	Final Budget	Actual	Variance
Local Taxes	\$ 167,822,487	\$ 171,909,127	\$ 4,086,640
State of Tennessee	11,917,056	14,928,979	3,011,923
Federal Government	2,271,900	1,995,125	(276,775)
Other Local Revenues	23,530,741	27,677,275	4,146,534
Equity Interest in Joint Venture	-	1,096,823	1,096,823
Total Revenues	\$ 205,542,184	\$ 217,607,329	\$ 12,065,145
Finance and Administration	\$ 37,234,551	\$ 36,176,302	\$ 1,058,249
Administration of Justice	24,737,319	24,297,943	439,376
Public Safety	107,589,045	106,954,182	634,863
Public Health and Welfare	22,423,503	22,033,720	389,783
Social and Cultural Services	7,517,825	7,403,409	114,416
Agricultural and Natural Resources	592,966	555,225	37,741
Other General Government	24,316,513	23,454,394	862,119
Total Expenditures	\$ 224,411,722	\$ 220,875,175	\$ 3,536,547

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 \$2,953,839 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 including a \$1.5M increase from the state prison board. The increase in other local revenues was a combination of several items but mainly indirect costs revenue related to grants, jail concessions, and other revenues. 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 \$5,517,923 increase in the total budget. Included in the increase were normal adjustments to appropriations for category changes in most departments. The majority of the increase was \$5M related to salary and benefits for patrol officers due to unfilled positions. Key elements in the comparison of the original budget to final budget for the General Fund are shown in the following table:

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General Fund - Original Budget vs. Final Amended Budget

	Year Ended June 30, 2024		
	Original	Final	Variance
Local Taxes	\$ 166,153,840	\$ 167,822,487	\$ 1,668,647
State of Tennessee	11,733,664	11,917,056	183,392
Federal Government	2,271,900	2,271,900	-
Other Local Revenues	22,992,999	23,530,741	537,742
Total Revenues	<u>\$ 203,152,403</u>	<u>\$ 205,542,184</u>	<u>\$ 2,389,781</u>
Finance and Administration	\$ 36,751,676	\$ 37,234,551	\$ (482,875)
Administration of Justice	24,159,130	24,737,319	(578,189)
Public Safety	111,868,081	107,589,045	4,279,036
Public Health and Welfare	23,917,110	22,423,503	1,493,607
Social and Cultural Services	7,625,067	7,517,825	107,242
Agricultural and Natural Resources	592,966	592,966	-
Other General Government	13,979,769	24,316,513	(10,336,744)
Total Expenditures	<u>\$ 218,893,799</u>	<u>\$ 224,411,722</u>	<u>\$ (5,517,923)</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, 2024, of \$1,249,247,742, which compares to the prior year total of \$1,191,434,947. 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 \$57,812,795 or 4.85%, 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: Farragut Elementary School, Northwest Elementary School construction, and HVAC and roofing upgrades (Board); the County focused mainly on the Schaad Road phase II, the energy management phase IIC project, general road improvements along with other various additions/renovations.

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The County reported capital assets for its governmental activities as of June 30, 2024 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

	2024	2023	Variance
Beginning Balance, July 1	\$ 1,265,131,314	\$ 1,208,272,214	\$ 56,859,100
Current Year Change	65,145,563	56,859,100	8,286,463
Capital Assets	1,330,276,877	1,265,131,314	65,145,563
Less: Accumulated Depreciation and Amortization	636,055,536	602,732,311	33,323,225
Ending Balance, June 30	\$ 694,221,341	\$ 662,399,003	\$ 31,822,338

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 \$776,669,395, compared to \$727,388,676 at the end of 2023. All the bonded debt was backed by the full faith and credit of the County government. In the current year \$380,546,424 of the total is outstanding debt which the government issued on behalf of the Board for school purposes. The remaining \$396,122,971 of the Knox County Government’s debt represents bonds issued for general government purposes. The following schedule shows the changes in bonded debt allocated to the entity responsible for payment thereof.

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

FY 2024:	Primary		
Rollforward of Debt:	Government	Board	Total
Beginning Balance	\$ 377,889,904	\$ 349,498,772	\$ 727,388,676
Principal Paid	(25,666,933)	(20,302,348)	(45,969,281)
Proceeds From Debt Issuances	43,900,000	51,350,000	95,250,000
Ending Balance - Bonds	<u>\$ 396,122,971</u>	<u>\$ 380,546,424</u>	<u>\$ 776,669,395</u>

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>

Knox County's total bonded debt increased by \$49,280,719 or 6.8% during the current fiscal year. This was due to debt issuances exceeding bond principal payments 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 2024:	Primary		
Rollforward of Debt:	Government	Board	Total
Beginning Balance	\$ 58,218,403	\$ 7,386,721	\$ 65,605,124
Additions	7,350,211	975,706	8,325,917
Deductions	(8,626,896)	(1,976,689)	(10,603,585)
Ending Balance	<u>\$ 56,941,718</u>	<u>\$ 6,385,738</u>	<u>\$ 63,327,456</u>

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>

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.

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June 30, 2024

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, 2024.

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 \$776,669,395. This translates to approximately \$1,551 per capita. This compares to the FY 2023 per capita amount of \$1,471.

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 246-257.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The unemployment rate for Knox County for June 2024 was 3.2%, compared to the unemployment rate of 3.6% for June 2023. For comparison, the state’s average rate was 3.0% for June 2024, and 3.2% for June 2023. The national unemployment averages were 4.1% for June 2024 and 3.9% for June 2023.
- The General Fund budget adopted for 2025 reflects a budget totaling \$231,114,555. The budget anticipates using \$3.5 million from fund balance.
- The property tax rate for FY 2025 is \$1.554. The allocation of the rate is \$0.6524 to the general fund, \$0.5064 to the general purpose school fund and \$0.3952 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, 2024

	Primary Government			Component Units		Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Knox County Board of Education	Nonmajor Component Units	
Assets						
Cash and Cash Equivalents	\$ 230,207,803	\$ 16,043	\$ 230,223,846	\$ 91,600,923	\$ 33,480,272	\$ 355,305,041
Investments, at Fair Value	106,091,192	-	106,091,192	136,787,059	1,049,261	243,927,512
Accounts Receivable	37,033,220	24,815	37,058,035	45,465,557	44	82,523,636
Local Taxes Receivable, net	218,236,645	-	218,236,645	144,512,707	-	362,749,352
Lease Receivable	5,735,822	-	5,735,822	15,225	-	5,751,047
Loans Receivable	669,745	-	669,745	-	-	669,745
Accrued Interest Receivable	-	-	-	-	12,372	12,372
Contributions Receivable	-	-	-	-	122,741	122,741
Advances to Other Governments	2,159,323	-	2,159,323	-	-	2,159,323
Inventories	481,322	92,897	574,219	2,329,755	-	2,903,974
Prepaid Items	534,424	-	534,424	1,120,088	336,536	1,991,048
Net Pension Asset	231,048	-	231,048	74,920,121	-	75,151,169
Other Post-Employment Benefits Asset	1,157,310	-	1,157,310	-	-	1,157,310
Equity Interest in Joint Venture	10,578,410	-	10,578,410	-	-	10,578,410
Capital Assets:						
Land and Construction in Process	244,942,458	880	244,943,338	64,447,139	8,624,227	318,014,704
Other Capital Assets, Net of Accumulated Depreciation	449,278,883	514,042	449,792,925	472,878,717	8,561,396	931,233,038
Total Assets	1,307,337,605	648,677	1,307,986,282	1,034,077,291	52,186,849	2,394,250,422
Deferred Outflows of Resources						
Deferred Outflows Related to Pensions	51,628,156	-	51,628,156	75,357,936	1,389,145	128,375,237
Deferred Outflows Related to Other Post-Employment Benefits	1,199,320	-	1,199,320	16,910,797	-	18,110,117
Deferred Outflows of Unamortized Amount on Refundings	1,598,042	-	1,598,042	-	-	1,598,042
Total Deferred Outflows of Resources	54,425,518	-	54,425,518	92,268,733	1,389,145	148,083,396
Liabilities						
Accounts Payable and Accrued Liabilities	33,248,545	82,041	33,330,586	73,630,570	669,876	107,631,032
Unearned Revenue	71,606,009	-	71,606,009	518,401	-	72,124,410
Accrued Interest	2,805,293	1	2,805,294	313	-	2,805,607
Noncurrent Liabilities:						
Portion Due in Less than One Year:						
Self-insurance Liability	5,088,983	-	5,088,983	70,000	-	5,158,983
Other Long-term Obligations	67,074,737	18,618	67,093,355	8,282,771	471,237	75,847,363
Portion Due in More Than One Year:						
Net Pension Liability	174,692,818	-	174,692,818	18,090,858	516,573	193,300,249
Net Other Post-Employment Benefits Liability	1,003,208	-	1,003,208	-	-	1,003,208
Total Other Post-Employment Benefits Liability	-	-	-	46,114,845	-	46,114,845
Self-insurance Liability	13,411,932	-	13,411,932	2,260,976	-	15,672,908
Other Long-term Obligations	780,685,128	58,228	780,743,356	19,638,102	261,339	800,642,797
Total Liabilities	1,149,616,653	158,888	1,149,775,541	168,606,836	1,919,025	1,320,301,402
Deferred Inflows of Resources						
Deferred Inflows Related to Pensions	3,739,366	-	3,739,366	6,581,327	8,229	10,328,922
Deferred Inflows Related to Other Post-Employment Benefits	5,069,035	-	5,069,035	11,580,303	-	16,649,338
Deferred Inflows of Unamortized Amount on Refundings	374,800	-	374,800	-	-	374,800
Deferred Inflows of Property Taxes and Other Receivables	215,260,640	-	215,260,640	101,419,759	-	316,680,399
Total Deferred Inflows of Resources	224,443,841	-	224,443,841	119,581,389	8,229	344,033,459
Net Position						
Investment in Capital Assets	-	-	-	530,811,843	17,179,392	547,991,235
Net Investment in Capital Assets (see note below)	305,107,752	513,121	305,620,873	128,275	-	(81,888,824)
Restricted for:						
Debt Service	10,809,438	-	10,809,438	-	-	10,809,438
Public Health and Welfare Purposes	2,772,430	-	2,772,430	-	-	2,772,430
Public Safety Purposes	6,304,455	-	6,304,455	-	-	6,304,455
Education Purposes	-	-	-	35,590,573	1,969,756	37,560,329
Capital Purposes-Education	-	-	-	67,458,413	-	67,458,413
Social and Cultural Purposes	7,140,666	-	7,140,666	-	-	7,140,666
Pensions and OPEB	1,388,358	-	1,388,358	87,054,441	-	88,442,799
Other Purposes	3,969,045	-	3,969,045	-	-	3,969,045
Unrestricted (see note below)	(349,789,515)	(23,332)	(349,812,847)	117,114,254	32,499,592	187,438,971
Total Net Position (Deficit)	\$ (12,297,371)	\$ 489,789	\$ (11,807,582)	\$ 838,157,799	\$ 51,648,740	\$ 877,998,957

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 \$387,637,972 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 \$387,637,972 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, 2024

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	\$ 65,648,272	\$ 32,422,660	\$ 18,812,774	\$ 4,901,971	\$ (9,510,867)		\$ (9,510,867)			\$ (9,510,867)
Finance and Administration-Payment to Component Unit	2,500,000	-	-	-	(2,500,000)		(2,500,000)			(2,500,000)
Administration of Justice	35,504,954	12,888,222	989,501	-	(21,627,231)		(21,627,231)			(21,627,231)
Public Safety	135,961,879	8,499,996	4,554,233	-	(122,907,650)		(122,907,650)			(122,907,650)
Public Safety-Payment to Component Unit	1,166,603	-	-	-	(1,166,603)		(1,166,603)			(1,166,603)
Public Health and Welfare	41,625,413	5,870,594	13,225,317	-	(22,529,502)		(22,529,502)			(22,529,502)
Public Health and Welfare-Payment to Component Unit	166,628	-	-	-	(166,628)		(166,628)			(166,628)
Social and Cultural Services	25,874,959	636,598	848,644	138,036	(24,251,681)		(24,251,681)			(24,251,681)
Agricultural and Natural Resources	555,225	-	-	-	(555,225)		(555,225)			(555,225)
Other General Government	64,240,735	54,294	6,497,497	-	(57,688,944)		(57,688,944)			(57,688,944)
Engineering and Public Works	41,309,376	4,360,330	26,149,388	13,735,951	2,936,293		2,936,293			2,936,293
Education - Payment to Component Unit	51,469,200	-	-	-	(51,469,200)		(51,469,200)			(51,469,200)
Debt Service - Interest and Fees	26,148,560	-	-	-	(26,148,560)		(26,148,560)			(26,148,560)
Total governmental activities	492,171,804	64,732,694	71,077,354	18,775,958	(337,585,798)		(337,585,798)			(337,585,798)
Business-type activities:										
Three Ridges Golf Course	2,159,813	1,760,896	-	98,871	-	\$ (300,046)	(300,046)			(300,046)
Total primary government	\$ 494,331,617	\$ 66,493,590	\$ 71,077,354	\$ 18,874,829	(337,585,798)	(300,046)	(337,885,844)			(337,885,844)
Component units:										
Board of Education	\$ 814,071,278	\$ 36,598,455	\$ 145,049,462	\$ -			\$ (632,423,361)	\$ -		(632,423,361)
Nonmajor Component Units	17,916,453	9,841,531	3,526,364	48,000			-	(4,500,558)		(4,500,558)
Total component units	\$ 831,987,731	\$ 46,439,986	\$ 148,575,826	\$ 48,000			(632,423,361)	(4,500,558)		(636,923,919)
General Revenues:										
Property Taxes					210,941,099	-	210,941,099	108,032,175	-	318,973,274
Sales Taxes					24,788,874	-	24,788,874	239,437,493	-	264,226,367
Lodging Taxes					14,677,619	-	14,677,619	-	-	14,677,619
Business Taxes					16,553,839	-	16,553,839	-	-	16,553,839
Wheel Taxes					14,099,133	-	14,099,133	912,721	-	15,011,854
Other Local Taxes					4,298,729	-	4,298,729	797,157	-	5,095,886
Investment Revenue					13,915,925	-	13,915,925	7,269,193	1,719,179	22,904,297
Payments from Component Units					9,071,724	-	9,071,724	-	-	9,071,724
Payments from Primary Government					-	-	-	51,469,200	3,833,231	55,302,431
Intergovernmental Revenues					14,851,616	-	14,851,616	4,140,806	-	18,992,422
Other Revenues					4,063,362	-	4,063,362	-	450,000	4,513,362
Other Governments and Citizens Groups					299,947	-	299,947	-	130,939	430,886
Miscellaneous					675,003	-	675,003	82,697	1,023	758,723
Grants and Contributions Not Restricted for Specific Programs					-	-	-	-	2,247,402	2,247,402
State of Tennessee Investment in Student Achievement					-	-	-	314,941,797	-	314,941,797
Special item - Distribution of Net Position to Another Organization										
Transfers					(315,000)	315,000	-	-	(42,360,822)	(42,360,822)
Total General Revenues, Special Item, and Transfers					327,921,870	315,000	328,236,870	727,083,239	(33,979,048)	1,021,341,061
Change in Net Position					(9,663,928)	14,954	(9,648,974)	94,659,878	(38,479,606)	46,531,298
Net Position (Deficit), July 1					(2,633,443)	474,835	(2,158,608)	743,497,921	90,128,346	831,467,659
Net Position (Deficit), June 30					\$ (12,297,371)	\$ 489,789	\$ (11,807,582)	\$ 838,157,799	\$ 51,648,740	\$ 877,998,957

KNOX COUNTY, TENNESSEE

**Balance Sheet
Governmental Funds
June 30, 2024**

	General	Capital Projects Public Improvement	Debt Service	Federal, State and Other Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 28,188,120	\$ 12,884,280	\$ 26,016,530	\$ 63,952,334	\$ 43,946,445	\$ 174,987,709
Investments, at Fair Value	71,296,053	34,795,139	-	-	-	106,091,192
Receivables, (Net):						
Accounts	6,944,148	7,999,055	1,945,796	11,998,023	6,029,832	34,916,854
Local Taxes	135,846,935	-	80,653,997	-	1,735,713	218,236,645
Leases	1,653,964	-	-	-	-	1,653,964
Notes and Loans	-	50,000	-	619,745	-	669,745
Due from Other Funds	5,889,112	-	-	200,068	-	6,089,180
Advances to Other Entity	-	-	2,159,323	-	-	2,159,323
Inventories	222,539	-	-	129,897	-	352,436
Prepaid Items	382,063	-	36,406	3,108	944	422,521
Investments in Joint Venture	10,578,410	-	-	-	-	10,578,410
TOTAL ASSETS	\$ 261,001,344	\$ 55,728,474	\$ 110,812,052	\$ 76,903,175	\$ 51,712,934	\$ 556,157,979
LIABILITIES						
Accounts Payable	\$ 8,783,062	\$ 11,579,255	\$ 6,097	\$ 2,148,044	\$ 4,522,204	\$ 27,038,662
Accrued Liabilities	3,212,724	-	-	595,122	895,448	4,703,294
Due to Other Funds	200,068	-	-	117,671	5,771,441	6,089,180
Unearned Revenue	442,899	987,500	-	70,175,610	-	71,606,009
TOTAL LIABILITIES	12,638,753	12,566,755	6,097	73,036,447	11,189,093	109,437,145
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes and Other Receivables	134,462,580	-	80,349,212	-	-	214,811,792
FUND BALANCES						
Nonspendable	11,183,012	-	36,406	133,005	944	11,353,367
Restricted	4,676,183	43,111,719	10,809,438	3,733,723	11,776,690	74,107,753
Committed	7,658,000	50,000	19,610,899	-	20,234,202	47,553,101
Assigned	1,385,575	-	-	-	8,512,005	9,897,580
Unassigned	88,997,241	-	-	-	-	88,997,241
TOTAL FUND BALANCES	113,900,011	43,161,719	30,456,743	3,866,728	40,523,841	231,909,042
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 261,001,344	\$ 55,728,474	\$ 110,812,052	\$ 76,903,175	\$ 51,712,934	\$ 556,157,979

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, 2024

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

Ending Fund Balance - Governmental Funds	\$	231,909,042	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		685,712,082	
The net pension asset and the other post-employment benefits assets are not available to pay for current-period expenditures and, therefore, are not reported as an asset in the fund financial statements.		1,388,358	
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.		37,177,132	
Long-term liabilities, including bonds payable and related unamortized premium, loans payable, lease obligations, other post-employment benefit liability, compensated absences, net pension liability, and accrued interest are not due and payable in the current period and therefore are not reported in the funds.			
Bonds Payable	\$	776,669,395	
Unamortized Bond Premium		34,469,481	
Loans Payable		36,384	
Accrued Interest		2,770,616	
Financed Purchases		9,453,525	
Lease Obligations		2,508,558	
Subscription Obligations		1,683,006	
Net Pension Liability		174,692,818	
Net Other Post-Employment Benefits Liability		1,003,208	
Compensated Absences		13,886,439	(1,017,173,430)
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.			3,447,128
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		51,628,156	
Deferred Outflows Related to Other Post-employment Benefits		1,199,320	
Deferred Outflows Related to Unamortized Amount on Refundings		1,598,042	
Deferred Inflows Related to Pensions		(3,739,366)	
Deferred Inflows Related to Other Post-employment Benefits		(5,069,035)	
Deferred Inflows Related to Unamortized Amount on Refundings		(374,800)	45,242,317
Net Position of Governmental Activities	\$		<u>(12,297,371)</u>

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

KNOX COUNTY, TENNESSEE

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

For the Year Ended June 30, 2024

	<u>General</u>	<u>Capital Projects Public Improvement</u>	<u>Debt Service</u>	<u>Federal, State and Other Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
County Property Taxes	\$ 140,605,209	\$ -	\$ 69,809,272	\$ -	\$ -	\$ 210,414,481
Local Option Sales Taxes	12,078,341	-	-	-	12,710,533	24,788,874
Lodging Taxes	-	-	-	-	14,677,619	14,677,619
Business Taxes	16,553,839	-	-	-	-	16,553,839
Wheel Taxes	607,980	-	-	-	13,491,153	14,099,133
Other Local Taxes	2,063,758	-	-	-	2,234,971	4,298,729
Licenses and Permits	3,480,598	-	-	-	-	3,480,598
Fines, Forfeitures and Penalties	2,724,225	-	-	24,197	825,494	3,573,916
Charges for Current Services	9,869,769	-	-	474,150	40,920,799	51,264,718
Other Local Revenues	4,679,636	5,845,621	1,651,966	539,880	1,308,761	14,025,864
Investment Revenue	5,897,683	-	5,691,517	-	661,423	12,250,623
State of Tennessee	14,928,979	168,498	-	4,749,083	8,983,736	28,830,296
Federal Government	1,995,125	18,688,852	-	36,837,329	90,088	57,611,394
Other Governments and Citizen Groups	1,025,364	1,213,319	-	217,627	65,366	2,521,676
Payments from Component Units	-	-	9,071,724	-	-	9,071,724
Increase in Equity Interest in Joint Venture	1,096,823	-	-	-	-	1,096,823
Total Revenues	217,607,329	25,916,290	86,224,479	42,842,266	95,969,943	468,560,307
Expenditures						
Current:						
Finance and Administration	33,676,302	-	-	18,944,404	10,077,344	62,698,050
Finance and Administration - Payments to Component Unit	2,500,000	-	-	-	-	2,500,000
Administration of Justice	24,297,943	-	-	1,027,354	9,374,716	34,700,013
Public Safety	105,787,579	-	-	2,756,185	598,765	109,142,529
Public Safety - Payments to Component Unit	1,166,603	-	-	-	-	1,166,603
Public Health and Welfare	21,867,092	-	-	13,907,811	4,811,752	40,586,655
Public Health and Welfare - Payments to Component Unit	166,628	-	-	-	-	166,628
Social and Cultural Services	7,403,409	-	-	356,411	15,268,450	23,028,270
Agricultural and Natural Resources	555,225	-	-	-	-	555,225
Other General Government	21,379,510	5,965	-	5,464,434	11,257,775	38,107,684
Engineering and Public Works	-	-	-	188,176	23,141,179	23,329,355
Education - Payment to Component Unit	-	51,469,200	-	-	-	51,469,200
Debt Issuance Costs	-	805,783	-	-	-	805,783
Capital Projects	-	49,524,648	-	-	1,048,550	50,573,198
Grant Expenditures - Public Health and Welfare	-	18,688,856	-	-	-	18,688,856
Debt Service						
Trustee's Commission	-	-	1,412,930	-	-	1,412,930
Principal	1,968,176	-	46,875,133	25,133	308,636	49,177,078
Interest	106,708	-	26,883,538	1,069	19,300	27,010,615
Other Debt Service	-	-	1,299,215	-	-	1,299,215
Total Expenditures	220,875,175	120,494,452	76,470,816	42,670,977	75,906,467	536,417,887
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,267,846)	(94,578,162)	9,753,663	171,289	20,063,476	(67,857,580)
Other financing sources (uses)						
Transfers from Other Funds	15,853,757	2,400,000	-	553,902	7,621,500	26,429,159
Transfers to Other Funds	(8,944,752)	(3,600,000)	-	-	(18,248,757)	(30,793,509)
Leases and Subscription Financing	6,470	-	-	139,853	-	146,323
Long-term Bonds Issued	-	95,250,000	-	-	-	95,250,000
Premium on Long-term Debt Issued	-	5,044,283	-	-	-	5,044,283
Total Other Financing Sources (Uses)	6,915,475	99,094,283	-	693,755	(10,627,257)	96,076,256
Net Change in Fund Balances	3,647,629	4,516,121	9,753,663	865,044	9,436,219	28,218,676
Fund Balances, July 1	110,252,382	38,645,598	20,703,080	3,001,684	31,087,622	203,690,366
Fund Balances, June 30	\$ 113,900,011	\$ 43,161,719	\$ 30,456,743	\$ 3,866,728	\$ 40,523,841	\$ 231,909,042

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, 2024

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

Net Change in Fund Balances - Total Governmental Funds		\$ 28,218,676
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 (\$51,072,798) exceeded depreciation and amortization (\$33,779,144) in the current period.		17,293,654
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.		13,735,951
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.		3,447,128
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.		(2,920,510)
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 (\$95,250,000) exceeded debt principal payments (\$46,875,133) by this amount.		(48,374,867)
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.		2,109,184
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.		4,182,862
Debt issued at a premium provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position.		(5,044,283)
Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use of equipment) to individual funds. The net revenue (expense) amounts of the internal service funds are reported with governmental activities.		1,291,300
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	\$ (97,856)	
Other Post-Employment Benefit Asset	1,157,310	
Deferred Outflows Related to Deferred Amount on Refundings	(676,508)	
Deferred Outflows Related to Pensions	(18,465,221)	
Deferred Outflows Related to Other Post-employment Benefits	266,933	(17,815,342)
(Increase) decrease in liabilities and deferred inflows:		
Accrued Interest	(143,418)	
Net Pension Liability	(1,441,698)	
Deferred Inflows Related to Pensions	(1,221,262)	
Deferred Inflows Related to Deferred Amount on Refundings	99,856	
Net Other Post-Employment Benefit Liability	1,878,566	
Deferred Inflows Related to Other Post-employment Benefits	(1,910,228)	
Compensated Absences Liability	(3,049,497)	(5,787,681)
Change in Net Position of Governmental Activities		<u>\$ (9,663,928)</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, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
County Property Taxes	\$ 138,436,840	\$ 140,051,840	\$ 140,605,209	\$ 553,369
Local Option Sales Taxes	11,711,000	11,711,000	12,078,341	367,341
Business Taxes	13,600,000	13,600,000	16,553,839	2,953,839
Wheel Taxes	575,000	575,000	607,980	32,980
Other Local Taxes	1,831,000	1,884,647	2,063,758	179,111
Licenses and Permits	3,071,000	3,071,000	3,480,598	409,598
Fines, Forfeitures and Penalties	1,609,300	1,987,807	2,724,225	736,418
Charges for Current Services	9,099,178	9,124,873	9,869,769	744,896
Other Local Revenues	3,413,771	3,427,897	4,679,636	1,251,739
Investment Revenue	5,000,000	5,000,000	5,897,683	897,683
State of Tennessee	11,733,664	11,917,056	14,928,979	3,011,923
Federal Government	2,271,900	2,271,900	1,995,125	(276,775)
Other Governments and Citizen Groups	799,750	919,164	1,025,364	106,200
Increase in Equity Interest in Joint Venture	-	-	1,096,823	1,096,823
Total Revenues	203,152,403	205,542,184	217,607,329	12,065,145
Expenditures				
Current:				
Finance and Administration	34,351,676	34,734,551	33,676,302	1,058,249
Finance and Administration - Payments to Component Unit	2,400,000	2,500,000	2,500,000	-
Administration of Justice	24,159,130	24,737,319	24,297,943	439,376
Public Safety	110,676,486	106,397,450	105,787,579	609,871
Public Safety - Payments to Component Unit	1,191,595	1,191,595	1,166,603	24,992
Public Health and Welfare	23,750,482	22,256,875	21,867,092	389,783
Public Health and Welfare - Payments to Component Unit	166,628	166,628	166,628	-
Social and Cultural Services	7,625,067	7,517,825	7,403,409	114,416
Agricultural and Natural Resources	592,966	592,966	555,225	37,741
Other General Government	13,979,769	24,316,513	23,454,394	862,119
Total Expenditures	218,893,799	224,411,722	220,875,175	3,536,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,741,396)	(18,869,538)	(3,267,846)	15,601,692
Other Financing Sources (Uses)				
Transfers from Other Funds	13,160,000	13,160,000	15,853,757	2,693,757
Transfers to Other Funds	(3,459,221)	(9,070,549)	(8,944,752)	125,797
Lease and Subscription Financing	-	265,062	6,470	(258,592)
Total Other Financing Sources	9,700,779	4,354,513	6,915,475	2,560,962
Net Change in Fund Balances	\$ (6,040,617)	\$ (14,515,025)	3,647,629	\$ 18,162,654
Fund Balances, July 1			110,252,382	
Fund Balances, June 30			\$ 113,900,011	

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, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for Current Services	\$ 160,000	\$ 255,729	\$ 425,153	\$ 169,424
Other Local Revenues	-	68,177	68,177	-
Federal Government	-	369,454	350,791	(18,663)
Total Revenues	160,000	693,360	844,121	150,761
Expenditures				
Personal Services	-	729,431	721,218	8,213
Employee Benefits	-	224,581	209,692	14,889
Contracted Services	145,334	125,514	75,120	50,394
Supplies and Materials	-	43,554	28,231	15,323
Other Charges	14,666	82,843	82,843	-
Total Expenditures	160,000	1,205,923	1,117,104	88,819
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(512,563)	(272,983)	239,580
Other Financing Sources				
Transfers from Other Funds	-	171,836	300,000	128,164
Net Change in Fund Balances	-	(340,727)	27,017	367,744
Fund Balances, July 1	210,606	210,606	210,606	-
Fund Balances, June 30	\$ 210,606	\$ (130,121)	\$ 237,623	\$ 367,744

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

Fund Balances (Budget Basis)	\$ 237,623
Entity Difference:	
Unbudgeted Funds	3,629,105
Fund Balances (GAAP Basis)	<u>\$ 3,866,728</u>

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

KNOX COUNTY, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2024

	Enterprise Fund	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 16,043	\$ 55,220,094
Receivables:		
Accounts	24,815	2,116,366
Leases	-	405,504
Inventories	92,897	128,886
Prepaid Items	-	111,903
TOTAL CURRENT ASSETS	<u>133,755</u>	<u>57,982,753</u>
Noncurrent Assets:		
Lease Receivable	-	3,676,354
Capital Assets:		
Land	880	-
Buildings	803,446	-
Machinery and Equipment	759,596	444,245
Computer Software	25,448	-
Land Improvements	66,463	-
Leases	23,167	8,220,849
Subscriptions	-	2,480,397
Accumulated Depreciation & Amortization	<u>(1,164,078)</u>	<u>(2,636,233)</u>
Capital Assets (Net of Accumulated Depreciation & Amortization)	<u>514,922</u>	<u>8,509,258</u>
TOTAL NONCURRENT ASSETS	<u>514,922</u>	<u>12,185,612</u>
TOTAL ASSETS	<u>648,677</u>	<u>70,168,365</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	50,797	1,341,758
Accrued Liabilities	31,244	164,830
Accrued Interest	1	34,677
Claims Liability	-	5,088,983
Compensated Absences Payable	16,817	213,932
Lease Liability	1,801	745,220
Subscription Liability	-	638,443
TOTAL CURRENT LIABILITIES	<u>100,660</u>	<u>8,227,843</u>
Noncurrent Liabilities:		
Compensated Absences Payable	58,228	50,182
Claims Liability	-	13,411,932
Leases Liability	-	6,756,283
Subscription Liability	-	649,017
TOTAL NONCURRENT LIABILITIES	<u>58,228</u>	<u>20,867,414</u>
TOTAL LIABILITIES	<u>158,888</u>	<u>29,095,257</u>
DEFERRED INFLOW OF RESOURCES		
Leases	-	3,895,976
NET POSITION		
Net Investment in Capital Assets	513,121	76,038
Unrestricted	<u>(23,332)</u>	<u>37,101,094</u>
TOTAL NET POSITION	<u>\$ 489,789</u>	<u>\$ 37,177,132</u>

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

KNOX COUNTY, TENNESSEE

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

For the Year Ended June 30, 2024

	Enterprise Fund	Internal Service Funds
Operating Revenues		
Charges for Services	\$ 1,760,896	\$ 94,886,491
Operating Expenses		
Cost of Services	1,951,637	28,745,033
Depreciation and Amortization	73,918	1,341,511
Medical Claims	-	30,376,459
Retirement Contributions	-	31,391,972
OPEB 35% Health Contributions	-	609,350
Other Employee Benefits	-	2,391,829
Worker's Compensation & Other Claims	-	2,440,893
Other Expenses	134,219	240,568
Total Operating Expenses	2,159,774	97,537,615
Operating Income (Loss)	(398,878)	(2,651,124)
Nonoperating Revenue (Expenses)		
Interest Income	-	95,808
Interest Expense	(39)	(207,504)
Total Nonoperating Revenue (Expenses)	(39)	(111,696)
Income (Loss) before Contributions and Transfers	(398,917)	(2,762,820)
Capital Contributions and Transfers		
Capital Contributions	98,871	4,770
Transfers from Other Funds	315,000	4,049,350
Total Capital Contributions and Transfers	413,871	4,054,120
Change in Net Position	14,954	1,291,300
Total Net Position, July 1	474,835	35,885,832
Total Net Position, June 30	\$ 489,789	\$ 37,177,132

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, 2024

	Enterprise Fund	Internal Service Funds
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 1,742,833	\$ -
Cash Received from Interfund Services Provided	-	95,371,841
Cash Paid to Employees	(758,320)	(2,611,842)
Cash Paid for Goods and Services	(1,123,920)	(30,760,201)
Cash Paid on Behalf of Employees	(156,031)	(63,569,144)
Net Cash Provided by (Used in) Operating Activities	(295,438)	(1,569,346)
Cash Flows From Noncapital Financing Activities		
Transfers from Other Funds	315,000	4,049,350
Net Cash Provided by Noncapital Financing Activities	315,000	4,049,350
Cash Flows From Capital and Related Financing Activities		
Capital Contributions	98,871	4,770
Acquisition and Construction of Capital Assets	(116,072)	(31,470)
Principal Paid on Liabilities	(12,088)	(1,213,755)
Interest Paid on Liabilities	(39)	(207,504)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(29,328)	(1,447,959)
Cash Flows From Investing Activities		
Investment Earnings	-	95,808
Net Cash Provided (Used) in Investing Activities	-	95,808
Net Increase (Decrease) in Cash and Cash Equivalents	(9,766)	1,127,853
Cash and Cash Equivalents		
Beginning of Year	25,809	54,092,241
End of Year	\$ 16,043	\$ 55,220,094
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ (398,878)	\$ (2,651,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	73,918	1,341,511
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(18,063)	534,268
(Increase) Decrease in Other Receivables	-	382,699
(Increase) Decrease in Inventories	(3,180)	65,590
(Increase) Decrease in Prepaid Items	-	(92,314)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	15,378	296,935
Increase (Decrease) in Compensated Absences	35,387	37,590
Increase (Decrease) in Claims Liabilities	-	(1,052,884)
Increase (Decrease) in Unearned Revenue	-	(431,617)
Total Adjustments	103,440	1,081,778
Net Cash Provided by (Used in) Operating Activities	\$ (295,438)	\$ (1,569,346)
Noncash Capital and Related Financing Activities:		
Acquisition of Lease & SBITA Assets	\$ -	\$ (2,177,121)

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, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 463	\$ 52,569,559
Investments, at Fair Value:		
Money Market Funds	672,411	-
Mutual Funds	630,500,909	-
Investments, at Contract Value:		
Guaranteed Investment Contracts	121,602,529	-
Total Investments	752,775,849	-
Receivables:		
Accounts	-	13,729,100
Employee Contributions	297,405	-
Employer Contributions	271,129	-
Notes Receivable from Participants	3,763,480	-
Settlement Receivable	3,155,165	-
Total Receivables	7,487,179	13,729,100
Accrued Interest and Dividends	27,760	-
Accrued Income	8,468	-
Total Assets	760,299,719	66,298,659
LIABILITIES		
Accounts Payable - Administrative Expenses	23,953	127,602
Due to Other Governments	-	12,632,589
Total Liabilities	23,953	12,760,191
NET POSITION - RESTRICTED FOR PENSION BENEFITS	261,262,601	-
NET POSITION - RESTRICTED FOR OPEB BENEFITS	17,483,223	-
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	481,529,942	-
NET POSITION - RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	-	53,538,468
TOTAL NET POSITION	\$ 760,275,766	\$ 53,538,468

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, 2024

	Pension, Retirement, and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Employer Contributions	\$ 28,232,375	\$ -
Employee Contributions	17,093,337	-
Rollover Contributions	1,146,109	-
Collected for Other Offices/Governments	-	202,643,142
Litigants, Heirs, & Others	-	30,388,828
Charges for Goods/Services	-	3,412,025
Bonds for New Developments	-	548,091
Interest Income	-	107,445
Grant Proceeds/Match	-	50,279,243
Community Contributions/Sponsorships	-	925,111
Jail Commissary	-	1,591,407
Other	-	6,625,058
Sub-total	<u>46,471,821</u>	<u>296,520,350</u>
Investment Income:		
Interest and Dividend Income	22,072,261	-
Interest on Notes Receivable from Participants	194,497	-
Net Appreciation (Depreciation) in Fair Value of Investments	53,639,780	-
Total Investment Income	<u>75,906,538</u>	<u>-</u>
Other - Settlement Income	<u>3,155,165</u>	<u>-</u>
Total Additions	<u>125,533,524</u>	<u>296,520,350</u>
DEDUCTIONS		
Benefits and Refunds	53,572,521	-
Administrative Expenses	2,233,291	-
Distributed to Other Offices/Governments	-	198,902,802
Trustee's Commission	-	2,845,849
Release of Funds upon Completion of New Developments	-	457,191
Salary & Fringe Benefits	-	34,712,531
Purchase Capital Assets	-	1,430,797
Operating Expenditures	-	20,358,428
Indirect Costs	-	59,578
Jail Commissary Expenditures	-	1,453,957
Litigants, Heirs, and Others	-	27,739,773
Other	-	182,134
Total Deductions	<u>55,805,812</u>	<u>288,143,040</u>
CHANGE IN NET POSITION	<u>69,727,712</u>	<u>8,377,310</u>
NET POSITION - RESTRICTED, BEGINNING OF YEAR	<u>690,548,054</u>	<u>45,161,158</u>
NET POSITION - RESTRICTED, END OF YEAR	<u>\$ 760,275,766</u>	<u>\$ 53,538,468</u>

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

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 2023 – 2024 school year was 58,463 with a full time equivalent average daily attendance of 54,522. During the previous year, the full time equivalent average daily membership was 58,575 with a full time equivalent average daily attendance of 54,338.

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, 2024

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) was 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 was 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 were staggered. Appointments were made by nomination from the entire Corporation board and presented to County Commission for approval. The County agreed to provide a portion of the Corporation's funding, and therefore the Corporation imposed a financial burden on the County. In November 2023, the Corporation ceased operations and transferred its assets and liabilities to the Industrial Development Board of the County of Knox. Complete financial statements for the Corporation may be obtained at:

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

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024

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, 2024

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, 2024

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 (asset), 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 plans' 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.

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, 2024

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 purpose school 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 Annual Comprehensive 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, General Purpose School 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, 2024

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, 2024

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, 2024

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 (1) those that are reasonably expected to occur from time to time as the result of normal recurring activities, (2) claims that do not appear to result from gross negligence or intent, (3) claims that are expected to be settled within a reasonable period of time and that are not expected to be in unusual amounts, and (4) 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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity (Continued)

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, 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.

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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 have 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, 2024

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 2024 revenues comprising 2.0% 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, 2024

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, 2024

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, 2024 include \$1,385,575 for the County’s General Fund and \$1,131,467 for the Board’s General Purpose School 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, 2024:

Fund	Original Budget	Revisions	Final Budget
Governmental Funds:			
General Fund	\$ 222,353,020	\$ 11,129,251	\$ 233,482,271
Special Revenue Funds:			
Federal, State and Other Grants	160,000	1,045,923	1,205,923
Governmental Library	118,601	-	118,601
Public Library	15,303,300	255,816	15,559,116
Solid Waste	4,802,792	35,730	4,838,522
Hotel/Motel Tax	10,500,000	2,924,651	13,424,651
Drug Control	603,000	124	603,124
Engineering & Public Works	25,162,347	943,993	26,106,340
Total Special Revenue Funds	56,650,040	5,206,237	61,856,277
Debt Service Fund	80,000,000	113,000	80,113,000
Total - Governmental Funds	\$ 359,003,060	\$ 16,448,488	\$ 375,451,548

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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	\$ 660,686,000	\$ 23,262,705	\$ 683,948,705
Special Revenue Fund:			
Central Cafeteria	31,100,000	4,423,394	35,523,394
Total - the Board	<u>\$ 691,786,000</u>	<u>\$ 27,686,099</u>	<u>\$ 719,472,099</u>

Remaining supplemental appropriations primarily represent funds designated during the previous fiscal year, encumbrances outstanding at June 30, 2023 reappropriated during fiscal year 2024, 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 shall be maintained at a minimum level of three percent of the budgeted annual operating expenses for the current fiscal year. A school fund balance that exceeds 3% can be used for any educational purpose.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024

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	\$ 361,859		\$ -	
Certificates of Deposit held greater than 90 days	250,000		-	
Mutual Funds	-		671,768,576	
Fixed Income Securities				
U.S. Treasuries	167,808,986	0.367	-	
Federal Agency Mortgage Backed Securities	2,834,820	0.095	-	
Federal Agency Debt Securities	34,327,092	0.696	-	
Municipal Bonds	25,311,832	1.280	-	
Total Fixed Income Securities	230,282,730		-	
Investments, at Contract Value				
Guaranteed Investment Contracts	-		121,602,529	
Total Investments	\$ 230,894,589		\$ 793,371,105	

The Fiduciary Activities investments are allocated to the County's and Board's pension trust funds of \$752,775,849 and \$40,595,256, 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 Consulting Group.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024 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, 2024, 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, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Credit Risk (Continued)

	Primary Government and Board Governmental Activities		Standard & Poor's and Moody's Credit Ratings	
	Fair Value			
U.S. Treasuries	\$	60,003,023	Aaa	Moody's
U.S. Treasuries		107,805,963	NR	
Federal Agency Mortgage Backed Securities		2,834,820	Aaa	Moody's
Federal Agency Debt Securities		20,762,962	AA+	S&P
Federal Agency Debt Securities		13,564,130	NR	
Municipal Bonds		4,999,096	AAA	S&P
Municipal Bonds		11,520,338	AA+	S&P
Municipal Bonds		5,816,728	AA	S&P
Municipal Bonds		2,975,670	A-	S&P
Total Fixed Income Securities	\$	230,282,730		

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, 2024

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, 2024

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, 2024 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	\$ 167,808,986	\$ 167,808,986	\$ -	\$ -
Fixed Government Agency	37,161,912	-	37,161,912	-
Municipal Bonds	25,311,832	-	25,311,832	-
Total Debt Securities by Fair Value Level	230,282,730	167,808,986	62,473,744	-
Interest-earning Investment Contracts - Certificates of Deposit	250,000	-	250,000	-
Total Investment by Fair Value Level	<u>\$ 230,532,730</u>	<u>\$ 167,808,986</u>	<u>\$ 62,723,744</u>	<u>\$ -</u>

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit are classified in Level 2 of the fair value hierarchy 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	\$ 671,768,576	\$ 671,768,576	\$ -	\$ -
Total Investments Measured at Fair Value	<u>\$ 671,768,576</u>			

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 are classified as level 1 of the fair value hierarchy.

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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments Measured at Contract Value

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, 2024

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, 2024, 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, 2024

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, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust (Continued)

At June 30, 2024, the Board had the following investments held by the TCRS Stabilization Reserve Trust on its behalf.

Investment by Fair Value Level	Fair Value 6-30-24	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	\$ 3,761,639	\$ 3,761,639	\$ -	\$ -
International Equity Emerging Market	1,698,805	1,698,805	-	-
International Equity	485,373	485,373	-	-
U.S. Fixed Income	2,426,864	-	2,426,864	-
Real Estate	1,213,432	-	-	1,213,432
Short-term Securities	121,343	-	121,343	-
Total Investments by Fair Value Level	9,707,456	\$ 5,945,817	\$ 2,548,207	\$ 1,213,432
Investments Measured at NAV	2,426,864			
Total Investments Measured at Fair Value	\$ 12,134,320			

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust (Continued)

<u>Investments Measured at the Net Asset Value (NAV)</u>	<u>Total</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Private Equity and Strategic Lending	<u>\$2,426,864</u>	Daily	12 Months

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, 2024

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	\$ 137,869,846	\$ 81,727,231	\$ -	\$ -	\$ 1,735,713	\$ -	\$ -	\$ 221,332,790	\$ -
Accounts and Other	6,944,148	1,945,796	7,999,055	11,998,023	6,029,832	2,116,366	24,815	37,058,035	17,452,799
Notes and Loans	-	-	50,000	619,745	-	-	-	669,745	3,763,480
Leases	1,653,964	-	-	-	-	405,504	-	2,059,468	-
Gross Receivables	146,467,958	83,673,027	8,049,055	12,617,768	7,765,545	2,521,870	24,815	261,120,038	21,216,279
Less: Allowances for Uncollectibles	(2,022,911)	(1,073,234)	-	-	-	-	-	(3,096,145)	-
Net Total Receivables	\$ 144,445,047	\$ 82,599,793	\$ 8,049,055	\$ 12,617,768	\$ 7,765,545	\$ 2,521,870	\$ 24,815	\$ 258,023,893	\$ 21,216,279

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 District
Receivables:			
Taxes	\$ 146,235,108	\$ -	\$ -
Accounts	45,465,557	138,113	44
Leases	15,225	-	-
Gross Receivables	191,715,890	138,113	44
Less: Allowances for Uncollectibles	(1,722,401)	(3,000)	-
Net Total Receivables	\$ 189,993,489	\$ 135,113	\$ 44

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024:

- (1) Loan receivable from Helen Ross McNabb Center (McNabb) 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, 2024, \$50,000 remained outstanding.

The State, Federal and Other Grants Special Revenue Fund had \$619,745 of notes receivable at June 30, 2024. 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 \$3,840,677 leaving an outstanding balance of \$2,159,323 as of June 30, 2024.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024 was the following:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 120,144,306	\$ 4,183,253	\$ -	\$ 124,327,559
Construction in Progress	88,132,271	40,959,967	8,477,339	120,614,899
Total Capital Assets, not being depreciated	208,276,577	45,143,220	8,477,339	244,942,458
Capital Assets being depreciated and amortized:				
Buildings	243,985,449	1,188,499	-	245,173,948
Land Improvements	33,049,898	125,617	-	33,175,515
Machinery and Equipment	94,100,887	10,078,535	1,700,441	102,478,981
Intangible Assets	16,541,558	343,000	41,755	16,842,803
Infrastructure	651,464,811	16,329,070	-	667,793,881
Lease Assets				
Buildings	6,938,316	139,853	134,886	6,943,283
Land	405,013	-	-	405,013
Equipment	1,490,881	-	-	1,490,881
Vehicles	1,010,063	2,177,121	-	3,187,184
Subscription Software Assets	7,867,861	6,470	31,401	7,842,930
Total Capital Assets being Depreciated and Amortized	1,056,854,737	30,388,165	1,908,483	1,085,334,419
Less Accumulated Depreciation and Amortization for:				
Buildings	142,888,256	5,330,800	-	148,219,056
Land Improvements	23,562,811	1,123,278	-	24,686,089
Machinery and Equipment	65,321,063	7,106,636	1,685,359	70,742,340
Intangible Assets	12,319,526	1,292,105	41,755	13,569,876
Infrastructure	355,403,043	16,579,295	-	371,982,338
Lease Assets				
Buildings	638,079	480,428	60,539	1,057,968
Land	63,177	34,358	-	97,535
Equipment	496,655	249,221	-	745,876
Vehicles	78,210	478,328	-	556,538
Subscription Software Assets	1,961,491	2,446,206	9,777	4,397,920
Total Accumulated Depreciation and Amortization	602,732,311	35,120,655	1,797,430	636,055,536
Total Capital Assets being depreciated and amortized, net	454,122,426	(4,732,490)	111,053	449,278,883
Governmental Activities Capital Assets, net	\$ 662,399,003	\$ 40,410,730	\$ 8,588,392	\$ 694,221,341

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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	803,446	-	-	803,446
Land Improvements	66,463	-	-	66,463
Machinery and Equipment	643,524	116,072	-	759,596
Intangible Assets	25,448	-	-	25,448
Lease Assets - Equipment	96,806	-	(73,639)	23,167
Total Capital Assets being depreciated and amortized	1,635,687	116,072	(73,639)	1,678,120
Less Accumulated Depreciation and Amortization for:				
Buildings	561,843	17,275	-	579,118
Land Improvements	66,463	-	-	66,463
Machinery and Equipment	425,709	45,955	-	471,664
Intangible Assets	25,448	-	-	25,448
Lease Assets - Equipment	84,336	10,688	73,639	21,385
Total Accumulated Depreciation and Amortization	1,163,799	73,918	73,639	1,164,078
Total Capital Assets being depreciated and amortized, net	471,888	42,154	-	514,042
Business-type Activities Capital Assets, net	\$ 472,768	\$ 42,154	\$ -	\$ 514,922

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

Finance and Administration	\$ 2,950,147
Administration of Justice	802,888
Public Safety	5,488,881
Public Health and Welfare	1,033,546
Social and Cultural Services	2,846,006
Other General Government	4,026,014
Engineering & Public Works	17,973,173
Total Depreciation and Amortization Expense	
Governmental Activities	<u>\$ 35,120,655</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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	\$ 25,959,544	\$ 4,929,206	\$ -	\$ 30,888,750
Construction in Progress	63,180,831	32,969,161	62,591,603	33,558,389
Total Capital Assets, not being depreciated	89,140,375	37,898,367	62,591,603	64,447,139
Capital Assets being depreciated and amortized:				
Buildings	671,621,350	59,466,900	-	731,088,250
Land Improvements	21,617,952	5,442,220	-	27,060,172
Machinery and Equipment	168,063,187	17,185,382	270,166	184,978,403
Intangible Assets	2,474,241	96,112	-	2,570,353
Infrastructure	6,954,376	-	-	6,954,376
Lease Assets				
Land	323,652	-	-	323,652
Equipment	4,967,179	-	761,625	4,205,554
Vehicles	571,698	976,463	134,143	1,414,018
Subscription Software Assets	1,528,144	-	-	1,528,144
Total Capital Assets being Depreciated and Amortized	878,121,779	83,167,077	1,165,934	960,122,922
Less Accumulated Depreciation and Amortization for:				
Buildings	327,127,037	16,030,626	-	343,157,663
Land Improvements	9,125,810	1,684,454	-	10,810,264
Machinery and Equipment	114,668,057	11,830,938	270,166	126,228,829
Intangible Assets	2,421,760	23,029	-	2,444,789
Infrastructure	833,270	183,303	-	1,016,573
Lease Assets				
Land	104,968	52,485	-	157,453
Equipment	2,187,447	1,093,774	761,625	2,519,596
Vehicles	240,577	263,188	134,143	369,622
Subscription Software Assets	257,982	281,434	-	539,416
Total Accumulated Depreciation and Amortization	456,966,908	31,443,231	1,165,934	487,244,205
Total Capital Assets being depreciated and amortized, net	421,154,871	51,723,846	-	472,878,717
Governmental Activities Capital Assets, net	\$ 510,295,246	\$ 89,622,213	\$ 62,591,603	\$ 537,325,856

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, is as follows:

Due to/from Other Funds - Primary Government:

Receivable Fund	Payable Fund	Amount
<u>Major Funds:</u>		
General	Constitutional Officers' Special Revenue Fund	\$ 5,771,441
	State, Federal and Other Grants	117,671
		5,889,112
State, Federal and Other Grants	General	200,068
Total Major Governmental Funds		\$ 6,089,180

Due to/from Other Funds - The Board:

Receivable Fund	Payable Fund	Amount
<u>Major Funds:</u>		
General Purpose Schools	Central Cafeteria	\$ 302,267
	School Federal Projects	16,837,480
	School General Projects	2,336,544
		19,476,291
<u>Nonmajor Special Revenue Funds:</u>		
Central Cafeteria	General Purpose School	257,662
Total Board of Education		\$ 19,733,953

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, is as follows:

Primary Government:

Transfers - In	Transfers - Out	Amount
<u>Major Funds:</u>		
General	Constitutional Officers - Special Revenue	\$ 15,853,757
Federal, State and Other Grants	General	253,902
Federal, State and Other Grants - Air Quality	General	300,000
		<u>553,902</u>
Public Improvement	General	<u>2,400,000</u>
Total Major Governmental Funds		<u>18,807,659</u>
<u>Nonmajor Governmental Funds:</u>		
Special Revenue Funds:		
Public Library	Hotel/Motel	<u>1,820,000</u>
Solid Waste	General	126,500
Solid Waste	Engineering & Public Works	575,000
		<u>701,500</u>
Engineering & Public Works	General	<u>1,500,000</u>
Total Nonmajor Special Revenue Funds		<u>4,021,500</u>
ADA Construction	Public Improvement	<u>3,600,000</u>
Total Nonmajor Governmental Funds		<u>7,621,500</u>
Total Governmental Funds		<u>\$ 26,429,159</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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	\$ 155,000
Employee Benefits	General	609,350
Building Operations	General	2,200,000
Technical Support	General	585,000
Capital Lease	General	<u>500,000</u>
Total Internal Service Funds		<u>\$ 4,049,350</u>
<u>Enterprise Fund:</u>		
Three Ridges Golf Course	General	<u>\$ 315,000</u>

In addition, payments of \$1,670,222 were made from the Pension Trust – Defined Benefit and Disability Plans to the General Fund for the County Retirement Board administrative expenses.

Transfers Within Component Unit – the Board:

Transfers - In	Transfers - Out	Amount
<u>Major Funds:</u>		
School Construction	General Purpose School	\$ 38,123,600
	Internal School Fund	<u>158,936</u>
		38,282,536
School Federal Projects	General Purpose School	<u>14,978</u>
Total Major Funds		<u>38,297,514</u>
<u>Special Revenue Funds (Nonmajor):</u>		
School General Projects	General Purpose School	3,091,089
	School Federal Projects	<u>2,323,905</u>
Total School General Projects		<u>5,414,994</u>
Internal School Funds	School General Projects	<u>25,000</u>
Total Nonmajor Special Revenue Funds		<u>5,439,994</u>
Total Board of Education		<u>\$ 43,737,508</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Transfers and Similar Transactions (Continued)

Transactions between Primary Government and Component Units:

<u>Revenues and Other Sources</u>	<u>Expenses/Expenditures and Other Uses</u>	<u>Amount</u>
Primary Government - Debt Service (Major Fund)	Component Unit - the Board, General Purpose School	\$ 9,071,724
Total Primary Government		<u>\$ 9,071,724</u>
Component Unit - School Construction	Primary Government - Public Improvement	\$ 51,469,200
Component Unit - KEF	Primary Government - General	<u>2,500,000</u>
Component Unit - The District	Primary Government - General	<u>1,333,231</u>
Total Component Units		<u>\$ 55,302,431</u>

Transactions between the Board and Other Component Units:

<u>Revenues and Other Sources</u>	<u>Expenses/Expenditures and Other Uses</u>	<u>Amount</u>
The Board, School General Projects	Component Unit, KEF	<u>\$ 1,337,409</u>
Component Unit - KEF	The Board - General Purpose School	<u>\$ 250,000</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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	\$ 442,899
<u>Capital Projects Public Improvement Fund:</u>	
Unearned revenue	987,500
<u>Federal, State, and Other Grant Funds:</u>	
Unexpended grant funds	70,175,610
Total - Primary Government	\$ 71,606,009
<u>School General Projects:</u>	
Unexpended grant funds	\$ 21,000
<u>Central Cafeteria:</u>	
Unearned revenue	497,401
Total Component Unit - the Board	\$ 518,401

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	\$ 2,235,415	\$ -
Taxes receivable, applicable to subsequent fiscal year	130,640,952	130,640,952
Leases	1,586,213	1,586,213
	134,462,580	132,227,165
<u>Debt Service Fund - Major Fund</u>		
Taxes receivable, delinquent	1,211,713	-
Taxes receivable, applicable to subsequent fiscal year	79,137,499	79,137,499
	80,349,212	79,137,499
<u>Building Operations Fund - Nonmajor Fund</u>		
Leases	3,895,976	3,895,976
Total - Primary Government	\$ 218,707,768	\$ 215,260,640
Component Unit - the Board - Major Fund		
<u>General Purpose School:</u>		
Taxes receivable, delinquent	1,877,564	-
Taxes receivable, applicable to subsequent fiscal year	101,404,932	101,404,932
Leases	14,827	14,827
Total - Component Unit - the Board	\$ 103,297,323	\$ 101,419,759

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Subscriptions

The County’s financial statements include Subscription-Based Information Technology Arrangements (SBITA) in accordance with GASB Statement No. 96. 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, 2024, of \$9,371,074 with accumulated amortization of \$4,937,336 is included with Subscription Software Assets on the capital asset schedules for the County and the Board. 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 2025 to 2033. 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
2025	\$ 2,203,054	\$ 89,123	\$ 2,292,177
2026	990,037	38,080	1,028,117
2027	118,621	21,114	139,735
2028	124,046	17,742	141,788
2029	130,938	14,185	145,123
2030 - 2033	417,035	19,172	436,207
Total	\$ 3,983,731	\$ 199,416	\$ 4,183,147

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Leases

The County's financial statements include Leases in accordance with GASB statement No. 87. 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 \$17,992,752, less accumulated amortization of \$5,525,973.

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

Principal and Interest Requirements to Maturity

Fiscal Year	Total Lessee Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 2,459,133	\$ 270,487	\$ 2,729,620
2026	2,517,036	224,662	2,741,698
2027	1,590,631	181,973	1,772,604
2028	1,086,728	148,222	1,234,950
2029	523,643	125,805	649,448
2030 - 2034	1,441,783	504,079	1,945,862
2035 - 2039	511,205	391,893	903,098
2040 - 2044	450,846	337,285	788,131
2045 - 2049	555,770	272,562	828,332
2050 - 2054	677,329	193,258	870,587
2055 - 2059	817,924	97,071	914,995
2060 - 2061	323,251	7,727	330,978
Total	\$ 12,955,279	\$ 2,755,024	\$ 15,710,303

The County's leases related to the lease liability have interest rates ranging from 0.514% to 3.511%. The rates vary due to the length of the lease term. The maturity dates of the leases range from 2025 to 2061.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 leases have receipts that range from \$300 to \$255,368 and interest rates that range from 0.727% to 2.736%. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$643,279.

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
2025	\$ 565,076	\$ 120,264	\$ 685,340
2026	512,895	112,275	625,170
2027	317,173	106,013	423,186
2028	303,470	100,671	404,141
2029	282,984	95,450	378,434
2030 - 2034	692,125	424,999	1,117,124
2035 - 2039	396,673	369,168	765,841
2040 - 2044	485,820	313,986	799,806
2045 - 2049	505,842	249,661	755,503
2050 - 2054	591,947	181,073	773,020
2055 - 2059	713,951	98,501	812,452
2060 - 2061	323,848	12,622	336,470
Total	\$ 5,691,804	\$ 2,184,683	\$ 7,876,487

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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:

Principal and Interest Requirements to Maturity - Primary Government

Fiscal Year	Hannon Armstrong Solar Project (QECB Funding)		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 506,243	\$ 423,630	\$ 929,873
2026	542,770	400,241	943,011
2027	581,097	375,173	956,270
2028	621,308	348,345	969,653
2029	663,489	319,669	983,158
2030 - 2034	4,025,682	1,096,973	5,122,655
2035 - 2037	2,512,936	174,485	2,687,421
Total	\$ 9,453,525	\$ 3,138,516	\$ 12,592,041

Principal and Interest Requirements to Maturity - Component Unit - The Board

Fiscal Year	L&N Capital Lease STEM Academy		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 333,919	\$ 91,085	\$ 425,004
2026	347,524	77,480	425,004
2027	361,683	63,321	425,004
2028	376,418	48,586	425,004
2029	391,754	33,250	425,004
2030 - 2031	617,758	19,748	637,506
Total	\$ 2,429,056	\$ 333,470	\$ 2,762,526

As of June 30, 2024, assets recorded under financed purchases totaled \$18,307,010 (\$879,609 land, and \$17,427,401 buildings and improvements). Related accumulated depreciation totaled \$8,108,817.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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
2025	\$ 36,384	\$ 23	\$ 36,407
Total	\$ 36,384	\$ 23	\$ 36,407

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, 2024

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 (3.99% at 6/30/24)	6/1/2029	\$ 12,193,632
General Obligation - Series 2004 (VI-A-1)	Variable Rate (3.99% at 6/30/24)	6/1/2029	18,360,570
General Obligation - Series 2005 (D-3-A)	Variable Rate (4.95% at 6/30/24)	6/1/2034	31,087,664
General Obligation - Series 2007 (VI-K-1)	Variable Rate (4.90% at 6/30/24)	6/1/2034	50,450,000
General Obligation - Series 2008 (C-3-A)	Variable Rate (3.99% at 6/30/24)	6/1/2029	9,031,750
General Obligation - Series 2016	1.0 - 5.0%	6/1/2036	9,375,000
General Obligation - Series 2017	3.0 - 5.0%	6/1/2037	23,695,000
General Obligation - Refunding Series 2017B	2.0 - 5.0%	6/1/2035	34,225,000
General Obligation - Series 2018	4.0 - 5.0%	6/1/2038	16,920,020
General Obligation - Series 2019	2.75 - 5.0%	4/1/2038	17,200,000
General Obligation - Series 2019B	2.375 - 5.0%	6/1/2040	18,450,000
General Obligation - Refunding Series 2020B	1.875 - 5.0%	6/1/2035	16,384,549
General Obligation - Series 2020C	3.0 - 5.0%	6/1/2040	17,085,545
General Obligation - Refunding Series 2020D	0.35 - 1.0%	6/1/2026	13,040,000
General Obligation - Refunding Series 2020E	1.5 - 2.1%	6/1/2036	8,207,209
General Obligation - Series 2022	3.0 - 5.0%	6/1/2042	27,456,409
General Obligation - Series 2023	4.0 - 5.0%	6/1/2043	29,060,623
General Obligation - Series 2024	4.0 - 5.0%	6/1/2044	43,900,000
Total Bonded Debt to be repaid by Governmental Activities			<u>396,122,971</u>
The Board:			
General Obligation - Series 2003 (C-1-A)	Variable Rate (3.99% at 6/30/24)	6/1/2029	13,256,368
General Obligation - Series 2004 (VI-A-1)	Variable Rate (3.99% at 6/30/24)	6/1/2029	9,579,430
General Obligation - Series 2005 (D-3-A)	Variable Rate (4.95% at 6/30/24)	6/1/2034	16,787,336
General Obligation - Series 2007 (VI-K-1)	Variable Rate (4.90% at 6/30/24)	6/1/2034	18,550,000
General Obligation - Series 2008 (C-3-A)	Variable Rate (3.99% at 6/30/24)	6/1/2029	4,863,250
General Obligation - Qualified School Construction Bonds - Series 2010	0% (1)	7/1/2027	5,824,395
General Obligation - Series 2016	1.0 - 5.0%	6/1/2036	13,650,000
General Obligation - Series 2017	3.0 - 5.0%	6/1/2037	43,820,000
General Obligation - Refunding Series 2017B	2.0 - 5.0%	6/1/2035	11,980,000
General Obligation - Series 2018	4.0 - 5.0%	6/1/2038	6,289,980
General Obligation - Series 2019	2.75 - 5.0%	4/1/2038	9,265,000
General Obligation - Series 2019B	2.375 - 5.0%	6/1/2040	13,600,000
General Obligation - Refunding Series 2020A	1.5 - 5.0%	8/1/2030	11,335,000
General Obligation - Refunding Series 2020B	1.875 - 5.0%	6/1/2035	15,575,451
General Obligation - Series 2020C	3.0 - 5.0%	6/1/2040	29,939,455
General Obligation - Refunding Series 2020E	1.5 - 2.1%	6/1/2036	10,087,791
General Obligation - Series 2022	3.0 - 5.0%	6/1/2042	55,768,591
General Obligation - Series 2023	4.0 - 5.0%	6/1/2043	39,024,377
General Obligation - Series 2024	4.0 - 5.0%	6/1/2044	51,350,000
Total Bonded Debt to be repaid by the Board			<u>380,546,424</u>
Total Bonded Debt			<u>\$ 776,669,395</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, 2024

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,	Primary Government Debt			To be Repaid By:		Total
	Principal	Interest	Total	County	Board	
2025	49,619,281	31,333,015	80,952,296	42,937,522	38,014,774	80,952,296
2026	51,479,281	29,308,070	80,787,351	42,873,214	37,914,137	80,787,351
2027	53,823,856	27,293,332	81,117,188	41,187,079	39,930,109	81,117,188
2028	56,356,977	23,741,685	80,098,662	42,047,623	38,051,039	80,098,662
2029	56,325,000	21,173,082	77,498,082	41,357,000	36,141,082	77,498,082
2030 - 2034	280,150,000	71,179,475	351,329,475	186,768,818	164,560,657	351,329,475
2035 - 2039	159,635,000	26,917,556	186,552,556	83,339,350	103,213,206	186,552,556
2040 - 2044	69,280,000	6,418,643	75,698,643	31,851,712	43,846,931	75,698,643
Total	\$ 776,669,395	\$ 237,364,858	\$ 1,014,034,253	\$ 512,362,318	\$ 501,671,935	\$1,014,034,253

The total bonded debt service requirements to be repaid by the County and the Board include interest of \$116,239,346 and \$121,125,512, respectively, for a total of \$237,364,858.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Long-Term Liabilities (Continued)

Changes in General Long-Term Liabilities

The following represents the changes in long-term liabilities for the Primary Government (governmental and business-type activities), the Board, and the District for the year ended June 30, 2024:

	Balance July 1	Additions	Deductions	Balance June 30	Current Portion
<u>Governmental Activities</u>					
Bonded Debt	\$ 727,388,676	\$ 95,250,000	\$ (45,969,281)	\$ 776,669,395	\$ 49,619,281
Unamortized Bond Premium	33,608,060	5,044,283	(4,182,862)	34,469,481	4,329,167
Loans Payable	470,797	-	(434,413)	36,384	36,384
Financed Purchases	9,924,964	-	(471,439)	9,453,525	506,243
Lease Obligations	8,857,783	2,299,458	(1,147,180)	10,010,061	1,258,725
Subscription Obligations	5,342,910	6,470	(2,378,914)	2,970,466	1,936,915
Compensated Absences	11,063,466	12,457,131	(9,370,044)	14,150,553	9,388,022
Total - Governmental Activities	<u>\$ 796,656,656</u>	<u>\$ 115,057,342</u>	<u>\$ (63,954,133)</u>	<u>\$ 847,759,865</u>	<u>\$ 67,074,737</u>
<u>Business-type Activities</u>					
Compensated Absences	\$ 39,658	\$ 45,607	\$ (10,220)	\$ 75,045	\$ 16,817
Lease Obligations	13,889	-	(12,088)	1,801	1,801
Total - Business-type Activities	<u>\$ 53,547</u>	<u>\$ 45,607</u>	<u>\$ (22,308)</u>	<u>\$ 76,846</u>	<u>\$ 18,618</u>
<u>Component Unit - the Board</u>					
Compensated Absences	\$ 19,571,409	\$ 6,915,272	\$ (6,638,481)	\$ 19,848,200	\$ 6,025,596
Termination Benefits	2,100,968	-	(414,033)	1,686,935	458,510
Financed Purchases	2,749,904	-	(320,848)	2,429,056	333,919
Lease Obligations	3,367,939	975,706	(1,400,228)	2,943,417	1,198,607
Subscription Obligations	1,268,878	-	(255,613)	1,013,265	266,139
Total Component Unit - the Board	<u>\$ 29,059,098</u>	<u>\$ 7,890,978</u>	<u>\$ (9,029,203)</u>	<u>\$ 27,920,873</u>	<u>\$ 8,282,771</u>
<u>Component Unit - the District</u>					
Compensated Absences	\$ 689,854	\$ 517,391	\$ (480,900)	\$ 726,345	\$ 465,006
Subscription Obligations	18,658	-	(12,427)	6,231	6,231
Total - the District	<u>\$ 708,512</u>	<u>\$ 517,391</u>	<u>\$ (493,327)</u>	<u>\$ 732,576</u>	<u>\$ 471,237</u>

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, 2024, the Board recorded an estimated liability of \$1,686,935 to be paid in varying annual amounts through 2033.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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:

Major Funds

	<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	\$ 222,539	\$ -	\$ -	\$ 129,897	\$ 352,436
Prepays	382,063	-	36,406	3,108	421,577
Investment in Joint Venture	10,578,410	-	-	-	10,578,410
	<u>11,183,012</u>	<u>-</u>	<u>36,406</u>	<u>133,005</u>	<u>11,352,423</u>
Restricted for:					
Finance and Administration	792,230	-	-	1,659,933	2,452,163
Administration of Justice	932,302	-	-	89,975	1,022,277
Public Safety	1,268,794	-	-	241,167	1,509,961
Public Health & Welfare	1,555,573	-	-	1,216,857	2,772,430
Social and Cultural	127,284	-	-	31,186	158,470
Other General Government	-	-	-	478,140	478,140
Engineering & Public Works	-	-	-	16,465	16,465
Debt Service	-	-	10,809,438	-	10,809,438
Capital Projects	-	43,111,719	-	-	43,111,719
	<u>4,676,183</u>	<u>43,111,719</u>	<u>10,809,438</u>	<u>3,733,723</u>	<u>62,331,063</u>
Committed to:					
Finance and Administration	100,000	-	-	-	100,000
Public Safety	1,155,000	-	-	-	1,155,000
Social and Cultural	618,000	-	-	-	618,000
Other General Government	5,785,000	-	-	-	5,785,000
Debt Service	-	-	19,610,899	-	19,610,899
Capital Projects	-	50,000	-	-	50,000
	<u>7,658,000</u>	<u>50,000</u>	<u>19,610,899</u>	<u>-</u>	<u>27,318,899</u>
Assigned to:					
Finance and Administration	554,095	-	-	-	554,095
Administration of Justice	86,979	-	-	-	86,979
Public Safety	152,445	-	-	-	152,445
Social and Cultural	50,856	-	-	-	50,856
Other General Government	541,200	-	-	-	541,200
	<u>1,385,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385,575</u>
Unassigned:	<u>88,997,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,997,241</u>
Total fund balances	<u>\$ 113,900,011</u>	<u>\$ 43,161,719</u>	<u>\$ 30,456,743</u>	<u>\$ 3,866,728</u>	<u>\$ 191,385,201</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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	\$ -	\$ -	\$ 944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 944
Restricted for:									
Public Safety	-	-	-	-	-	4,794,494	-	-	4,794,494
Social and Cultural	-	-	-	-	6,982,196	-	-	-	6,982,196
	-	-	-	-	6,982,196	4,794,494	-	-	11,776,690
Committed to:									
Public Health & Welfare	-	-	-	1,251,384	-	-	-	-	1,251,384
Social and Cultural	-	41,776	2,560,907	-	-	-	-	-	2,602,683
Engineering & Public Works	-	-	-	-	-	-	12,790,088	-	12,790,088
Capital Projects	-	-	-	-	-	-	-	3,590,047	3,590,047
	-	41,776	2,560,907	1,251,384	-	-	12,790,088	3,590,047	20,234,202
Assigned to:									
Finance and Administration	4,195,391	-	-	-	-	-	-	-	4,195,391
Administration of Justice	4,316,614	-	-	-	-	-	-	-	4,316,614
	8,512,005	-	-	-	-	-	-	-	8,512,005
Total fund balances	\$ 8,512,005	\$ 41,776	\$ 2,561,851	\$ 1,251,384	\$ 6,982,196	\$ 4,794,494	\$ 12,790,088	\$ 3,590,047	\$ 40,523,841

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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:

	<u>Major Funds</u>			<u>Nonmajor Special Revenue Funds</u>			<u>Total</u>
	<u>General Purpose Schools</u>	<u>School Construction Capital Projects</u>	<u>School Federal Projects</u>	<u>School General Projects</u>	<u>Central Cafeteria</u>	<u>Internal School Funds</u>	
Fund balances:							
Nonspendable:							
Inventories	\$ 1,440,794	\$ -	\$ -	\$ 147,118	\$ 741,843	\$ -	\$ 2,329,755
Prepays	404,169	-	431,678	280,162	4,079	-	1,120,088
	<u>1,844,963</u>	<u>-</u>	<u>431,678</u>	<u>427,280</u>	<u>745,922</u>	<u>-</u>	<u>3,449,843</u>
Restricted for:							
Education	12,153,776 (a)	67,458,413 (b)	-	-	18,647,081 (e)	16,924,035 (g)	115,183,305
Committed to:							
Education	12,734,102 (c)	-	-	4,298,267 (f)	-	-	17,032,369
Assigned to:							
Education	1,131,467 (d)	-	-	-	-	-	1,131,467
Unassigned:	<u>108,288,856</u>	<u>-</u>	<u>(632,640)</u>	<u>-</u>	<u>-</u>	<u>(146,610)</u>	<u>107,509,606</u>
Total fund balances	<u>\$136,153,164</u>	<u>\$ 67,458,413</u>	<u>\$ (200,962)</u>	<u>\$ 4,725,547</u>	<u>\$ 19,393,003</u>	<u>\$ 16,777,425</u>	<u>\$ 244,306,590</u>

(a) Investment in Stabilization Reserve Trust and Reserve for Career Ladder

(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, 2024

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 \$300,064,933 for fiscal year 2024 were approximately 97.93 percent of the total tax levy.

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	41.982%
Debt Service Fund	0.3152	20.283%
Total - Primary Government	0.9676	62.265%
<u>Component Unit - the Board:</u>		
General Purpose		
School Fund	0.5864	37.735%
Total Tax Levy	<u>\$ 1.5540</u>	<u>100.00%</u>

The 2024 fiscal year property tax rate of 1.554 was divided between the County and the Board as follows:

	Amount	Percent of Total
<u>Primary Government:</u>		
General Fund	\$ 0.6524	41.982%
Debt Service Fund	0.3552	22.857%
Total - Primary Government	1.0076	64.839%
<u>Component Unit - the Board:</u>		
General Purpose		
School Fund	0.5464	35.161%
Total Tax Levy	<u>\$ 1.5540</u>	<u>100.00%</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, there were 90 PILOT agreements in force with net tax abatements totaling \$5,255,091. 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 2024, 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, 2024 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, 2024

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, 2024, there were 25 TIF agreements in force with net tax abatements totaling \$2,207,195. 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 2024 fiscal year, the joint venture received 91 percent of its operating revenues from the participants in the joint venture. GIS charged the County \$487,540 for the year ended June 30, 2024. 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, 2024

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 \$12,151,092 to the PBA for development, management, and maintenance of County projects during 2024. 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 is governed by a board of directors, having seven (7) directors, all of whom are duly qualified voters and taxpayers in the City of Knoxville and/or Knox County, Tennessee. Each director is 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.

The County is a participant in a joint venture with the City of Knoxville in the operation of the Knoxville-Knox County Office of Housing Stability (the Office). The Office serves as the official coordinating body and agency of homelessness prevention and homeless services for Knoxville and for all the unincorporated areas of Knox County. The Office evaluates existing funding and programs for homeless services and prevention in Knoxville and Knox County in order to identify gaps and future needs. The Office develops a strategic plan for addressing homelessness in Knoxville and Knox County every five years and annual action plans to guide implementation. The Office was formed September 1, 2023. The Office's Board of Directors consist of nine (9) members. Of those, the Mayor of the City of Knoxville appoints three (3) and the Mayor of Knox County appoints three (3). The Knoxville-Knox County Homeless Coalition appoints two (2) members, including at least one person with lived experience of homelessness within the five (5) years preceding their initial start date as a Board member.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE IV. OTHER INFORMATION (Continued)

A. Joint Ventures (Continued)

The Executive Director of the Knoxville-Knox County Community Action Committee or their designee is an ex-officio member of the Board as the direct recipient of regional Community Service Block Grant funding. All members, including the ex-officio member, are voting members. The Office does not compensate board members for serving on the Board of Directors. Board members serve for a term of four (4) years. The County does not retain an equity interest in the joint venture. Complete separate financial statements for the Office may be obtained at their principal office located at 405 Dante Road, Knoxville, TN 37918.

Condensed financial information for GIS, PBA, the Sports Authority and the Office as of June 30, 2024 and for the year then ended, is presented on the next page:

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE IV. OTHER INFORMATION (Continued)

A. Joint Ventures (Continued)

ASSETS	Sports			
	GIS	PBA	Authority	Office
Cash and Cash Equivalents	\$ 1,507,455	\$ 15,594,326	\$ -	\$ 85,685
Investments	-	-	14,197,612	-
Receivables	737	2,482,468	9,000,000	-
Inventory	-	13,006	-	-
Prepays	5,470	145,265	-	-
Capital Assets - Net	405,827	6,053,613	84,780,779	-
Total Assets	<u>1,919,489</u>	<u>24,288,678</u>	<u>107,978,391</u>	<u>85,685</u>

LIABILITIES AND NET POSITION

Liabilities

Accounts Payable and Accrued Liabilities	34,526	3,920,203	310,193	5,630
Due To Others	-	3,928,137	-	-
Customer Deposits	-	56,203	-	-
Compensated Absences	79,770	851,287	-	2,667
Lease Liabilities	240,487	-	-	-
Subscription Liability	31,653	-	-	-
Unearned Revenue	-	1,702	6,346,891	-
Long-Term Debt	-	-	71,561,602	13,598
Total Liabilities	<u>386,436</u>	<u>8,757,532</u>	<u>78,218,686</u>	<u>21,895</u>

Net Position

Net Investment in Capital Assets	133,688	5,561,112	21,069,897	-
Restricted	-	-	8,689,808	-
Unrestricted	1,399,365	9,970,034	-	63,790
Total Net Position	<u>\$ 1,533,053</u>	<u>\$ 15,531,146</u>	<u>\$ 29,759,705</u>	<u>\$ 63,790</u>

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total Operating Revenues	\$ 1,890,784	\$ 28,298,239	\$ -	\$ -
Total Operating Expenses	(1,957,353)	(24,763,097)	(1,500)	(156,210)
Operating Income (Loss)	(66,569)	3,535,142	(1,500)	(156,210)
Non-Operating Revenues	107,445	813,616	2,029,964	220,000
Non-Operating Expenses	(7,944)	(4,967,600)	(3,356,953)	-
Capital Contributions	-	2,130,000	7,994,616	-
Increase (Decrease) in Net Position	32,932	1,511,158	6,666,127	63,790
Net Position, Beginning of Year	1,500,121	14,019,988	23,093,578	-
Net Position, End of Year	<u>\$ 1,533,053</u>	<u>\$ 15,531,146</u>	<u>\$ 29,759,705</u>	<u>\$ 63,790</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, the County appropriated operating subsidies of \$2,055,100 to the Community Action Committee.

In 2024, 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, 2024, the County appropriated operating subsidies of \$5,812,337 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 Fund 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, 2024

NOTE IV. OTHER INFORMATION (Continued)

C. Risk Management (Continued)

At June 30, 2024, Blue Cross Blue Shield of Tennessee and EpiphanyRx 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 2024	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2023
Unpaid Claims - Beginning Balance	\$ 1,786,403	\$ 1,967,126	\$ 17,767,396	\$ 21,583,103
Incurred Claims (Including IBNR's)	30,159,034	29,343,819	(2,440,893)	(1,269,841)
Claim Payments	(30,209,437)	(29,524,542)	1,438,412	(2,545,866)
Unpaid Claims - Ending Balance	<u>\$ 1,736,000</u>	<u>\$ 1,786,403</u>	<u>\$ 16,764,915</u>	<u>\$ 17,767,396</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, 2024, the liabilities were \$2,330,976.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024:

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 2024 was \$645,382 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 2024 was \$1,190,453 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, 2024. 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, 2024

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, 2024
<u>Primary Government:</u>		
Coward Mill Project	\$ 4,567,196	\$ 6,397,970
Carter School Sidewalk Improvement	1,030,740	778,315
TDOT Partnerships	1,690,803	581,834
Schaad Road Phase II	47,673,432	9,167,735
ARPA Funding	18,710,185	31,780,883
Other Projects	292,898,386	28,910,399
 Total - Primary Government	\$ 366,570,744	\$ 77,617,137
 <u>Component Unit - the Board:</u>		
Mill Creek Elementary	\$ 32,406,127	\$ 1,040,130
Title IX Solutions	8,716,561	1,981,684
Farragut Elementary	3,273,021	2,189,750
Adrian Burnett Elementary	22,596,264	63,488
Sterchi 250 Student Addition	1,008,225	177,275
Other Projects	225,690,393	20,324,327
 Total - the Board	\$ 293,690,590	\$ 25,776,654

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

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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE IV. OTHER INFORMATION (Continued)

F. Constitutional Officers (Continued)

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.

G. Accounting Pronouncements

The County adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, required for fiscal periods beginning after June 15, 2023, in fiscal 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This statement also addresses corrections of errors in previously issued financial statements. This statement did not have a material effect on the County's financial statements.

H. Special Item

The Development Corporation of Knox County (TDC) entered into an agreement to transfer all its assets and liabilities to The Industrial Development Board of the County of Knox (IDB). The net position transferred totaled \$42,360,822. As a result of this agreement, TDC ceased operations and was formally dissolved on November 29, 2023.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, and subsequently extended by the Knox County Commission until 9/30/2028, 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, 2024

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, 2023, 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	76
Active employees	<u>2,153</u>
Total	<u><u>2,229</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 2024 was \$979,263 which was 0.92% of covered employee payroll.

Net OPEB Liability – The County’s net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2023. The components of the net OPEB liability (asset) at June 30, 2024 were as follows:

Total OPEB Liability	\$ 6,792,174
Less: Fiduciary Net Position	<u>(7,949,484)</u>
Net OPEB Liability (Asset)	<u><u>\$ (1,157,310)</u></u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	<u><u>117.04%</u></u>

Actuarial Assumptions – The total OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of July 1, 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, 2024

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
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Inflation	2.00%
Healthcare Trend Rates	8.0% initially, decreasing to an ultimate rate of 4.5% in 2030
Salary Increases	3.50%
Payroll Growth	2.50%
Investment Rate of Return	5.77%
Average Assumed Retirement Age	58
Mortality Table	For healthy participant - The mortality rates are from the PUB-2010 headcount-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 2024. Best estimates of arithmetic real rates of return for each major investment classification included in the OPEB target asset allocation as of June 30, 2024 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, 2024 was 10.79%.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 2024 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 (Asset):

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Non-Trust Activity (c)	Net OPEB Liability (Asset) (d)
Balances at 6/30/23	\$ 8,365,361	\$ 6,623,477	\$ -	\$ 1,741,884
Changes for the year:				
Service Cost	290,127	-	-	290,127
Interest	438,302	-	-	438,302
Difference Between Expected and Actual Experience	(2,838,266)	-	-	(2,838,266)
Contributions	-	609,350	369,913	(979,263)
Investment Income	-	787,888	-	(787,888)
Changes in Benefit Terms	361,653	-	-	361,653
Changes in Assumptions	544,910	-	-	544,910
Benefit Payments	(369,913)	-	(369,913)	-
Administrative Expenses	-	(71,231)	-	71,231
Net Changes	(1,573,187)	1,326,007	-	(2,899,194)
Balances at 6/30/24	\$ 6,792,174	\$ 7,949,484	\$ -	\$ (1,157,310)

Sensitivity of the Net OPEB Liability (Asset) 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)	\$ (640,432)	\$ (1,157,310)	\$ (1,625,702)

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 (Asset) 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 (7.00% decreased to 3.50%) or higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Net OPEB Liability (asset)	<u>\$ (1,783,797)</u>	<u>\$ (1,157,310)</u>	<u>\$ (432,782)</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense of (\$210,974). At June 30, 2024, 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	\$ 7,975	\$ 3,573,157
Changes of assumptions	747,898	1,064,034
Net difference between projected and actual earnings on OPEB Plan investments	-	261,376
Total	<u>\$ 755,873</u>	<u>\$ 4,898,567</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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,	
2025	(921,916)
2026	(844,352)
2027	(849,330)
2028	(487,061)
2029	(449,277)
Thereafter	(590,758)

Payable to the OPEB Plan – At June 30, 2024, Knox County did not report a payable outstanding. Contributions were paid to the OPEB plan as required for the year ended June 30, 2024.

Comparative Statements of Fiduciary Net Position:

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Money Market Funds	\$ 672,411	\$ 129,274
Mutual Funds	<u>7,268,605</u>	<u>6,486,921</u>
Total Investments	<u>7,941,016</u>	<u>6,616,195</u>
Accrued Income	<u>8,468</u>	<u>7,282</u>
Total Assets	<u>7,949,484</u>	<u>6,623,477</u>
NET POSITION - RESTRICTED FOR OPEB BENEFITS	<u><u>\$ 7,949,484</u></u>	<u><u>\$ 6,623,477</u></u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE V. OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

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

OPEB – Retiree Healthcare Plan (Continued)

Comparative Statements of Changes in Fiduciary Net Position:

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 609,350	\$ 600,000
Investment Income (Loss):		
Interest and Dividend Income	161,030	132,873
Net Appreciation (Depreciation) in Fair Value of Investments	<u>626,858</u>	<u>384,704</u>
Total Investment Income (Loss)	<u>787,888</u>	<u>517,577</u>
Total Additions	<u>1,397,238</u>	<u>1,117,577</u>
DEDUCTIONS		
Administrative Expenses	<u>71,231</u>	<u>68,085</u>
CHANGE IN NET POSITION	1,326,007	1,049,492
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	<u>6,623,477</u>	<u>5,573,985</u>
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	<u>\$ 7,949,484</u>	<u>\$ 6,623,477</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Disabled employees currently receiving benefit payments	36
Active employees	<u>4,055</u>
Total	<u><u>4,091</u></u>

Contributions – The Pension Board has adopted a written funding policy which requires an annual employer contribution to equal, or exceed, the actuarially determined contribution (ADC) as calculated by an actuary. For the year ended June 30, 2024, the ADC was \$1,275,357 which was 0.66% of covered employee payroll.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024. The components of the net OPEB liability at June 30, 2024 were as follows:

Total OPEB Liability	\$ 3,707,018
Less: Fiduciary Net Position	<u>(2,703,810)</u>
Net OPEB Liability	<u>\$ 1,003,208</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	<u>72.94%</u>

Actuarial Assumptions – Significant actuarial assumptions used in the valuation of the OPEB plan as of January 1, 2024 with a measurement date of June 30, 2024 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	2.47%
Salary Increases	Effective 1/1/2023: 4.00% for STAR and Closed DB active non-contributing, 2.50% for Closed DB active contributing. Effective 1/1/2024: 3.00% for UOPP.
Investment Rate of Return	6.50% effective 1/1/2023
Age at Retirement	Closed DB - varies by age and service Asset Accumulation - varies by age and service UOPP - varies by age and service STAR - Age 57 with 10 years of 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, 2024

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 2.47% for fiscal year 2024. Best estimates of arithmetic real rates of return for each major investment classification included in the OPEB target asset allocation as of June 30, 2024 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	22.00%	6.05%
US Equity - Small/ Mid Cap	24.00%	7.08%
Non-US Equity - Developed	5.00%	6.74%
Non-US Equity - Emerging	0.00%	8.70%
US Corporate Bonds - Core	25.00%	2.40%
US Corporate Bonds - High Yield	10.00%	4.45%
US Treasuries (Cash Equivalent)	6.00%	0.74%
TIPS(Inflation - Protected)	0.00%	1.78%
Real Estate	8.00%	4.89%

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, 2024 was 12.72%.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 2024 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 6/30/23	\$ 3,434,230	\$ 2,294,340	\$ 1,139,890
Changes for the year:			
Service Cost	243,613	-	243,613
Interest	219,398	-	219,398
Difference between Expected and Actual Experience	416,609	-	416,609
Changes of Assumptions	7,833	-	7,833
Contributions Employer	-	1,275,357	(1,275,357)
Net Investment Income	-	358,220	(358,220)
Benefit Payments	(614,665)	(614,665)	-
Administrative Expenses	-	(626,933)	626,933
Other Changes	-	17,491	(17,491)
Net Changes	272,788	409,470	(136,682)
Balances at 6/30/24	\$ 3,707,018	\$ 2,703,810	\$ 1,003,208

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)	\$ 1,129,876	\$ 1,003,208	\$ 880,754

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, the County recognized OPEB expense of \$1,073,012. At June 30, 2024, 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	\$ 426,472	\$ -
Changes of assumptions	5,759	170,468
Net difference between projected and actual earnings on OPEB plan investments	11,216	-
Total	\$ 443,447	\$ 170,468

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,		
2025	\$	133,094
2026		151,202
2027		30,003
2028		(41,320)

Payable to the OPEB Plan – At June 30, 2024, Knox County did not report a payable outstanding. Contributions were paid to the OPEB plan as required for the year ended June 30, 2024.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2023, the following employees of the Board were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	271
Inactive employees entitled to but not yet receiving benefit payments	6
Active employees	<u>4,196</u>
Total	<u><u>4,473</u></u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 \$1,714,485 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, 2023 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	10.3% for pre-65 in 2024, decreasing annually over over a 10 year period to an ultimate rate of 4.50% 12.4% for post-65 in 2024, decreasing annually over 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, 2023 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-2021. 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-2021. 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, 2024

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-2021.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65%. 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 6/30/23	\$ 68,710,245
Changes for the year:	
Service Cost	3,424,620
Interest	2,494,732
Difference Between Expected and Actual Experience	(1,350,237)
Changes in Assumptions	5,071,031
Benefit Payments	(3,353,607)
Net Changes	6,286,539
Balances at 6/30/24	\$ 74,996,784
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 28,881,939
Employer's proportionate share of the collective total OPEB liability	\$ 46,114,845
Employer's proportion of the collective total OPEB liability	61.49%

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 (2.13%) from the prior measurement date. The Board recognized \$3,180,785 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, 2024

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 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. 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 (2.65%) or 1-percent-point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Proportionate Share of Collective total OPEB Liability	\$ 49,632,095	\$ 46,114,845	\$ 42,786,901

Sensitivity of Total OPEB Liability (Employer’s Share) to Changes in the Assumed Healthcare Cost Trend Rate – Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is 1-percent-point lower or 1-percent-point higher:

	1% Decrease (9.30%/11.40% decreasing to 3.50%)	Current Healthcare Cost Trend Rate Assumption (10.30%/12.40% decreasing to 4.50%)	1% Increase (11.30%/13.40% decreasing to 5.50%)
OPEB Liability	\$ 41,251,876	\$ 46,114,845	\$ 51,780,941

OPEB Expense – For the fiscal year ended June 30, 2024, the Board recognized OPEB expense of \$7,386,552.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,375,089	\$ 3,508,541
Changes of assumptions	10,212,647	5,141,371
Changes in proportions	608,576	2,930,391
Employer payments subsequent to the measurement date	1,714,485	-
Total	<u>\$ 16,910,797</u>	<u>\$ 11,580,303</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,	
2025	566,011
2026	566,011
2027	566,011
2028	579,417
2029	712,843
Thereafter	625,716

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, 2024

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, 2023, the following employees of the Board were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	1,235
Inactive employees entitled to but not yet receiving benefit payments	540
Active employees	3,298
Total	5,073

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2023 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, 2023 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-2021. 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-2021.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65%. 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, 2024

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 6/30/23	\$ 12,274,621
Changes for the year:	
Service Cost	219,762
Interest	431,556
Difference Between Expected and Actual Experience	(170,628)
Changes in Assumptions	(127,946)
Benefit Payments	(612,375)
Net Changes	(259,631)
Balances at 6/30/24	\$ 12,014,990
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 12,014,990
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 \$92,610 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 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. This change in assumption increased the total OPEB liability.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, the Board recognized OPEB expense of \$92,610. 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, 2024, the aggregate OPEB plan note disclosures for all plans was as follows:

(dollar amounts in thousands)

OPEB Plan	Governmental Activities			
	Net OPEB Liability (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense
Primary Government - The County:				
Retiree Healthcare	\$ (1,157)	\$ 756	\$ 4,899	\$ (211)
Disability	1,003	443	170	1,073
	<u>(154)</u>	<u>1,199</u>	<u>5,069</u>	<u>862</u>
Component Unit - The Board:				
Closed Teacher				
Group OPEB Plan	46,115	16,911	11,580	7,387
Closed Tennessee Plan	-	-	-	93
	<u>46,115</u>	<u>16,911</u>	<u>11,580</u>	<u>7,480</u>
Totals	<u>\$ 45,961</u>	<u>\$ 18,110</u>	<u>\$ 16,649</u>	<u>\$ 8,342</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, the MERP had 1,014 members and 788 of them contributed funds to the plan. During the year employer expense and member contributions amounted to \$185,076 and \$414,526 respectively.

At June 30, 2024, the County reported a payable outstanding of \$2,313.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 three different plans, the Teacher Legacy Pension Plan, the Teacher Retirement Plan and the Knox County BOE Hybrid Plan. Two plans are cost sharing multiple-employer pension plans; the third plan is an agent multiple-employer pension plan. All plans are 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
TCRS Knox County BOE Hybrid w/ Cost Controls	Board – General Purpose School Fund

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, 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	500	297	347
Inactive employees entitled to, but not yet receiving benefits	5	58	-
Active employees	<u>21</u>	<u>314</u>	<u>-</u>
Total	<u><u>526</u></u>	<u><u>669</u></u>	<u><u>347</u></u>

Contributions - Provisions and contribution requirements in the County and the Teacher’s DB Plans are established and may be amended by the Knox County Retirement and Pension Board in compliance with state law. For the UOPP DB Plan, some provisions and employee changes are limited based on wording in the Knox County Charter (Article VII, Section 7.05) while other provisions and employer contributions can be determined by the Knox County Retirement and Pension Board in compliance with state law. The Knox County Retirement and Pension Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by participants during the year, with an additional amount to finance net pension liabilities. County DB Plan participants contribute 5% of annual earnings. In the UOPP DB Plan, each participant shall contribute to the fund an amount equal to 6% of annual earnings. The employee accumulation will receive 4% simple interest. No participant contributions shall be required after a participant has completed 30 years of service. For FY 2024, the employer contributions for the County and UOPP DB Plans were approximately 276.42% and 50.47%, 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, 2024, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of January 1, 2024.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024 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	9 Years	27 Years	9 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	5.50%	7.00%	5.50%
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	2.47%	2.47%	2.47%
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 retirees and contingent generatioinal 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 generatioinal 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	Pre-Retirement: N/A Post-Retirement: 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 T 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, 2024

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	15.00%	6.05%
US Corporate Bonds-Core	64.00%	2.40%
Non-US Debt - Developed	10.00%	1.31%
US Treasuries (Cash Equivalent)	6.00%	74.00%
Hedge Funds	5.00%	3.97%

UOPP DB Plan:

Asset Class:	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	21.00%	6.05%
US Equity - Small / Mid Cap	18.00%	7.08%
Non-US Equity - Developed	16.00%	6.74%
Non-US Equity - Emerging	4.00%	8.70%
US Corporate Bonds-Core	16.00%	2.40%
US Corporate Bonds-High Yield	5.00%	4.45%
Non-US Debt - Developed	3.00%	1.31%
US Treasuries (Cash Equivalent)	3.00%	0.74%
Real Estate	4.00%	4.89%
Hedge Funds	10.00%	3.97%

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

B. Single-Employer Defined Benefit Plans (Continued)

Net Pension Liability (Continued)

Asset Class:	Target Allocation	Long-Term Expected Real Arithmetic Return
US Equity - Large Cap	15.00%	6.05%
US Corporate Bonds-Core	64.00%	2.40%
Non-US Debt - Developed	10.00%	1.31%
US Treasuries (Cash Equivalent)	6.00%	0.74%
Hedge Funds	5.00%	3.97%

The assumed inflation rate is 2.47% 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, 2024 were as follows:

Defined Benefit Plans:	2024
County DB Plan	12.41%
UOPP DB Plan	11.87%
Teacher's DB Plan	11.88%

Discount Rate - The discount rate used to measure the total pension liability for the County was 5.50%, Teacher's was 5.50%, and UOPP DB Plans was 7.00%. 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, 2024

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, 2024, the County DB Plans funded ratio was 56.36% and the UOPP funded ratio was 60.52%. 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, 2024 are as follows (dollar amounts in thousands):

	<u>County DB Plan</u>			<u>UOPP DB Plan</u>			<u>Teachers' DB Plan</u>		
	Increase (Decrease)			Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balance at June 30, 2023	\$ 60,409	\$ 33,373	\$ 27,036	\$ 353,063	\$ 206,847	\$ 146,216	\$ 57,251	\$ 41,544	\$ 15,707
Changes for the Year:									
Service Cost	137	-	137	3,006	-	3,006	-	-	-
Interest	3,745	-	3,745	24,398	-	24,398	3,652	-	3,652
Difference between Expected and Actual Experience	(1,363)	-	(1,363)	9,057	-	9,057	217	-	217
Change of Assumptions	4,762	-	4,762	-	-	-	4,628	-	4,628
Contribution - Employer	-	3,327	(3,327)	-	10,191	(10,191)	-	1,500	(1,500)
Contribution - Employee	-	54	(54)	-	1,022	(1,022)	-	-	-
Net Investment Income (Loss)	-	4,099	(4,099)	-	24,402	(24,402)	-	4,735	(4,735)
Benefit Payments including Refunds of Employee Contributions	(5,950)	(5,950)	-	(15,308)	(15,308)	-	(6,382)	(6,382)	-
Administrative Expense	-	(108)	108	-	(686)	686	-	(122)	122
Net Changes	1,331	1,422	(91)	21,153	19,621	1,532	2,115	(269)	2,384
Balance at June 30, 2024	\$ 61,740	\$ 34,795	\$ 26,945	\$ 374,216	\$ 226,468	\$ 147,748	\$ 59,366	\$ 41,275	\$ 18,091

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
County DB Plan Net Pension Liability	\$ 32,498,086	\$ 26,945,456	\$ 22,183,859
UOPP DB Plan Net Pension Liability	\$ 201,043,890	\$ 147,747,611	\$ 104,274,743
Teacher's DB Plan Net Pension Liability	\$ 22,335,223	\$ 18,090,858	\$ 14,334,831

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, 2024, the County and the Board recognized pension expense of \$3,124,600, \$31,521,656, and \$6,181,234, for the County, UOPP, and Teacher’s Plans, respectively. At June 30, 2024, the County, UOPP, and Teacher’s Plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>County DB Plan</u>		<u>UOPP DB Plan</u>		<u>Teachers' DB Plan</u>	
	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	\$ -	\$ 1,219,552	\$ 23,067,114	\$ -	\$ -	\$ -
Changes of assumptions	3,609,310	-	24,716,566	911,830	-	-
Net difference between projected and actual earnings on pension plan investments	-	130,471	-	1,477,513	-	79,693
Total	\$ 3,609,310	\$ 1,350,023	\$ 47,783,680	\$ 2,389,343	\$ -	\$ 79,693

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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>
2025	\$ 922,362	\$ 15,567,154	\$ (445,348)
2026	2,031,769	21,686,798	1,371,816
2027	(291,677)	7,256,166	(596,899)
2028	(403,167)	884,219	(409,262)
Total	<u>\$ 2,259,287</u>	<u>\$ 45,394,337</u>	<u>\$ (79,693)</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, 2024.

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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan

Knox County Executive and Officials 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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County Executive and Officials 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>6</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, 2024, employer contributions made by Knox County were \$28,601 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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County Executive and Officials Plan (Continued)

Net Pension Liability (Asset)

Knox County Executive and Officials' net pension liability (asset) was measured as of June 30, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Reporting Date	June 30, 2024
Measurement Date	June 30, 2023
Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
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, 2023 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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County Executive and Officials 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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County Executive and Officials 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, 2022	\$ 3,746,672	\$ 4,075,576	\$ (328,904)
Changes for the Year:			
Service Cost	72,783	-	72,783
Interest	252,457	-	252,457
Differences between expected and actual experience	129,462	-	129,462
Contributions - Employer	-	28,000	(28,000)
Contributions - Employees	-	58,091	(58,091)
Net Investment Income	-	271,490	(271,490)
Benefit Payments, including refunds of employee contributions	(158,705)	(158,705)	-
Administrative Expense	-	(735)	735
Net Change	295,997	198,141	97,856
Balance at June 30, 2023	\$ 4,042,669	\$ 4,273,717	\$ (231,048)

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)	\$ 232,732	\$ (231,048)

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County Executive and Officials 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, 2024, Knox County recognized pension expense of \$123,174.

Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2024, 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	\$ 169,014	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	37,551	-
Contributions Subsequent to the Measurement date of June 30, 2023	28,601	-
Total	\$ 235,166	\$ -

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2023” 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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County Executive and Officials 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:

<u>Years Ended June 30:</u>	<u>Amounts</u>
2025	106,945
2026	10,161
2027	89,230
2028	229

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, 2024, Knox County did not report a payable outstanding. Contributions were paid to the pension plan as required for the year ended June 30, 2024.

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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls

General Information about the Pension Plan

Plan description. Employees of Knox County BOE - Hybrid with Cost Controls 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 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. 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 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. 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 nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent 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% per 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. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls (Continued)

General Information about the Pension Plan (Continued)

Employees covered by benefit terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	196
Active employees	<u>552</u>
Total	<u><u>748</u></u>

Contributions - Contributions for employees 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. Employees contribute 5 percent of salary. Knox County BOE - Hybrid with Cost Controls makes 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 Knox County BOE -Hybrid with Cost Controls 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, 2024 to the Knox County BOE-Hybrid with Cost Controls Plan were \$762,138, which is 2.50% 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.

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.

In FY 2024, employer contributions to the SRT were \$362,046. 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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls (Continued)

Net Pension Liability (Asset)

Pension Liabilities (Assets) - The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

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

Inflation	2.25%
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 an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023 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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls (Continued)

Net Pension Liability (Asset) (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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls (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, 2022	\$ -	\$ -	\$ -
Changes for the Year:			
Service Cost	713,205	-	713,205
Contributions - Employer	-	252,129	(252,129)
Contributions - Employees	-	508,326	(508,326)
Net Investment Income	-	24,577	(24,577)
Benefit Payments, including refunds of employee contributions	(1,780)	(1,780)	-
Administrative Expense	-	(27,420)	27,420
Net Change	711,425	755,832	(44,407)
Balance at June 30, 2023	\$ 711,425	\$ 755,832	\$ (44,407)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Knox County BOE - Hybrid with Cost Controls calculated using the discount rate of 6.75 percent, 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 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
	Knox County BOE with Cost Controls Net Pension Liability (Asset)	\$ 138,290	\$ (44,407)

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls (Continued)

Net Pension Liability (Asset) (Continued)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources

Pension Expense (Income) – For the year ended June 30, 2024, the Board recognized pension expense of \$207,640.

Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2024, 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
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ 82	\$ -
Board's Contributions Subsequent to the Measurement date of June 30, 2023	762,138	-
Total	\$ 762,220	\$ -

The Board's employer contributions of \$762,138 reported as pension related deferred outflows of resources, subsequent to the measurement date of June 30, 2023, will be recognized as an increase of net pension (asset) in the year ended June 30, 2025. 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
2025	21
2026	21
2027	21
2028	21

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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

C. Agent Multiple-Employer Defined Benefit Plan (Continued)

Knox County BOE – Hybrid with Cost Controls (Continued)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources

Payable to the Pension Plan

At June 30, 2024, Knox County reported a payable of \$62,259 for the outstanding amount of contributions to the pension plan required during the year ended June 30, 2024.

Trend Information

The schedule of changes in the BOE Hybrid with Cost Controls Plan's net pension liability (asset) 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 Plan's fiduciary net position is increasing or decreasing over time relative to the total pension liability and net position liability and whether the Board's contributions are in accordance with the actuarially determined amounts.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024

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, 2024 to the Teacher Legacy Pension Plan were \$13,635,870 which is 6.79% 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, 2024, there were 2,730 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, 2024, the Board reported an asset of (\$72,140,084) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, the Board's proportion was 6.12%. The proportion measured as of June 30, 2022 was 6.09%.

Pension Expense (Income)- For the year ended June 30, 2024, the Board recognized pension expense of \$17,653,982.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, 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	\$ 17,187,442	\$ 3,347,781
Changes in Assumptions	23,505,211	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	12,516,676	-
Changes in Proportion of Net Pension Liability (Asset)	58,804	1,108,301
Board's Contributions Subsequent to the Measurement date of June 30, 2023	13,635,870	-
Total	\$ 66,904,003	\$ 4,456,082

The Board’s employer contributions of \$13,635,870 reported as pension related deferred outflows of resources subsequent to the measurement date of June 30, 2023, will be recognized as an (increase) of net pension (asset) in the year ended June 30, 2025. 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
2025	16,631,543
2026	(10,488,031)
2027	42,570,491
2028	98,048

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, 2024

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, 2023 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, 2023 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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

D. Cost Sharing Multiple-Employer Defined Benefit Plans (Continued)

Teacher’s Legacy Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Board’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the Board’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage- point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
KnoxCounty Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ 157,126,127	\$ (72,140,084)	\$ (262,824,924)

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, 2024, the Board reported a payable of \$1,139,746 for the outstanding amount of contributions to the pension plan required during the year ended June 30, 2024.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024

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, 2024 to the Teacher Retirement Plan were \$4,363,204, which is 2.95% 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, 2024

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 2024, employer contributions to the SRT were \$1,487,627. 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, 2024, there were 2,635 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, 2024, the Board reported an asset of (\$2,735,630) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, the Board's proportion was 6.45%. The proportion measured as of June 30, 2022 was 6.26%.

Pension Expense (Income) – For the year ended June 30, 2024, the Board recognized pension expense of \$3,482,610.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, 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
	<u> </u>	<u> </u>
Difference between Expected and Actual Experience	\$ 92,148	\$ 1,596,726
Changes in Assumptions	2,058,133	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	695,517	-
Changes in Proportion of Net Pension Liability (Asset)	482,711	448,826
Board's Contributions Subsequent to the Measurement date of June 30, 2023	<u>4,363,204</u>	<u>-</u>
Total	<u>\$ 7,691,713</u>	<u>\$ 2,045,552</u>

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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)

The Board’s employer contributions of \$4,363,204 reported as pension related deferred outflows of resources, subsequent to the measurement date of June 30, 2023, will be recognized as an increase of net pension (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30:</u>	<u>Amounts</u>
2025	5,693
2026	(95,532)
2027	977,405
2028	67,745
2029	71,988
Thereafter	255,658

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

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

Inflation	2.25%
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

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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)

The actuarial assumptions used in the June 30, 2023 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.

<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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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)

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.

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>\$ 12,583,774</u>	<u>\$ (2,735,630)</u>	<u>\$ (13,764,347)</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.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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)

Payable to the Pension Plan

At June 30, 2024, the Board reported a payable of \$364,431 for outstanding contributions to the pension plan required during the year ended June 30, 2024.

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, 2024

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, 2024 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	\$ 26,945	\$ 3,609	\$ 1,350	\$ 3,125
UOPP DB	147,748	47,784	2,389	31,522
TCRS - County Executive & Officials	(231)	235	-	123
	<u>174,462</u>	<u>51,628</u>	<u>3,739</u>	<u>34,770</u>
Component Unit - The Board:				
Teacher's DB	18,091	-	80	6,181
TCRS - Teacher's Legacy	(72,140)	66,904	4,456	17,654
TCRS - Teacher Retirement	(2,736)	7,692	2,046	3,483
TCRS - KC BOE Hybrid with Cost Controls	(44)	762	-	208
	<u>(56,829)</u>	<u>75,358</u>	<u>6,582</u>	<u>27,526</u>
Totals	<u>\$ 117,633</u>	<u>\$ 126,986</u>	<u>\$ 10,321</u>	<u>\$ 62,296</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, 2024

NOTE VI. EMPLOYEE RETIREMENT PLANS (Continued)

F. Single-Employer Defined Contribution Plans (Continued)

Participant Loans – Defined Contribution Plans

The Asset Accumulation Plan and STAR Plan allows for loans to active participants. Loan eligibility requirements are:

- Actively employed
- Fully vested (Asset Accumulation Plan 5 years; STAR 10 years)
- 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

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, 2024, there were 3,801 active Plan members. During the year, the County's and Board's employer expense and member contributions amounted to \$13,164,611 and \$7,688,279 respectively.

At June 30, 2024, the Board reported a payable of \$445,822 for employer contributions or participant contributions.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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 made no matching contributions. Effective July 1, 2023, STAR participants were eligible to received matching contributions.

As of June 30, 2024, there were 956 active Plan members in the Knox County Voluntary 457(b) Plan. During the year, member contributions amounted to \$3,590,959 and the County and Board made employer contribution of \$2,406,394.

At June 30, 2024, the Board reported a payable of \$112,591 for employer contributions and participant contributions.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2022, 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.

At June 30, 2024, the STAR Plan had 408 active members. During the year employees contributed \$1,238,993 and the employer contributed \$151,487 after the use of forfeitures.

At June 30, 2024, the County did not report a payable for participant contributions nor employer contributions.

KNOX COUNTY, TENNESSEE
Notes to Financial Statements
June 30, 2024

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, 2024, there were 96 active participants. During the year participant contributions amounted to \$805,880.

At June 30, 2024, 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 and BOE Hybrid with Cost Controls Plan (see Note VI -D) require 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, 2024 there were 2,635 active participants in the Teacher Retirement Plan and 1,054 active participants in the Knox County BOE - Hybrid with Cost Controls Plan. During the year the Board employer contribution expense and participant contributions amounted to \$7,404,230 and \$3,967,270, respectively in the Teacher Retirement Plan; and \$1,518,535 and \$422,711, respectively in the hybrid plan.

At June 30, 2024, the Board did not report a payable for participant contributions nor employer contributions.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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 Ten Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total Pension Liability										
Service Cost	\$ 137	\$ 111	\$ 127	\$ 146	\$ 174	\$ 195	\$ 135	\$ 162	\$ 176	\$ 164
Interest	3,745	4,150	4,325	4,569	4,758	4,683	4,756	4,982	5,149	5,126
Differences between Expected and Actual Experience	(1,363)	(1,007)	(695)	(1,362)	(640)	(430)	906	(851)	(225)	447
Changes of Assumptions	4,762	1,219	287	(124)	(117)	3,768	452	-	-	2,214
Benefits Payment, including Refunds of Employee Contributions	(5,950)	(6,356)	(6,704)	(6,680)	(7,007)	(7,249)	(7,445)	(7,539)	(7,425)	(7,817)
Net Change in Total Pension Liability	1,331	(1,883)	(2,660)	(3,451)	(2,832)	967	(1,196)	(3,246)	(2,325)	134
Total Pension Liability - Beginning of Year *	<u>60,409</u>	<u>62,292</u>	<u>64,952</u>	<u>68,403</u>	<u>71,235</u>	<u>70,268</u>	<u>71,464</u>	<u>74,710</u>	<u>77,035</u>	<u>76,901</u>
Total Pension Liability - End of Year (a)	<u>\$ 61,740</u>	<u>\$ 60,409</u>	<u>\$ 62,292</u>	<u>\$ 64,952</u>	<u>\$ 68,403</u>	<u>\$ 71,235</u>	<u>\$ 70,268</u>	<u>\$ 71,464</u>	<u>\$ 74,710</u>	<u>\$ 77,035</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,327	\$ 3,005	\$ 3,220	\$ 3,536	\$ 3,623	\$ 3,160	\$ 3,044	\$ 3,119	\$ 3,160	\$ 2,695
Contributions - Employees	54	70	70	69	76	86	90	96	94	109
Net Investment Income (Loss)	4,099	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	(5,950)	(6,356)	(6,704)	(6,680)	(7,007)	(7,249)	(7,445)	(7,539)	(7,425)	(7,817)
Administrative Expenses	(101)	(114)	(114)	(134)	(161)	(138)	(219)	(187)	(229)	(355)
Transfers	(7)	(16)	(18)	(17)	(23)	339	(28)	(35)	(39)	(45)
Net Change in Plan Fiduciary Net Position	1,422	(736)	(7,959)	5,099	(3,377)	(1,494)	(904)	424	(4,858)	(4,119)
Plan Fiduciary Net Position, Beginning of Year	<u>33,373</u>	<u>34,109</u>	<u>42,068</u>	<u>36,969</u>	<u>40,346</u>	<u>41,840</u>	<u>42,744</u>	<u>42,320</u>	<u>47,178</u>	<u>51,297</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 34,795</u>	<u>\$ 33,373</u>	<u>\$ 34,109</u>	<u>\$ 42,068</u>	<u>\$ 36,969</u>	<u>\$ 40,346</u>	<u>\$ 41,840</u>	<u>\$ 42,744</u>	<u>\$ 42,320</u>	<u>\$ 47,178</u>
County's Net Pension Liability - Ending (a)-(b)	<u>\$ 26,945</u>	<u>\$ 27,036</u>	<u>\$ 28,183</u>	<u>\$ 22,884</u>	<u>\$ 31,434</u>	<u>\$ 30,889</u>	<u>\$ 28,428</u>	<u>\$ 28,720</u>	<u>\$ 32,390</u>	<u>\$ 29,857</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.36%	55.25%	54.76%	64.77%	54.05%	56.64%	59.54%	59.81%	56.65%	61.24%
Covered Payroll **	\$ 1,057	\$ 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	2549.41%	2246.37%	2252.39%	1973.55%	2501.88%	2091.52%	1793.24%	1717.81%	1659.59%	1465.01%

* 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, 2024

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 Ten Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total Pension Liability										
Service Cost	\$ 3,006	\$ 2,687	\$ 2,648	\$ 2,704	\$ 2,802	\$ 2,527	\$ 2,779	\$ 3,163	\$ 3,387	\$ 3,605
Interest	24,398	21,370	20,402	19,248	17,970	15,775	14,445	13,252	12,354	11,498
Differences between Expected and Actual Experience	9,057	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	(15,308)	(13,877)	(12,865)	(11,782)	(11,106)	(9,747)	(8,916)	(7,089)	(5,723)	(4,757)
Net Change in Total Pension Liability	21,153	43,644	24,340	16,505	18,048	30,672	11,893	18,319	13,730	12,915
Total Pension Liability - Beginning of Year *	353,063	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)	\$ 374,216	\$ 353,063	\$ 309,419	\$ 285,079	\$ 268,574	\$ 250,526	\$ 219,854	\$ 207,961	\$ 189,642	\$ 175,912
Plan Fiduciary Net Position										
Contributions - Employer	\$ 10,191	\$ 8,129	\$ 7,480	\$ 7,471	\$ 6,947	\$ 5,683	\$ 5,330	\$ 4,077	\$ 3,553	\$ 3,449
Contributions - Employees	1,022	1,137	1,269	1,158	1,249	1,306	1,351	1,579	1,620	1,654
Net Investment Income (Loss)	24,402	19,208	(28,418)	51,507	(1,661)	8,030	13,611	19,443	(214)	3,493
Benefits Paid, including Refunds of Employee Contributions	(15,308)	(13,877)	(12,865)	(11,782)	(11,106)	(9,747)	(8,916)	(7,089)	(5,723)	(4,757)
Administrative Expenses	(686)	(784)	(643)	(850)	(1,033)	(676)	(443)	(410)	(439)	(788)
Other	-	-	(10)	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	19,621	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	206,847	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)	\$ 226,468	\$ 206,847	\$ 193,034	\$ 226,221	\$ 178,717	\$ 184,321	\$ 179,725	\$ 168,792	\$ 151,192	\$ 152,395
County's Net Pension Liability - Ending (a)-(b)	\$ 147,748	\$ 146,216	\$ 116,385	\$ 58,858	\$ 89,857	\$ 66,205	\$ 40,129	\$ 39,169	\$ 38,450	\$ 23,517
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.52%	58.59%	62.39%	79.35%	66.54%	73.57%	81.75%	81.17%	79.72%	86.63%
Covered Payroll **	\$ 19,412	\$ 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	761.13%	724.11%	579.38%	278.27%	433.29%	291.25%	174.00%	160.16%	140.00%	80.62%

* 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, 2024

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 Ten Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plans	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total Pension Liability										
Interest	\$ 3,652	\$ 3,914	\$ 3,981	\$ 4,170	\$ 4,322	\$ 4,404	\$ 4,532	\$ 4,719	\$ 4,906	\$ 5,073
Differences between Expected and Actual Experience	217	96	1,164	(334)	117	(862)	(690)	(775)	(937)	(821)
Changes of Assumptions	4,628	594	362	(74)	(108)	1,809	891	-	-	-
Benefits Payment, including Refunds of Employee Contributions	(6,382)	(6,433)	(6,478)	(6,460)	(6,528)	(6,532)	(6,587)	(6,633)	(6,655)	(6,617)
Net Change in Total Pension Liability	2,115	(1,829)	(971)	(2,698)	(2,197)	(1,181)	(1,854)	(2,689)	(2,686)	(2,365)
Total Pension Liability - Beginning of Year *	57,251	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>\$ 59,366</u>	<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	\$ 1,500	\$ 1,200	\$ 1,200	\$ 1,200	\$ 754	\$ 475	\$ 552	\$ 727	\$ 832	\$ 1,134
Contributions - Employees	-	-	-	-	-	-	-	1	4	9
Net Investment Income (Loss)	4,735	3,812	(6,163)	12,283	87	2,670	4,813	6,814	(437)	1,733
Benefits Paid, including Refunds of Employee Contributions	(6,382)	(6,433)	(6,478)	(6,460)	(6,527)	(6,534)	(6,587)	(6,633)	(6,655)	(6,617)
Administrative Expenses	(122)	(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	(269)	(1,531)	(11,533)	6,895	(5,847)	(3,834)	(1,390)	737	(6,378)	(4,015)
Plan Fiduciary Net Position, Beginning of Year	41,544	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>\$ 41,275</u>	<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>\$ 18,091</u>	<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	69.53%	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	N/A

* 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, 2024

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 Ten Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

<u>Single-Employer Defined Benefit Plan</u>	<u>2024</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>
Actuarially Determined Contribution (ADC)	\$ 3,327	\$ 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>3,327</u>	<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>\$ -</u>	<u>\$ (3)</u>	<u>\$ (12)</u>	<u>\$ (7)</u>	<u>\$ (88)</u>	<u>\$ -</u>	<u>\$ (49)</u>	<u>\$ (35)</u>
Covered Payroll *	\$ 1,204	\$ 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	276.42%	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.

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	5.50% 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)
Mortality Table	Pre-retirement: Effective 1/1/2023: Pub-2010 Amount-Weighted Below-Median Mortality Table for retirees and contingent annuitants. Fully 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.
Disability Table	Effective 1/1/2023, Pub-2010 Amount-Weighted Disabled Mortality Table, Scale MP-2021

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Ten Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

Single-Employer Defined Benefit Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 10,191	\$ 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	10,191	8,129	7,481	7,471	6,947	5,683	5,330	4,077	3,553	3,449
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (115)</u>	<u>\$ (5)</u>	<u>\$ (8)</u>	<u>\$ (32)</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ (15)</u>
Covered Payroll *	\$ 20,192	\$ 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	50.47%	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	28 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.
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.
Disability Table	Scale MP-2021, 6 years beyond each Valuation Date. Effective 1/1/2023: Pub-2010 Amount-Weighted Disabled Mortality Table

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Ten Fiscal Years Ending June 30

(Dollar Amounts in Thousands)

<u>Single-Employer Defined Benefit Plan</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 722	\$ 445	\$ 563	\$ 820	\$ 754	\$ 475	\$ 552	\$ 727	\$ 832	\$ 1,134
Contributions in Relation to the Actuarially Determined Contribution	<u>1,500</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>754</u>	<u>475</u>	<u>552</u>	<u>727</u>	<u>832</u>	<u>1,134</u>
Contribution Deficiency (Excess)	<u>\$ (778)</u>	<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	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.

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	10 Years as of 1/1/2024
Asset Valuation Method	5-year smoothed subject to a 10% corridor around the market value of assets
Salary Increases	N/A
Cost of Living Increases	2.5% effective 1/1/2019
Investment Rate of Return	5.50% effective 1/1/2024.
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
Disabled Mortality:	N/A

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Ten Fiscal Years Ending June 30

Single-Employer Defined Benefit Plans	<u>2024</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>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>12.41%</u>	<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 Ten Fiscal Years Ending June 30

Single-Employer Defined Benefit Plans	<u>2024</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>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>11.87%</u>	<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 Ten Fiscal Years Ending June 30

Single-Employer Defined Benefit Plans	<u>2024</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>
Annual Money-Weight Rate of Return (Loss), Net of Investment Expenses	<u>11.88%</u>	<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>

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

**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 Ten Fiscal Years Ending June 30*

Agent Multiple-Employer Defined Benefit Plan - TCRS	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Total Pension Liability										
Service Cost	\$ 72,783	\$ 84,010	\$ 39,827	\$ 38,528	\$ 50,511	\$ 54,971	\$ 34,497	\$ 45,891	\$ 38,325	\$ 52,980
Interest	252,457	224,953	222,574	206,145	194,228	201,571	170,637	157,436	142,449	134,723
Differences between Expected and Actual Experience	129,462	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	(158,705)	(118,064)	(102,162)	(98,359)	(84,001)	(82,602)	(81,204)	(80,538)	(79,872)	(78,871)
Net Change in Total Pension Liability	295,997	439,017	226,414	227,211	183,531	(96,116)	485,355	187,733	192,594	118,177
Total Pension Liability - Beginning of Year	3,746,672	3,307,655	3,081,241	2,854,030	2,670,499	2,766,615	2,281,260	2,093,527	1,900,933	1,782,756
Total Pension Liability - End of Year (a)	\$4,042,669	\$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	\$ 28,000	\$ 114,213	\$ 111,107	\$ 108,511	\$ 131,794	\$ 130,224	\$ 121,769	\$ 105,298	\$ 102,177	\$ 90,961
Contributions - Employees	58,091	61,804	60,319	58,909	57,754	57,166	56,063	48,435	47,000	42,505
Net Investment Income	271,490	(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	(158,705)	(118,064)	(102,162)	(98,359)	(84,001)	(82,602)	(81,204)	(80,538)	(79,872)	(78,871)
Administrative Expenses	(735)	(691)	(626)	(620)	(642)	(665)	(581)	(454)	(305)	(313)
Net Change in Plan Fiduciary Net Position	198,141	(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	4,075,576	4,179,294	3,260,656	3,039,743	2,727,820	2,418,617	2,081,294	1,955,717	1,829,313	1,518,756
Plan Fiduciary Net Position, End of Year (b)	\$4,273,717	\$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)	\$ (231,048)	\$ (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	105.72%	108.78%	126.35%	105.82%	106.51%	102.15%	87.42%	91.23%	93.42%	96.23%
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
Net Pension Liability (asset) as a Percentage of Covered Payroll	-19.89%	-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).

Change of Assumptions: In 2022, 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, 2024

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

Agent Multiple-Employer Defined Benefit Plan - TCRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 28,601	\$ 28,000	\$ 114,213	\$ 111,106	\$ 108,511	\$ 131,795	\$ 130,224	\$ 121,769	\$ 105,298	\$ 102,177
Contributions in Relation to the Actuarially Determined Contribution	<u>28,601</u>	<u>28,000</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>
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	\$1,186,769	\$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
Contributions as a Percentage of Covered Payroll	2.41%	2.41%	9.24%	9.21%	9.21%	11.41%	11.39%	10.86%	10.87%	10.87%

Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2024 were based on the results of the June 30, 2022 actuarial valuation. Details below are the methods and assumptions used in the June 30, 2022 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 4.00%
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 an adjustment for some anticipated improvement.
Cost of Living Adjustments	2.125%, if provided

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

**SCHEDULE OF CHANGES IN KNOX COUNTY - BOE HYBRID WITH COST CONTROLS NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN OF TCRS**

Last Ten Fiscal Years Ending June 30*

<u>Agent Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2024*</u>
Total Pension Liability	
Service Cost	\$ 713,205
Interest	-
Differences between Expected and Actual Experience	-
Change of Assumptions	-
Benefits Payment, including Refunds of Employee Contributions	<u>(1,780)</u>
Net Change in Total Pension Liability	711,425
Total Pension Liability - Beginning of Year	-
Total Pension Liability - End of Year (a)	<u>\$ 711,425</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 252,129
Contributions - Employees	508,326
Net Investment Income	24,577
Benefits Paid, including Refunds of Employee Contributions	(1,780)
Administrative Expenses	<u>(27,420)</u>
Net Change in Plan Fiduciary Net Position	755,832
Plan Fiduciary Net Position, Beginning of Year	-
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 755,832</u>
Net Pension Liability (asset) - Ending (a)-(b)	<u>\$ (44,407)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.24%
Covered Payroll	\$ 10,168,779
Net Pension Liability (asset) as a Percentage of Covered Payroll	-0.44%

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.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

**SCHEDULE OF KNOX COUNTY - BOE HYBRID WITH COST CONTROLS EMPLOYER CONTRIBUTIONS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS**

Last Ten Fiscal Years Ending June 30

<u>Agent Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2024</u>	<u>2023</u>
Actuarially Determined Contribution (ADC)	\$ 762,138	\$ 252,129
Contributions in Relation to the Actuarially Determined Contribution	<u>762,138</u>	<u>252,129</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 30,497,354	\$ 10,168,779
Contributions as a Percentage of Covered Payroll	2.50%	2.48%
Stabilization Reserve Trust Deposits as a Percentage of Knox County School's Covered Payroll	1.50%	1.52%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Valuation Date: Actuarially determined contribution rates for the year ended June 30, 2024 were based on the results of the June 30, 2022 actuarial valuation. Details below are the methods and assumptions used in the June 30, 2022 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 4.00%
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 an adjustment for some anticipated improvement.
Cost of Living Adjustments	2.125%, if provided

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Ten Fiscal Years Ending June 30*

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2024*</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)	6.12%	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)	\$ (72,140,084)	\$ (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	\$ 199,947,010	\$ 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	(36.08%)	(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	104.11%	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).

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 modified mortality assumptions.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Ten Fiscal Years Ending June 30

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	2024	2023	2022(A)	2021	2020	2019	2018 (B)	2017	2016	2015
Contractually Required Contribution	\$ 13,635,870	\$ 17,254,933	\$ 20,659,472	\$ 20,245,288	\$ 21,374,430	\$ 19,342,206	\$ 21,984,186	\$ 19,490,507	\$ 20,262,260	\$ 21,188,757
Contributions in Relation to the Contractually Required Contribution	<u>13,635,870</u>	<u>17,254,933</u>	<u>20,659,472</u>	<u>20,245,288</u>	<u>21,374,430</u>	<u>19,342,206</u>	<u>21,984,186</u>	<u>19,490,507</u>	<u>20,262,260</u>	<u>21,188,757</u>
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	\$ 200,922,647	\$ 199,947,010	\$ 200,671,687	\$ 197,102,415	\$ 200,768,986	\$ 184,915,833	\$ 242,116,434	\$ 216,664,053	\$ 224,140,267	\$ 234,393,501
Contributions as a Percentage of Knox County School's Covered Payroll	6.79%	8.63%	10.30%	10.27%	10.65%	10.46%	9.08%	9.00%	9.04%	9.04%

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, 2024

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

Last Nine Fiscal Year Ending June 30*

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	<u>2024*</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)	6.45%	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)	\$ (2,735,630)	\$ (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	\$128,323,925	\$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	-2.13%	-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	104.97%	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, 2024

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

Last Ten Fiscal Years Ending June 30

<u>Cost Sharing Multiple-Employer Defined Benefit Plan - TCRS</u>	2024	2023	2022	2021	2020	2019 (A)	2018 (B)	2017	2016	2015
Contractually Required Contribution	\$ 4,363,204	\$ 3,682,844	\$ 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	4,363,204	3,682,844	2,148,542	1,881,559	1,622,856	1,171,936	2,443,004	1,637,711	1,130,975	579,452
Contribution Deficiency (Excess)	<u>\$ -</u>	<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	\$147,904,511	\$128,323,925	\$ 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	2.95%	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	1.01%	1.16%	2.01%	1.98%	1.98%	2.06%	-	-	-	-

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, 2024

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

Last Seven Fiscal Years

(Dollar Amounts in Thousands)

<u>OPEB - Retiree Healthcare Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Total OPEB Liability							
Service Cost	\$ 290	\$ 381	\$ 372	\$ 390	\$ 350	\$ 470	\$ 394
Interest	438	505	479	504	485	647	615
Differences between Expected and Actual Experience	(2,838)	-	(747)	-	(1,764)	-	77
Changes in Benefit Terms	362	-	-	-	-	-	-
Changes of Assumptions	545	(644)	73	269	(1,371)	(361)	923
Benefits Payment, including Refunds of Employee Contributions	(370)	(476)	(359)	(374)	(290)	(395)	(359)
Net Change in Total OPEB Liability	(1,573)	(234)	(182)	789	(2,590)	361	1,650
Total OPEB Liability - Beginning of Year	8,365	8,599	8,781	7,992	10,582	10,221	8,571
Total OPEB Liability - End of Year (a)	<u>\$ 6,792</u>	<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	\$ 609	\$ 601	\$ 666	\$ 524	\$ 960	\$ 960	\$ 850
Contributions - Employer Non Trust	370	476	359	374	290	395	359
Benefit Payments	(370)	(476)	(359)	(374)	(290)	(395)	(359)
Net Investment Income	788	518	(792)	1,192	60	65	106
Administrative Expense	(71)	(68)	(63)	(67)	(52)	(59)	(49)
Net Change in Plan Fiduciary Net Position	1,326	1,051	(189)	1,649	968	966	907
Plan Fiduciary Net Position, Beginning of Year*	6,624	5,573	5,762	4,113	3,145	2,179	1,272
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 7,950</u>	<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>\$ (1,158)</u>	<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	117.05%	79.19%	64.81%	65.62%	51.47%	29.72%	21.32%
Covered Employee Payroll **	\$ 106,547	\$ 110,276	\$ 106,547	\$ 114,623	\$ 110,747	\$ 105,467	\$ 101,900
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	-1.09%	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 used 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, 6.70% for 2023 and 2024.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Seven Fiscal Years

(Dollar Amounts in Thousands)

<u>OPEB - Retiree Healthcare Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Actuarially Determined Contribution (ADC)	\$ 325	\$ 597	\$ 531	\$ 648	\$ 674	\$ 960	\$ 874
Contributions in Relation to the Actuarially Determined Contribution	<u>979</u>	<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>\$ (654)</u>	<u>\$ (479)</u>	<u>\$ (494)</u>	<u>\$ (250)</u>	<u>\$ (576)</u>	<u>\$ (395)</u>	<u>\$ (335)</u>
Covered Employee Payroll*	\$ 106,547	\$ 110,276	\$ 106,547	\$ 114,623	\$ 110,747	\$ 105,467	\$ 101,900
Contributions as a Percentage of Covered Employee Payroll	0.92%	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, 2022

Measurement Date: June 30, 2024

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	24 Years
Asset Valuation	Fair Value
Inflation	2.00%
Healthcare Trend Rates	8.0% initially, decreasing to an ultimate rate of 4.5% in 2030
Salary Increases	3.50%
Payroll Growth	2.50%
Investment Rate of Return	5.77%
Average Assumed Retirement Age	58
Mortality Table	PUB-2010 headcount-weighted total dataset table with Scale MP-2021

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018(A)
Annual Money-Weighted Rate of Return (Loss),							
Net of Investment Expenses	10.79%	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, 2024

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

Last Seven Fiscal Years

(Dollar Amounts in Thousands)

<u>OPEB - Disability Plan</u>	2024	2023	2022	2021	2020	2019	2018 (A)
Total OPEB Liability							
Service Cost	\$ 244	\$ 251	\$ 247	\$ 240	\$ 238	\$ 230	\$ 315
Interest	219	260	243	243	265	252	209
Differences between Expected and Actual Experience	417	114	317	(32)	(420)	(36)	1,053
Changes of Assumptions	8	(359)	-	2	(3)	24	(618)
Benefits Payment, including Refunds of Employee Contributions	(615)	(584)	(545)	(406)	(328)	(281)	(247)
Net Change in Total OPEB Liability	273	(318)	262	47	(248)	189	712
Total OPEB Liability - Beginning of Year	3,434	3,752	3,490	3,443	3,691	3,502	2,790
Total OPEB Liability - End of Year (a)	<u>\$ 3,707</u>	<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	\$ 1,275	\$ 430	\$ 3,126	\$ 1,199	\$ 1,228	\$ 1,422	\$ 1,166
Net Investment Income	358	200	(476)	474	11	(13)	165
Other	18	27	-	(14)	(11)	(41)	(13)
Benefit Payments	(614)	(584)	(545)	(406)	(328)	(281)	(247)
Administrative Expense	(627)	(711)	(931)	(606)	(960)	(907)	(1,351)
Net Change in Plan Fiduciary Net Position	410	(638)	1,174	647	(60)	180	(280)
Plan Fiduciary Net Position, Beginning of Year*	2,294	2,932	1,758	1,111	1,171	991	1,271
Plan Fiduciary Net Position, End of Year (b)	<u>\$ 2,704</u>	<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>\$ 1,003</u>	<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	72.94%	66.80%	78.14%	50.37%	32.27%	31.73%	28.30%
Covered Employee Payroll **	\$ 200,835	\$ 192,174	\$ 189,451	\$ 183,771	\$ 181,072	\$ 178,757	\$ 170,264
County's Net OPEB Liability as a Percentage of Covered Employee Payroll	0.50%	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, 2024

OPEB - DISABILITY PLAN
SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS

Last Seven Fiscal Years

(Dollar Amounts in Thousands)

OPEB - Disability Plan	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (A)</u>
Actuarially Determined Contribution (ADC)	\$ 1,275	\$ 430	\$ 528	\$ 556	\$ 579	\$ 503	\$ 453
Contributions in Relation to the Actuarially Determined Contribution	<u>1,275</u>	<u>430</u>	<u>3,082</u>	<u>1,199</u>	<u>1,228</u>	<u>1,422</u>	<u>1,166</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,554)</u>	<u>\$ (643)</u>	<u>\$ (649)</u>	<u>\$ (919)</u>	<u>\$ (713)</u>
Covered Employee Payroll*	\$ 192,174	\$ 189,451	\$ 183,771	\$ 181,072	\$ 178,757	\$ 170,264	\$ 162,813
Contributions as a Percentage of Covered Employee Payroll	0.66%	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, 2024

Measurement Date: June 30, 2024

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: 4.00% for STAR, and Closed DB active non-contributing, 2.50% for Closed DB active contributing. Effective 1/1/2024: 3.00% for UOPP (prior year 4.00%)
Cost of Living Increase	None
Investment Rate of Return	6.5% effective 1/1/2023
Retirement Age	Closed DB Plan - Varies by age and service Asset Accumulation - Varies by age and 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
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 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
Required Supplementary Information
June 30, 2024

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

Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018(A)
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expenses	12.72%	8.02%	-16.57%	29.16%	0.87%	0.15%	11.89%

Note:

(A) FY 2018 was the first year that GASB 75 was adopted. Additional years will be added in the future until 10 years of information is available.

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Seven Fiscal Years

(Dollar Amounts in Thousands)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 3,425	\$ 4,399	\$ 3,186	\$ 2,541	\$ 2,632	\$ 2,949	\$ 3,172
Interest	2,495	1,595	1,330	1,626	1,630	1,838	1,538
Differences between Expected and Actual Experience	(1,350)	2,371	(433)	6,018	3,746	(9,298)	-
Changes of Assumptions	5,071	(7,437)	11,800	6,205	(3,686)	1,405	(2,376)
Benefit Payments	(3,354)	(3,334)	(3,521)	(2,818)	(3,065)	(3,277)	(3,078)
Net Change in Total OPEB Liability	6,287	(2,406)	12,362	13,572	1,257	(6,383)	(744)
Total OPEB Liability - Beginning	68,710	71,116	58,754	45,182	43,925	50,308	51,052
Total OPEB Liability - Ending	<u>\$ 74,997</u>	<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>\$ 28,882</u>	<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>\$ 46,115</u>	<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>\$ 200,923</u>	<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	22.95%	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, 3.65% as of 2024

KNOX COUNTY, TENNESSEE
Required Supplementary Information
June 30, 2024

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

Last Seven Fiscal Years

(Dollar Amounts in Thousands)

Closed Tennessee OPEB Plan

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 220	\$ 359	\$ 410	\$ 292	\$ 217	\$ 289	\$ 354
Interest	431	326	381	489	425	507	448
Differences between Expected and Actual Experience	(171)	(321)	74	84	1,782	(2,594)	-
Changes of Assumptions	(128)	(2,500)	(2,377)	2,943	232	(93)	(1,338)
Benefit Payments	(612)	(617)	(607)	(572)	(536)	(520)	(500)
Net Change in Total OPEB Liability	(260)	(2,753)	(2,119)	3,236	2,120	(2,411)	(1,036)
Total OPEB Liability - Beginning	12,275	15,028	17,147	13,911	11,791	14,202	15,238
Total OPEB Liability - Ending	<u>\$ 12,015</u>	<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>\$ 12,015</u>	<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>	<u>\$ -</u>
Covered Employee Payroll	<u>\$ 200,923</u>	<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%	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, 3.65% as of 2024

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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 28,188,120	\$ 5,569,793
Investments, at Fair Value	71,296,053	90,747,505
Receivables (Net of Allowances for Uncollectibles):		
Accounts	6,944,148	6,999,565
Local Taxes	135,846,935	135,173,631
Leases	1,653,964	1,806,750
Due from Other Funds	5,889,112	4,049,708
Inventories	222,539	356,240
Prepaid Items	382,063	208,213
Investments in Joint Venture	10,578,410	9,481,587
	<u>261,001,344</u>	<u>254,392,992</u>
TOTAL ASSETS	<u>\$ 261,001,344</u>	<u>\$ 254,392,992</u>
LIABILITIES		
Accounts Payable	\$ 8,783,062	\$ 7,254,230
Accrued Liabilities	3,212,724	2,811,506
Due to Other Funds	200,068	-
Unearned Revenue	442,899	429,329
	<u>12,638,753</u>	<u>10,495,065</u>
TOTAL LIABILITIES	<u>12,638,753</u>	<u>10,495,065</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes and Other Receivables	<u>134,462,580</u>	<u>133,645,545</u>
FUND BALANCES		
Nonspendable	11,183,012	10,046,040
Restricted	4,676,183	3,934,908
Committed	7,658,000	8,784,210
Assigned	1,385,575	2,502,599
Unassigned	88,997,241	84,984,625
	<u>113,900,011</u>	<u>110,252,382</u>
TOTAL FUND BALANCES	<u>113,900,011</u>	<u>110,252,382</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 261,001,344</u>	<u>\$ 254,392,992</u>

KNOX COUNTY, TENNESSEE

**General Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023**

	2024	2023
Revenues		
County Property Taxes	\$ 140,605,209	\$ 137,163,697
Local Option Sales Taxes	12,078,341	11,756,501
Business Taxes	16,553,839	15,755,440
Wheel Taxes	607,980	627,552
Other Local Taxes	2,063,758	2,117,563
Licenses and Permits	3,480,598	3,000,164
Fines, Forfeitures and Penalties	2,724,225	2,516,936
Charges for Current Services	9,869,769	9,594,349
Other Local Revenues	4,679,636	4,813,648
Investment Income	5,897,683	5,379,826
State of Tennessee	14,928,979	12,707,618
Federal Government	1,995,125	1,835,077
Other Governments and Citizen Groups	1,025,364	459,464
Increase in Equity Interest in Joint Venture	1,096,823	1,010,759
Total Revenues	<u>217,607,329</u>	<u>208,738,594</u>
Expenditures		
Current:		
General Government:		
Finance and Administration	33,676,302	30,656,329
Finance and Administration - Payments to Component Unit	2,500,000	2,500,000
Administration of Justice	24,297,943	22,007,307
Public Safety	105,787,579	94,607,365
Public Safety - Payments to Component Unit	1,166,603	1,166,603
Public Health and Welfare	21,867,092	20,348,489
Public Health and Welfare - Payments to Component Unit	166,628	166,628
Social and Cultural Services	7,403,409	7,273,673
Agricultural and Natural Resources	555,225	491,522
Other General Government	21,379,510	21,022,181
Debt Service:		
Principal	1,968,176	1,461,049
Interest	106,708	70,809
Total Expenditures	<u>220,875,175</u>	<u>201,771,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,267,846)</u>	<u>6,966,639</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	15,853,757	16,958,778
Transfers to Other Funds	(8,944,752)	(19,754,803)
Lease and Subscription Financing	6,470	4,889,935
Total Other Financing Sources	<u>6,915,475</u>	<u>2,093,910</u>
Net Change in Fund Balances	<u>3,647,629</u>	<u>9,060,549</u>
Fund Balances, July 1	<u>110,252,382</u>	<u>101,191,833</u>
Fund Balances, June 30	<u>\$ 113,900,011</u>	<u>\$ 110,252,382</u>

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, 2024 and 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 12,884,280	\$ 7,610,291
Investments, at Fair Value	34,795,139	32,758,417
Receivables (Net of Allowances for Uncollectibles):		
Accounts	7,999,055	5,115,886
Loans	50,000	75,000
Due from Other Funds	-	1,726,160
TOTAL ASSETS	\$ 55,728,474	\$ 47,285,754
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 11,579,255	\$ 8,640,156
Unearned Revenue	987,500	-
TOTAL LIABILITIES	12,566,755	8,640,156
 Fund Balances:		
Restricted	43,111,719	38,570,598
Committed	50,000	75,000
TOTAL FUND BALANCES	43,161,719	38,645,598
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 55,728,474	\$ 47,285,754

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Other Local Revenues	\$ 5,845,621	\$ 5,121,281
State of Tennessee	168,498	1,939,997
Federal Government	18,688,852	2,217,493
Other Governments and Citizen Groups	<u>1,213,319</u>	<u>975,632</u>
Total Revenues	<u>25,916,290</u>	<u>10,254,403</u>
Expenditures		
Capital Projects	49,524,648	39,152,924
Grant Expenditures	18,688,856	2,217,497
Payments to Component Unit	51,469,200	40,214,371
Debt Issuance Costs	805,783	443,145
Other	<u>5,965</u>	<u>4,507</u>
Total Expenditures	<u>120,494,452</u>	<u>82,032,444</u>
Deficiency of Revenues Under Expenditures	<u>(94,578,162)</u>	<u>(71,778,041)</u>
Other Financing Sources (Uses)		
Long-term Bonds Issued	95,250,000	70,000,000
Premium on Long-term Debt Issued	5,044,283	3,397,228
Transfers from Other Funds	2,400,000	13,774,176
Sale of Capital Asset	-	6,000,000
Transfers to Other Funds	<u>(3,600,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>99,094,283</u>	<u>93,171,404</u>
Net Change in Fund Balances	4,516,121	21,393,363
Fund Balances, July 1	<u>38,645,598</u>	<u>17,252,235</u>
Fund Balances, June 30	<u><u>\$ 43,161,719</u></u>	<u><u>\$ 38,645,598</u></u>

KNOX COUNTY, TENNESSEE

Public Improvement Capital Projects Fund (Major)

Schedule of Construction Project Expenditures-

Budget And Actual

For the Year Ended June 30, 2024

Project Budget	Expenditures and Transfers			Available	
	Prior Years	Current	Total		
Expenditures					
<i>Capital Projects:</i>					
<i>Road Construction:</i>					
Gibbs Pedestrian Bridge	\$ 1,224,242	\$ 62,718	\$ 56,174	\$ 118,892	\$ 1,105,349
Maritta Church Roundabout	1,060,653	38,348	281,709	320,056	740,596
Church Mill Roundabout	415,244	15,244	79,619	94,862	320,381
Bridge Replacement	10,781,783	9,272,157	549,355	9,821,512	960,271
Belltown-Smithbuilt	35,517	-	35,517	35,517	-
Everett/Watt LIC	3,000,000	900,000	5,000	905,000	2,095,000
Murphy Road Improvements	445,520	117,758	327,761	445,520	-
Solway/H. Valley Improvements	1,491,972	9,269	350,935	360,204	1,131,768
Beaver Ridge/Emory Road	633,000	-	113,455	113,455	519,545
General Road Improvements	15,167,300	2,575,235	37,641	2,612,876	12,554,424
State Road Projects	12,650,027	11,533,051	-	11,533,051	1,116,976
Traffic Equip. Modernization	550,000	41,574	129,206	170,779	379,221
Rutledge Pike & Roberts Road Sign	250,000	56,157	-	56,157	193,843
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	1,026,168	83,784	1,109,952	9,932
West Beaver Creek Relocation	1,917,600	172,530	938,384	1,110,914	806,686
Schaad Road Phase II	57,101,582	35,661,309	12,012,124	47,673,432	9,428,150
Brickyard w/Beaver Creek	3,969,678	958,162	3,011,516	3,969,678	-
TDOT Partnerships	4,121,976	1,406,395	284,408	1,690,803	2,431,172
Cherahala Extension	2,800,000	2,104,829	490,496	2,595,325	204,675
Campbell Station Rd Realignment	532,893	30,800	98,409	129,209	403,684
Harrell/Carpenter Intersection	1,642,205	886,857	755,348	1,642,205	-
Coward Mill Project	7,366,383	1,971,244	2,595,953	4,567,196	2,799,186
School Zone Crossing Enhancement	250,000	-	27,590	27,590	222,410
Bluegrass Elem Sidewalk Improv	600,000	17,490	96,612	114,102	485,898
Wescott BLVD RR Crossing	356,256	51,595	-	51,595	304,661
Middlebrook Pike Sidewalk Improv	183,636	33,635	-	33,635	150,001
Hickory Creek Roundabout	1,007,069	1,087,301	(80,232)	1,007,069	-
Ledgerwood Intersection Improvement	651,168	564,989	86,179	651,168	-
Midway Road	800,000	-	-	-	800,000
Total Road Construction	135,920,306	73,964,370	22,366,944	96,331,314	39,588,993
<i>Building Renovations:</i>					
TVA East Tower	25,780,719	24,221,623	1,521,222	25,742,845	37,874
TVA - Summerplace	17,910,099	15,436,957	1,499,212	16,936,169	973,931
County Clerk East Office	300,000	211,416	-	211,416	88,584
Teague Buildings-Homelessness	222,694	160,254	62,440	222,694	-
Juvenile Court/ Detention	16,586,665	15,932,257	91,614	16,023,871	562,794
Knox Central	3,136,465	2,940,963	44,544	2,985,507	150,958
Fairview Technical Center	240,500	204,086	-	204,086	36,414
EPW -New Facility	7,088,500	391,430	661,089	1,052,519	6,035,981
Medical Examiner Facility	10,000,000	-	284,894	284,894	9,715,106
City/County Improvement	22,572,039	21,113,954	1,426,000	22,539,954	32,085
Knox County Health Renovations	12,030,466	11,961,866	-	11,961,866	68,601
Old Courthouse Renovation	4,724,540	4,167,592	35,273	4,202,864	521,675
Jail Improvements	1,311,550	1,273,833	7,384	1,281,217	30,333
Family Justice Center	405,802	405,802	7,590	413,392	(7,590)
E-911 Center	332,018	257,018	-	257,018	75,000
Total Building Renovations	122,642,059	98,679,052	5,641,262	104,320,314	18,321,746
<i>Building Construction:</i>					
Burlington Branch Library	176,700	141,727	-	141,727	34,973
Lawson McGhee Library	1,782,242	1,776,707	-	1,776,707	5,535
Carter Branch Library	40,000	31,225	-	31,225	8,775
Senior Centers	341,800	148,733	10,862	159,595	182,205
Total Building Construction:	2,340,742	2,098,393	10,862	2,109,254	231,488

KNOX COUNTY, TENNESSEE

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

For the Year Ended June 30, 2024

	Project Budget	Expenditures and Transfers			Available
		Prior Years	Current	Total	
Expenditures					
<i>Other:</i>					
Park Concessions Renovations	106,055	10,113	46,682	56,795	49,260
Ball Field Maintenance	100,000	-	-	-	100,000
Replace/Repair Playground	85,341	-	-	-	85,341
Halls Greenway	178,959	15,063	91,778	106,841	72,118
Melton Hill Park	87,500	-	73,740	73,740	13,760
Harden Valley Comm Building	401,586	-	-	-	401,586
Parks Splash Pads	543,945	-	-	-	543,945
John Tarleton Fencing	82,500	71,651	10,849	82,500	-
Jim Luttrell	98,037	51,891	46,146	98,037	-
Mill Run Wetland	150,000	5,781	-	5,781	144,219
Plumb Creek Streambank	150,000	-	127,239	127,239	22,761
Permanent Stormwtr Comp Asst	250,000	-	74,239	74,239	175,761
Neighborhood Drainage	250,000	8,760	183,232	191,992	58,008
East TN Historical Renovations	542,300	521,248	-	521,248	21,052
Major Equipment - Three Ridges	305,500	204,036	98,871	302,907	2,593
Technology Upgrade - Libraries	1,250,000	832,303	11,920	844,223	405,777
PBA Project Management	6,528,799	6,470,029	41,477	6,511,506	17,293
Public Defender	391,000	123,150	-	123,150	267,850
Forensic Center Major Upgrade	20,000	15,300	-	15,300	4,700
Energy Management Project- Phase IIIC	15,000,000	3,617,808	10,396,730	14,014,538	985,462
Major Equipment - Engineering & Public Works	4,621,312	3,883,878	686,550	4,570,429	50,883
Major Equipment - Information Technology	3,138,812	2,440,838	422,137	2,862,975	275,837
Major Equipment - Sheriff's Department	25,713,203	20,642,949	4,539,156	25,182,105	531,098
Major Equipment - Parks & Recreation	1,420,696	1,220,664	69,529	1,290,193	130,503
Major Equipment - Public Library	633,641	578,204	-	578,204	55,437
Major Equipment - Solid Waste	865,512	749,833	4,685	754,518	110,994
Major Equipment - Juvenile Court	151,000	129,084	-	129,084	21,916
Bluegrass Lake Flood Mitigation	874,190	-	82,297	82,297	791,893
Adv. Knox Infrastructure	300,000	-	3,898	3,898	296,102
Sanitary Retrofit For Conv Center	50,000	38,793	11,207	50,000	-
Stormwater Management	15,855,734	15,427,244	73,171	15,500,415	355,319
Watershed Planning	2,076,208	-	-	-	2,076,208
Cedar Bluff Flood Mitigation	2,495,430	1,374,181	123,602	1,497,783	997,647
Tazewell Pike Convenience Center	1,343,493	1,112,576	93,019	1,205,595	137,898
Karns Convenience Center	3,988,170	3,687,000	17,149	3,704,149	284,021
Sidewalk Construction	1,819,509	850,773	249,968	1,100,741	718,768
Dutchtown Conv. Center Expansion	18,713	-	18,713	18,713	-
Video Court - Sheriff	1,599,215	1,314,969	-	1,314,969	284,246
Wheeler Impound Lot	1,400,000	-	1,400,000	1,400,000	-
Facility Improvements	1,161,541	1,101,546	46,973	1,148,520	13,021
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	178,540	-	178,540	8,326
Public Access to Beaver Creek	50,000	12,466	-	12,466	37,534
Wayland Turn Lane	13,328	-	13,328	13,328	-
Interagency Partnerships	2,327,326	931,440	885,641	1,817,082	510,244
Major Equipment - Property Assess	193,000	187,752	-	187,752	5,248
Major Equipment - Attorney General	45,000	43,789	-	43,789	1,211
Major Equipment - Attourney General	131,750	33,958	26,056	60,013	71,737
General Project Management	800,000	-	-	-	800,000
IT Dept Upgrades	801,218	801,113	-	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	209,354	821,387	1,030,740	469,260
Tipton Station Sidewalk Connection	200,000	29,069	11,725	40,794	159,206
Hardin Valley Sidewalk Connect	383,089	80,601	302,487	383,089	-
COV CTRS - Waste Container	1,053,242	653,242	400,000	1,053,242	-
<i>Total Other:</i>	<i>104,448,263</i>	<i>69,889,789</i>	<i>21,505,581</i>	<i>91,395,371</i>	<i>13,052,892</i>
<i>Total Capital Projects</i>	<i>365,351,370</i>	<i>244,631,605</i>	<i>49,524,648</i>	<i>294,156,252</i>	<i>71,195,118</i>
<i>Grant Expenditures:</i>					
Water/Sewer KUB MBW	10,378,840	-	8,881,340	8,881,340	1,497,500
Wat/Sewer FirstUD Turkey Creek	4,260,000	-	1,846,530	1,846,530	2,413,470
Wat/Sewer FirstUD Pumps	5,800,000	-	101,050	101,050	5,698,950
Wat/Sewer KCUD Kimberlin Hts	1,983,500	-	1,983,500	1,983,500	-
Wat/Sewer KCUD J Sevier	500,000	-	-	-	500,000
Wat/Sewer KCUD Martinmill	1,261,500	-	136,000	136,000	1,125,500
Wat/Sewer KCUD Burnett	1,400,000	-	281,684	281,684	1,118,316
Wat/Sewer WKUD Beaver RDG	2,060,000	-	-	-	2,060,000
Wat/Sewer WKUD Schaad RD	5,000,000	-	55,325	55,325	4,944,675
Wat/Sewer WKUD Pellissippi	2,000,000	-	-	-	2,000,000
Wat/Sewer WKUD Schaad RD	1,000,000	-	15,555	15,555	984,445
Wat/Sewer HPUD Red/Brushy	666,900	-	663,138	663,138	3,762
Wat/Sewer HPUD Dry Gap	891,078	-	687,629	687,629	203,449
Wat/Sewer HPUD MH Basinupgrade	2,621,022	-	1,840,500	1,840,500	780,522
Wat/Sewer HPUD MH Pump	3,100,000	-	-	-	3,100,000
Wat/Sewer HPUD Rehab	2,781,000	-	212,030	212,030	2,568,970
Wat/Sewer NKUD Raw Water Int	1,400,000	-	-	-	1,400,000
Wat/Sewer NKUD Edmonson Lane	200,000	-	119,287	119,287	80,713
Wat/Sewer NKUD Emory RD	1,290,000	-	423,882	423,882	866,118
Wat/Sewer LCUD Foster RD	97,500	-	-	-	97,500
Wat/Sewer LCUD Emory RD	273,000	-	-	-	273,000
Wat/Sewer LCUD Water Meters	130,000	-	-	-	130,000
Wat/Sewer LCUD AC Line Replace	1,384,500	-	1,358,475	1,358,475	26,025
Water/Sewer Bluegrass Pump Stat	8,166,000	21,334	82,930	104,264	8,061,736
<i>Total Grant Expenditures</i>	<i>58,644,840</i>	<i>21,334</i>	<i>18,688,856</i>	<i>18,710,190</i>	<i>39,934,650</i>
<i>Total Capital Projects and Grant Expenditures</i>	<i>\$ 423,996,209</i>	<i>\$ 244,652,939</i>	<i>\$ 68,213,504</i>	<i>\$ 312,866,442</i>	<i>\$ 111,129,768</i>

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 26,016,530	\$ 16,357,859
Receivables (Net of Allowance for Uncollectibles):		
Property Taxes	80,653,997	72,142,713
Accounts	1,945,796	1,630,402
Prepaid Items	36,406	-
Advance to Other Entity	2,159,323	2,268,320
	<u>2,159,323</u>	<u>2,268,320</u>
TOTAL ASSETS	<u>\$ 110,812,052</u>	<u>\$ 92,399,294</u>
LIABILITIES		
Accounts Payable	<u>\$ 6,097</u>	<u>\$ 8,561</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes and Notes Receivable	<u>80,349,212</u>	<u>71,687,653</u>
FUND BALANCES		
Nonspendable	36,406	-
Restricted	10,809,438	5,388,988
Committed	<u>19,610,899</u>	<u>15,314,092</u>
TOTAL FUND BALANCES	<u>30,456,743</u>	<u>20,703,080</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 110,812,052</u>	<u>\$ 92,399,294</u>

KNOX COUNTY, TENNESSEE

Debt Service Fund (Major)
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Property Taxes	\$ 69,809,272	\$ 60,820,590
Investment Revenue	5,691,517	2,231,332
Other Local Revenues	1,651,966	1,336,572
Payments from Component Units	9,071,724	18,186,683
	<hr/>	<hr/>
Total Revenues	86,224,479	82,575,177
	<hr/>	<hr/>
Expenditures		
Debt Service:		
Trustee's Commission	1,412,930	1,231,746
Principal	46,875,133	45,353,729
Interest	26,883,538	24,974,774
Other Debt Service	1,299,215	10,895,136
	<hr/>	<hr/>
Total Expenditures	76,470,816	82,455,385
	<hr/>	<hr/>
Excess of Revenues Over Expenditures	9,753,663	119,792
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Transfers to Other Funds	-	(2,500,000)
	<hr/>	<hr/>
Net Change in Fund Balances	9,753,663	(2,380,208)
	<hr/>	<hr/>
Fund Balances, July 1	20,703,080	23,083,288
	<hr/>	<hr/>
Fund Balances, June 30	\$ 30,456,743	\$ 20,703,080
	<hr/> <hr/>	<hr/> <hr/>

KNOX COUNTY, TENNESSEE

Debt Service Fund (Major)
Comparative Schedules of Revenues, Expenditures
And Changes in Fund Balances - Budget And Actual
 For the Years Ended June 30, 2024 and 2023

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Property Taxes	\$ 68,362,320	\$ 68,475,320	\$ 69,809,272	\$ 1,333,952	\$ 58,456,000	\$ 60,820,590	\$ 2,364,590
Investment Revenue	-	-	5,691,517	5,691,517	-	2,231,332	2,231,332
Other Local Revenues	1,651,964	1,651,964	1,651,966	2	1,666,314	1,336,572	(329,742)
Payments from Component Units	9,071,724	9,071,724	9,071,724	-	18,186,683	18,186,683	-
Total Revenues	79,086,008	79,199,008	86,224,479	7,025,471	78,308,997	82,575,177	4,266,180
Expenditures							
Debt Service:							
Trustee's Commission	1,300,000	1,413,000	1,412,930	70	1,300,000	1,231,746	68,254
Principal	47,426,395	47,426,395	46,875,133	551,262	45,353,729	45,353,729	-
Interest	29,573,605	29,573,605	26,883,538	2,690,067	29,146,271	24,974,774	4,171,497
Other Debt Service	1,700,000	1,700,000	1,299,215	400,785	1,700,000	10,895,136	(9,195,136)
Total Expenditures	80,000,000	80,113,000	76,470,816	3,642,184	77,500,000	82,455,385	(4,955,385)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(913,992)	(913,992)	9,753,663	10,667,655	808,997	119,792	(689,205)
Other Financing Sources (Uses)							
Transfers to Other Funds	-	-	-	-	(2,500,000)	(2,500,000)	-
Net Change in Fund Balances	(913,992)	(913,992)	9,753,663	10,667,655	(1,691,003)	(2,380,208)	(689,205)
Fund Balances, July 1	20,703,080	20,703,080	20,703,080	-	23,083,288	23,083,288	-
Fund Balances, June 30	\$ 19,789,088	\$ 19,789,088	\$ 30,456,743	\$ 10,667,655	\$ 21,392,285	\$ 20,703,080	\$ (689,205)

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 63,952,334	\$ 84,692,595
Receivables (Net of Allowances for Uncollectibles):		
Accounts	11,998,023	6,031,901
Notes	619,745	640,714
Due from Other Funds	200,068	-
Inventories	129,897	139,642
Prepaid Items	3,108	4,324
	<u>76,903,175</u>	<u>91,509,176</u>
TOTAL ASSETS	<u>\$ 76,903,175</u>	<u>\$ 91,509,176</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 2,148,044	\$ 2,231,011
Accrued Liabilities	595,122	491,550
Due to Other Funds	117,671	1,726,160
Unearned Revenue	70,175,610	84,058,771
	<u>73,036,447</u>	<u>88,507,492</u>
TOTAL LIABILITIES	<u>73,036,447</u>	<u>88,507,492</u>
Fund Balances:		
Nonspendable	133,005	143,966
Restricted	3,733,723	2,857,718
	<u>3,866,728</u>	<u>3,001,684</u>
TOTAL FUND BALANCES	<u>3,866,728</u>	<u>3,001,684</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 76,903,175</u>	<u>\$ 91,509,176</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, 2024 and 2023

	2024	2023
Revenues		
Fines, Forfeitures, and Penalties	\$ 24,197	\$ 71,732
Charges for Current Services	474,150	511,683
Other Local Revenues	539,880	311,745
State of Tennessee	4,749,083	3,217,941
Federal Government	36,837,329	48,274,249
Other Governmental and Citizen Groups	217,627	131,472
Total Revenues	<u>42,842,266</u>	<u>52,518,822</u>
Expenditures		
Current:		
Finance and Administration	18,944,404	4,388,101
Administration of Justice	1,027,354	806,071
Public Safety	2,756,185	1,305,519
Public Health and Welfare	13,907,811	13,126,170
Social and Cultural Services	356,411	305,162
Other General Government	5,464,434	32,063,386
Engineering and Public Works	188,176	984,737
Debt Service:		
Principal	25,133	23,694
Interest	1,069	198
Total Expenditures	<u>42,670,977</u>	<u>53,003,038</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>171,289</u>	<u>(484,216)</u>
Other Financing Sources		
Transfers from Other Funds	553,902	684,034
Lease Financing	139,853	-
Total Other Financing Sources	<u>693,755</u>	<u>684,034</u>
Net Change in Fund Balances	865,044	199,818
Fund Balances, July 1	<u>3,001,684</u>	<u>2,801,866</u>
Fund Balances, June 30	<u>\$ 3,866,728</u>	<u>\$ 3,001,684</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, 2024

	Special Revenue Funds	ADA Construction Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 40,219,210	\$ 3,727,235	\$ 43,946,445
Receivables (Net of Allowance for Uncollectibles):			
Accounts	6,029,832	-	6,029,832
Taxes	1,735,713	-	1,735,713
Prepaid Items	944	-	944
TOTAL ASSETS	\$ 47,985,699	\$ 3,727,235	\$ 51,712,934
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 4,385,016	\$ 137,188	\$ 4,522,204
Accrued Liabilities	895,448	-	895,448
Due to Other Funds	5,771,441	-	5,771,441
TOTAL LIABILITIES	11,051,905	137,188	11,189,093
Fund Balances:			
Nonspendable	944	-	944
Restricted	11,776,690	-	11,776,690
Committed	16,644,155	3,590,047	20,234,202
Assigned	8,512,005	-	8,512,005
TOTAL FUND BALANCES	36,933,794	3,590,047	40,523,841
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,985,699	\$ 3,727,235	\$ 51,712,934

KNOX COUNTY, TENNESSEE

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds	ADA Construction Capital Project Fund	Total Nonmajor Governmental Funds
Revenues			
Local Option Sales Taxes	\$ 12,710,533	\$ -	\$ 12,710,533
Lodging Taxes	14,677,619	-	14,677,619
Wheel Taxes	13,491,153	-	13,491,153
Other Local Taxes	2,234,971	-	2,234,971
Fines, Forfeitures and Penalties	825,494	-	825,494
Charges for Current Services	40,920,799	-	40,920,799
Other Local Revenues	1,308,761	-	1,308,761
Investment Revenues	661,423	-	661,423
State of Tennessee	8,983,736	-	8,983,736
Federal Government	90,088	-	90,088
Other Governments and Citizen Groups	65,366	-	65,366
Total Revenues	95,969,943	-	95,969,943
Expenditures			
Current:			
Finance and Administration	10,077,344	-	10,077,344
Administration of Justice	9,374,716	-	9,374,716
Public Safety	598,765	-	598,765
Public Health and Welfare	4,811,752	-	4,811,752
Social and Cultural Services	15,268,450	-	15,268,450
Other General Government	11,257,775	-	11,257,775
Engineering and Public Works	23,141,179	-	23,141,179
Debt Service:			
Principal	308,636	-	308,636
Interest	19,300	-	19,300
Capital Projects	-	1,048,550	1,048,550
Total Expenditures	74,857,917	1,048,550	75,906,467
Excess (Deficiency) of Revenues Over Expenditures	21,112,026	(1,048,550)	20,063,476
Other Financing Sources (Uses)			
Transfers from Other Funds	4,021,500	3,600,000	7,621,500
Transfers to Other Funds	(18,248,757)	-	(18,248,757)
Total Other Financing Sources (Uses)	(14,227,257)	3,600,000	(10,627,257)
Net Change in Fund Balances	6,884,769	2,551,450	9,436,219
Fund Balances, July 1	30,049,025	1,038,597	31,087,622
Fund Balances, June 30	\$ 36,933,794	\$ 3,590,047	\$ 40,523,841

KNOX COUNTY, TENNESSEE

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2024

	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	\$ 14,283,446	\$ 52,960	\$ 1,849,878	\$ 1,104,323	\$ 7,777,221	\$ 4,795,673	\$ 10,355,709	\$ 40,219,210
Receivables (Net of Allowance for Uncollectibles):								
Accounts	-	2,399	1,136,879	263,502	2,627,428	5,950	1,993,674	6,029,832
Taxes	-	-	-	-	-	-	1,735,713	1,735,713
Prepaid Items	-	-	944	-	-	-	-	944
TOTAL ASSETS	\$ 14,283,446	\$ 55,359	\$ 2,987,701	\$ 1,367,825	\$ 10,404,649	\$ 4,801,623	\$ 14,085,096	\$ 47,985,699
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ 13,583	\$ 14,777	\$ 56,590	\$ 3,422,453	\$ 7,129	\$ 870,484	\$ 4,385,016
Accrued Liabilities	-	-	411,073	59,851	-	-	424,524	895,448
Due to Other Funds	5,771,441	-	-	-	-	-	-	5,771,441
TOTAL LIABILITIES	5,771,441	13,583	425,850	116,441	3,422,453	7,129	1,295,008	11,051,905
Fund Balances:								
Nonspendable	-	-	944	-	-	-	-	944
Restricted	-	-	-	-	6,982,196	4,794,494	-	11,776,690
Committed	-	41,776	2,560,907	1,251,384	-	-	12,790,088	16,644,155
Assigned	8,512,005	-	-	-	-	-	-	8,512,005
TOTAL FUND BALANCES	8,512,005	41,776	2,561,851	1,251,384	6,982,196	4,794,494	12,790,088	36,933,794
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,283,446	\$ 55,359	\$ 2,987,701	\$ 1,367,825	\$ 10,404,649	\$ 4,801,623	\$ 14,085,096	\$ 47,985,699

KNOX COUNTY, TENNESSEE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	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	\$ -	\$ -	\$ 10,110,533	\$ 12,710,533
Lodging Taxes	-	-	-	-	14,677,619	-	-	14,677,619
Wheel Taxes	-	-	12,576,931	-	-	-	914,222	13,491,153
Other Local Taxes	-	44,925	-	-	-	-	2,190,046	2,234,971
Fines, Forfeitures and Penalties	-	-	-	-	-	822,744	2,750	825,494
Charges for Current Services	37,042,904	28	189,039	-	-	-	3,688,828	40,920,799
Other Local Revenues	-	-	118,358	969,060	-	35,343	186,000	1,308,761
Investment Revenue	661,423	-	-	-	-	-	-	661,423
State of Tennessee	-	-	420,500	549,576	-	-	8,013,660	8,983,736
Federal Government	-	-	10,000	-	-	80,088	-	90,088
Other Governments and Citizen Groups	-	30,000	35,366	-	-	-	-	65,366
Total Revenues	37,704,327	74,953	13,350,194	4,118,636	14,677,619	938,175	25,106,039	95,969,943
Expenditures								
Current:								
Finance and Administration	10,077,344	-	-	-	-	-	-	10,077,344
Administration of Justice	9,303,251	71,465	-	-	-	-	-	9,374,716
Public Safety	-	-	-	-	-	598,765	-	598,765
Public Health and Welfare	-	-	-	4,811,752	-	-	-	4,811,752
Social and Cultural Services	-	-	15,268,450	-	-	-	-	15,268,450
Other General Government	-	-	-	-	11,257,775	-	-	11,257,775
Engineering and Public Works	-	-	-	-	-	-	23,141,179	23,141,179
Debt Service:								
Principal	-	1,329	4,169	18,332	-	-	284,806	308,636
Interest	-	58	630	5,669	-	-	12,943	19,300
Total Expenditures	19,380,595	72,852	15,273,249	4,835,753	11,257,775	598,765	23,438,928	74,857,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,323,732	2,101	(1,923,055)	(717,117)	3,419,844	339,410	1,667,111	21,112,026
Other Financing Sources (Uses)								
Transfers from Other Funds	-	-	1,820,000	701,500	-	-	1,500,000	4,021,500
Transfers to Other Funds	(15,853,757)	-	-	-	(1,820,000)	-	(575,000)	(18,248,757)
Total Other Financing Sources (Uses)	(15,853,757)	-	1,820,000	701,500	(1,820,000)	-	925,000	(14,227,257)
Net Change in Fund Balances	2,469,975	2,101	(103,055)	(15,617)	1,599,844	339,410	2,592,111	6,884,769
Fund Balances, July 1	6,042,030	39,675	2,664,906	1,267,001	5,382,352	4,455,084	10,197,977	30,049,025
Fund Balances, June 30	\$ 8,512,005	\$ 41,776	\$ 2,561,851	\$ 1,251,384	\$ 6,982,196	\$ 4,794,494	\$ 12,790,088	\$ 36,933,794

KNOX COUNTY, TENNESSEE

Constitutional Officers' Special Revenue Fund

Combining Balance Sheets

June 30, 2024

(With Comparative Totals for June 30, 2023)

	Trustee	County Clerk	Circuit and General Sessions Court Clerk	Criminal and Fourth Circuit Court Clerk	Clerk and Master	Register of Deeds	Totals	
							2024	2023
ASSETS								
Cash and Cash Equivalents	\$ 5,000,370	\$ 4,506,188	\$ 1,006,501	\$ 2,732,140	\$ 577,973	\$ 460,274	\$ 14,283,446	\$ 10,091,738
TOTAL ASSETS	\$ 5,000,370	\$ 4,506,188	\$ 1,006,501	\$ 2,732,140	\$ 577,973	\$ 460,274	\$ 14,283,446	\$ 10,091,738
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to Other Funds	\$ 3,569,969	\$ 2,201,472	\$ -	\$ -	\$ -	\$ -	\$ 5,771,441	\$ 4,049,708
TOTAL LIABILITIES	3,569,969	2,201,472	-	-	-	-	5,771,441	4,049,708
Fund Balances (Deficit):								
Assigned	1,430,401	2,304,716	1,006,501	2,732,140	577,973	460,274	8,512,005	6,042,030
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,000,370	\$ 4,506,188	\$ 1,006,501	\$ 2,732,140	\$ 577,973	\$ 460,274	\$ 14,283,446	\$ 10,091,738

KNOX COUNTY, TENNESSEE

Constitutional Officers' Special Revenue Fund
Combining Schedule of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Trustee	County Clerk	Circuit and General Sessions Court Clerk	Criminal and Fourth Circuit Court Clerk	Clerk and Master	Register of Deeds	Totals	
							2024	2023
Revenues								
Charges for Services	\$ 14,393,947	\$ 9,229,156	\$ 1,935,310	\$ 6,790,190	\$ 1,760,801	\$ 2,933,500	\$ 37,042,904	\$ 33,124,592
Investment Revenue	1,054	517,605	-	-	144	142,620	661,423	436,898
Total Revenues	14,395,001	9,746,761	1,935,310	6,790,190	1,760,945	3,076,120	37,704,327	33,561,490
Expenditures								
Current:								
Finance and Administration	2,882,337	4,979,087	-	-	-	2,215,920	10,077,344	10,040,420
Administration of Justice	-	-	1,850,353	5,842,626	1,610,272	-	9,303,251	7,432,593
Total Expenditures	2,882,337	4,979,087	1,850,353	5,842,626	1,610,272	2,215,920	19,380,595	17,473,013
Excess of Revenues Over Expenditures	11,512,664	4,767,674	84,957	947,564	150,673	860,200	18,323,732	16,088,477
Other Financing Uses								
Transfers to Other Funds	(8,947,307)	(4,548,660)	(40,000)	(1,320,000)	(137,590)	(860,200)	(15,853,757)	(16,658,779)
Net Change in Fund Balances	2,565,357	219,014	44,957	(372,436)	13,083	-	2,469,975	(570,302)
Fund Balances, July 1	(1,134,956)	2,085,702	961,544	3,104,576	564,890	460,274	6,042,030	6,612,332
Fund Balances, June 30	\$ 1,430,401	\$ 2,304,716	\$ 1,006,501	\$ 2,732,140	\$ 577,973	\$ 460,274	\$ 8,512,005	\$ 6,042,030

KNOX COUNTY, TENNESSEE

**Governmental Library Fund
Comparative Balance Sheets**

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 52,960	\$ 40,186
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>2,399</u>	<u>2,828</u>
TOTAL ASSETS	<u>\$ 55,359</u>	<u>\$ 43,014</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 13,583</u>	<u>\$ 3,339</u>
TOTAL LIABILITIES	<u>13,583</u>	<u>3,339</u>
Fund Balances:		
Committed	<u>41,776</u>	<u>39,675</u>
TOTAL FUND BALANCES	<u>41,776</u>	<u>39,675</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 55,359</u>	<u>\$ 43,014</u>

KNOX COUNTY, TENNESSEE

**Governmental Library Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenues		
Litigation Tax	\$ 44,925	\$ 45,974
Charges for Current Services	28	44
Other Governments and Citizens Groups	<u>30,000</u>	<u>30,000</u>
Total Revenues	<u>74,953</u>	<u>76,018</u>
Expenditures		
Current:		
General Government:		
Administration of Justice	71,465	115,104
Debt Service:		
Principal	1,329	1,313
Interest	<u>58</u>	<u>75</u>
Total Expenditures	<u>72,852</u>	<u>116,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,101</u>	<u>(40,474)</u>
Other Financing Sources		
Transfers from Other Funds	<u>-</u>	<u>35,000</u>
Total Other Financing Sources	<u>-</u>	<u>35,000</u>
Net Change in Fund Balances	2,101	(5,474)
Fund Balances, July 1	<u>39,675</u>	<u>45,149</u>
Fund Balances, June 30	<u>\$ 41,776</u>	<u>\$ 39,675</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, 2024 and 2023**

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Litigation Tax	\$ 40,750	\$ 40,750	\$ 44,925	\$ 4,175	\$ 43,650	\$ 45,974	\$ 2,324
Charges for Current Services	-	-	28	28	2,000	44	(1,956)
Other Governments and Citizens Groups	30,000	30,000	30,000	-	30,000	30,000	-
Total Revenues	70,750	70,750	74,953	4,203	75,650	76,018	368
Expenditures							
Current:							
General Government:							
Administration of Justice:							
Personal Services	19,746	7,863	-	7,863	17,282	17,273	9
Employee Benefits	18,755	18,755	-	18,755	6,989	5,231	1,758
Contracted Services	5,650	5,650	4,527	1,123	5,925	5,216	709
Supplies and Materials	72,800	72,800	55,281	17,519	86,850	86,835	15
Other Charges	1,650	2,483	2,008	475	2,530	1,937	593
Capital Outlay	-	11,050	11,036	14	-	-	-
Total Expenditures	118,601	118,601	72,852	45,749	119,576	116,492	3,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,851)	(47,851)	2,101	49,952	(43,926)	(40,474)	3,452
Other Financing Sources							
Transfers from Other Funds	35,000	35,000	-	(35,000)	35,000	35,000	-
Net Change in Fund Balances	(12,851)	(12,851)	2,101	14,952	(8,926)	(5,474)	3,452
Fund Balances, July 1	39,675	39,675	39,675	-	45,149	45,149	-
Fund Balances, June 30	\$ 26,824	\$ 26,824	\$ 41,776	\$ 14,952	\$ 36,223	\$ 39,675	\$ 3,452

KNOX COUNTY, TENNESSEE

Public Library Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,849,878	\$ 1,710,741
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	1,136,879	1,338,808
Prepaid Items	<u>944</u>	<u>15,330</u>
TOTAL ASSETS	<u><u>\$ 2,987,701</u></u>	<u><u>\$ 3,064,879</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 14,777	\$ 11,271
Accrued Liabilities	<u>411,073</u>	<u>388,702</u>
TOTAL LIABILITIES	<u>425,850</u>	<u>399,973</u>
Fund Balances:		
Nonspendable	944	15,330
Committed	<u>2,560,907</u>	<u>2,649,576</u>
TOTAL FUND BALANCES	<u>2,561,851</u>	<u>2,664,906</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,987,701</u></u>	<u><u>\$ 3,064,879</u></u>

KNOX COUNTY, TENNESSEE

Public Library Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Wheel Taxes	\$ 12,576,931	\$ 12,981,811
Charges for Current Services	189,039	179,112
Other Local Revenues	118,358	156,434
State of Tennessee	420,500	632,235
Federal Government	10,000	10,000
Other Governments and Citizens Groups	35,366	105,704
Total Revenues	<u>13,350,194</u>	<u>14,065,296</u>
Expenditures		
Current:		
General Government:		
Social and Cultural Services	15,268,450	14,894,163
Debt Service:		
Principal	4,169	4,101
Interest	630	699
Total Expenditures	<u>15,273,249</u>	<u>14,898,963</u>
Deficiency of Revenues Under Expenditures	<u>(1,923,055)</u>	<u>(833,667)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	1,820,000	1,600,000
Transfers to Other Funds	-	(300,000)
Total Other Financing Sources (Uses)	<u>1,820,000</u>	<u>1,300,000</u>
Net Change in Fund Balances	(103,055)	466,333
Fund Balances, July 1	<u>2,664,906</u>	<u>2,198,573</u>
Fund Balances, June 30	<u>\$ 2,561,851</u>	<u>\$ 2,664,906</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, 2024 and 2023**

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Wheel Taxes	\$ 12,500,000	\$ 12,500,000	\$ 12,576,931	\$ 76,931	\$ 12,625,000	\$ 12,981,811	\$ 356,811
Charges for Current Services	150,000	150,000	189,039	39,039	100,000	179,112	79,112
Other Local Revenues	139,000	139,000	118,358	(20,642)	141,000	156,434	15,434
State of Tennessee	420,500	420,500	420,500	-	632,235	632,235	-
Federal Government	10,000	10,000	10,000	-	10,000	10,000	-
Other Governments and Citizens Groups	-	-	35,366	35,366	-	105,704	105,704
Total Revenues	13,219,500	13,219,500	13,350,194	130,694	13,508,235	14,065,296	557,061
Expenditures							
Current:							
General Government:							
Social and Cultural Services:							
Personal Services	8,449,220	8,369,390	8,357,599	11,791	7,996,222	7,989,878	6,344
Employee Benefits	2,447,246	2,447,246	2,369,167	78,079	2,359,192	2,289,347	69,845
Contracted Services	1,280,185	1,282,966	1,175,678	107,288	1,312,238	1,163,249	148,989
Supplies and Materials	2,229,800	2,264,335	2,244,511	19,824	2,454,750	2,378,587	76,163
Other Charges	896,849	975,179	956,612	18,567	920,949	917,456	3,493
Capital Outlay	-	220,000	169,682	50,318	160,500	160,446	54
Total Expenditures	15,303,300	15,559,116	15,273,249	285,867	15,203,851	14,898,963	304,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,083,800)	(2,339,616)	(1,923,055)	416,561	(1,695,616)	(833,667)	861,949
Other Financing Sources (Uses)							
Transfers from Other Funds	1,820,000	1,820,000	1,820,000	-	1,600,000	1,600,000	-
Transfers to Other Funds	-	-	-	-	(300,000)	(300,000)	-
Total Other Financing Sources	1,820,000	1,820,000	1,820,000	-	1,300,000	1,300,000	-
Net Change in Fund Balances	(263,800)	(519,616)	(103,055)	416,561	(395,616)	466,333	861,949
Fund Balances, July 1	2,664,906	2,664,906	2,664,906	-	2,198,573	2,198,573	-
Fund Balances, June 30	\$ 2,401,106	\$ 2,145,290	\$ 2,561,851	\$ 416,561	\$ 1,802,957	\$ 2,664,906	\$ 861,949

KNOX COUNTY, TENNESSEE

Solid Waste Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,104,323	\$ 1,165,039
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>263,502</u>	<u>232,750</u>
TOTAL ASSETS	<u>\$ 1,367,825</u>	<u>\$ 1,397,789</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 56,590	\$ 80,604
Accrued Liabilities	<u>59,851</u>	<u>50,184</u>
TOTAL LIABILITIES	<u>116,441</u>	<u>130,788</u>
Fund Balances:		
Committed	<u>1,251,384</u>	<u>1,267,001</u>
TOTAL FUND BALANCES	<u>1,251,384</u>	<u>1,267,001</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,367,825</u>	<u>\$ 1,397,789</u>

KNOX COUNTY, TENNESSEE

Solid Waste Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local Option Sales Taxes	\$ 2,600,000	\$ 2,600,000
Fines, Forfeitures, and Penalties	-	150
Other Local Revenues	969,060	742,730
State of Tennessee	549,576	570,673
Total Revenues	<u>4,118,636</u>	<u>3,913,553</u>
Expenditures		
Current:		
General Government:		
Public Health and Welfare	4,811,752	4,755,522
Debt Service:		
Principal	18,332	17,956
Interest	5,669	6,044
Total Expenditures	<u>4,835,753</u>	<u>4,779,522</u>
Deficiency of Revenues Under Expenditures	<u>(717,117)</u>	<u>(865,969)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	<u>701,500</u>	<u>1,000,000</u>
Net Change in Fund Balances	(15,617)	134,031
Fund Balances, July 1	<u>1,267,001</u>	<u>1,132,970</u>
Fund Balances, June 30	<u>\$ 1,251,384</u>	<u>\$ 1,267,001</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, 2024 and 2023**

	2024				2023		
	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	722,500	722,500	969,060	246,560	700,000	742,730	42,730
State of Tennessee	500,000	500,000	549,576	49,576	500,000	570,673	70,673
Total Revenues	3,822,500	3,822,500	4,118,636	296,136	3,800,000	3,913,553	113,553
Expenditures							
Current:							
Public Health and Welfare:							
Other Public Health and Welfare:							
Personal Services	1,048,250	1,059,441	1,059,441	-	1,049,008	1,049,008	-
Employee Benefits	327,610	328,534	327,269	1,265	335,830	335,805	25
Contracted Services	2,913,049	2,996,605	2,996,605	-	2,941,555	2,939,630	1,925
Supplies and Materials	91,550	97,371	97,371	-	127,792	127,792	-
Other Charges	299,451	305,120	303,616	1,504	297,450	294,661	2,789
Litter and Trash Collection:							
Personal Services	43,375	-	-	-	3,105	100	3,005
Employee Benefits	19,627	-	-	-	700	8	692
Contracted Services	45,130	40,115	40,115	-	22,242	22,242	-
Supplies and Materials	14,750	11,336	11,336	-	10,276	10,276	-
Total Expenditures	4,802,792	4,838,522	4,835,753	2,769	4,787,958	4,779,522	8,436
Excess (Deficiency) of Revenues Over (Under) Expenditures	(980,292)	(1,016,022)	(717,117)	298,905	(987,958)	(865,969)	121,989
Other Financing Sources (Uses)							
Transfers from Other Funds	675,000	710,729	701,500	(9,229)	675,000	1,000,000	325,000
Net Change in Fund Balances	(305,292)	(305,293)	(15,617)	289,676	(312,958)	134,031	446,989
Fund Balances, July 1	1,267,001	1,267,001	1,267,001	-	1,132,970	1,132,970	-
Fund Balances, June 30	<u>\$ 961,709</u>	<u>\$ 961,708</u>	<u>\$ 1,251,384</u>	<u>\$ 289,676</u>	<u>\$ 820,012</u>	<u>\$ 1,267,001</u>	<u>\$ 446,989</u>

KNOX COUNTY, TENNESSEE

**Hotel/Motel Tax Fund
Comparative Balance Sheets
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 7,777,221	\$ 6,507,675
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>2,627,428</u>	<u>2,653,824</u>
TOTAL ASSETS	<u>\$ 10,404,649</u>	<u>\$ 9,161,499</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 3,422,453</u>	<u>\$ 3,779,147</u>
TOTAL LIABILITIES	<u>3,422,453</u>	<u>3,779,147</u>
Fund Balances:		
Restricted	<u>6,982,196</u>	<u>5,382,352</u>
TOTAL FUND BALANCES	<u>6,982,196</u>	<u>5,382,352</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,404,649</u>	<u>\$ 9,161,499</u>

KNOX COUNTY, TENNESSEE

Hotel/Motel Tax Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Lodging Taxes	\$ 14,677,619	\$ 13,309,431
Total Revenues	<u>14,677,619</u>	<u>13,309,431</u>
Expenditures		
Current:		
General Government:		
Other General Government	<u>11,257,775</u>	<u>10,195,765</u>
Excess of Revenues Over Expenditures	<u>3,419,844</u>	<u>3,113,666</u>
Other Financing Uses		
Transfers to Other Funds	<u>(1,820,000)</u>	<u>(1,600,000)</u>
Net Change in Fund Balances	1,599,844	1,513,666
Fund Balances, July 1	<u>5,382,352</u>	<u>3,868,686</u>
Fund Balances, June 30	<u>\$ 6,982,196</u>	<u>\$ 5,382,352</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, 2024 and 2023

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Lodging Taxes	\$ 10,500,000	\$ 12,675,900	\$ 14,677,619	\$ 2,001,719	\$ 11,764,047	\$ 13,309,431	\$ 1,545,384
Total Revenues	10,500,000	12,675,900	14,677,619	2,001,719	11,764,047	13,309,431	1,545,384
Expenditures							
Current:							
General Government:							
Other General Government	8,680,000	11,604,651	11,257,775	346,876	10,239,048	10,195,765	43,283
Excess of Revenues Over Expenditures	1,820,000	1,071,249	3,419,844	2,348,595	1,524,999	3,113,666	1,588,667
Other Financing Uses							
Transfers to Other Funds	(1,820,000)	(1,820,000)	(1,820,000)	-	(1,600,000)	(1,600,000)	-
Net Change in Fund Balances	-	(748,751)	1,599,844	2,348,595	(75,001)	1,513,666	1,588,667
Fund Balances, July 1	5,382,352	5,382,352	5,382,352	-	3,868,686	3,868,686	-
Fund Balances, June 30	\$ 5,382,352	\$ 4,633,601	\$ 6,982,196	\$ 2,348,595	\$ 3,793,685	\$ 5,382,352	\$ 1,588,667

KNOX COUNTY, TENNESSEE

Drug Control Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,795,673	\$ 4,524,742
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	<u>5,950</u>	<u>3,162</u>
TOTAL ASSETS	<u><u>\$ 4,801,623</u></u>	<u><u>\$ 4,527,904</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 7,129</u>	<u>\$ 72,820</u>
TOTAL LIABILITIES	<u>7,129</u>	<u>72,820</u>
 Fund Balances:		
Restricted	<u>4,794,494</u>	<u>4,455,084</u>
TOTAL FUND BALANCES	<u>4,794,494</u>	<u>4,455,084</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 4,801,623</u></u>	<u><u>\$ 4,527,904</u></u>

KNOX COUNTY, TENNESSEE

Drug Control Fund
Comparative Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Fines, Forfeitures, and Penalties	\$ 822,744	\$ 870,927
Other Local Revenues	35,343	27,364
Federal Government	<u>80,088</u>	<u>63,517</u>
Total Revenues	<u>938,175</u>	<u>961,808</u>
Expenditures		
Current:		
General Government:		
Public Safety	<u>598,765</u>	<u>441,980</u>
Total Expenditures	<u>598,765</u>	<u>441,980</u>
Net Change in Fund Balance	339,410	519,828
Fund Balances, July 1	<u>4,455,084</u>	<u>3,935,256</u>
Fund Balances, June 30	<u><u>\$ 4,794,494</u></u>	<u><u>\$ 4,455,084</u></u>

KNOX COUNTY, TENNESSEE

**Drug Control Fund
Comparative Schedules of Revenues, Expenditures
And Changes in Fund Balances - Budget And Actual
For the Years Ended June 30, 2024 and 2023**

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Fines, Forfeitures, and Penalties	\$ 563,000	\$ 563,000	\$ 822,744	\$ 259,744	\$ 563,000	\$ 870,927	\$ 307,927
Other Local Revenues	40,000	40,000	35,343	(4,657)	40,000	27,364	(12,636)
Federal Government	-	-	80,088	80,088	-	63,517	63,517
Total Revenues	603,000	603,000	938,175	335,175	603,000	961,808	358,808
Expenditures							
Current:							
General Government:							
Public Safety:							
Contracted Services	209,000	209,000	115,766	93,234	217,433	142,557	74,876
Supplies and Materials	209,000	209,124	299,384	(90,260)	214,128	160,985	53,143
Other Charges	15,000	15,000	34,161	(19,161)	15,000	33,595	(18,595)
Capital Outlay	170,000	170,000	149,454	20,546	170,000	104,843	65,157
Total Expenditures	603,000	603,124	598,765	4,359	616,561	441,980	174,581
Net Change in Fund Balance	-	(124)	339,410	339,534	(13,561)	519,828	533,389
Fund Balances, July 1	4,455,084	4,455,084	4,455,084	-	3,935,256	3,935,256	-
Fund Balances, June 30	\$ 4,455,084	\$ 4,454,960	\$ 4,794,494	\$ 339,534	\$ 3,921,695	\$ 4,455,084	\$ 533,389

KNOX COUNTY, TENNESSEE

Engineering & Public Works Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 10,355,709	\$ 7,348,862
Receivables (Net of Allowances for Uncollectibles):		
Accounts Receivable	1,993,674	2,098,229
Sales Tax Receivable	<u>1,735,713</u>	<u>1,695,343</u>
TOTAL ASSETS	<u><u>\$ 14,085,096</u></u>	<u><u>\$ 11,142,434</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 870,484	\$ 549,254
Accrued Liabilities	<u>424,524</u>	<u>395,203</u>
TOTAL LIABILITIES	1,295,008	944,457
 Fund Balances:		
Committed	<u>12,790,088</u>	<u>10,197,977</u>
TOTAL FUND BALANCES	<u>12,790,088</u>	<u>10,197,977</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 14,085,096</u></u>	<u><u>\$ 11,142,434</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, 2024 and 2023

	2024	2023
Revenues		
Local Option Sales Taxes	\$ 10,110,533	\$ 9,864,946
Wheel Taxes	914,222	-
Other Local Taxes	2,190,046	2,502,125
Fines, Forfeitures, and Penalties	2,750	9,825
Charges for Current Services	3,688,828	2,909,045
Other Local Revenues	186,000	-
State of Tennessee	8,013,660	7,789,339
	25,106,039	23,075,280
Expenditures		
Current:		
Engineering & Public Works	23,141,179	24,469,609
Debt Service		
Principal	284,806	297,894
Interest	12,943	12,639
	23,438,928	24,780,142
Total Expenditures	23,438,928	24,780,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,667,111	(1,704,862)
Other Financing Sources (Uses)		
Transfers from Other Funds	1,500,000	2,250,000
Transfers to Other Funds	(575,000)	(1,530,406)
Subscription Financing	-	888,743
	925,000	1,608,337
Total Other Financing Sources (Uses)	925,000	1,608,337
Net Change in Fund Balances	2,592,111	(96,525)
Fund Balances, July 1	10,197,977	10,294,502
Fund Balances, June 30	\$ 12,790,088	\$ 10,197,977

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, 2024 and 2023**

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Local Option Sales Taxes	\$ 9,807,947	\$ 9,807,947	\$ 10,110,533	\$ 302,586	\$ 8,607,946	\$ 9,864,946	\$ 1,257,000
Wheel Taxes	900,000	900,000	914,222	14,222	-	-	-
Other Local Taxes	2,275,000	2,275,000	2,190,046	(84,954)	2,325,000	2,502,125	177,125
Fines, Forfeitures and Penalties	-	-	2,750	2,750	-	9,825	9,825
Charges for Current Services	2,862,500	2,862,500	3,688,828	826,328	2,862,500	2,909,045	46,545
Other Local Revenues	-	798,722	186,000	(612,722)	-	-	-
State of Tennessee	7,816,900	7,816,900	8,013,660	196,760	7,011,000	7,789,339	778,339
Total Revenues	23,662,347	24,461,069	25,106,039	644,970	20,806,446	23,075,280	2,268,834
Expenditures							
Current:							
Engineering & Public Works:							
Administration:							
Personal Services	2,015,165	2,072,075	1,813,237	258,838	1,754,476	1,744,596	9,880
Employee Benefits	667,249	628,893	507,996	120,897	520,630	520,232	398
Contracted Services	448,337	392,111	367,020	25,091	695,715	694,622	1,093
Supplies and Materials	91,625	89,410	53,368	36,042	60,964	59,144	1,820
Other Charges	749,605	796,436	796,302	134	1,639,300	1,635,088	4,212
Highways and Bridge Maintenance:							
Personal Services	4,478,298	4,489,623	4,435,850	53,773	3,783,734	3,778,988	4,746
Employee Benefits	1,589,974	1,589,974	1,420,691	169,283	1,312,047	1,311,985	62
Contracted Services	1,477,000	1,750,279	1,750,279	-	1,762,647	1,755,314	7,333
Supplies and Materials	8,195,689	7,922,410	7,448,941	473,469	7,705,338	7,692,799	12,539
Other Charges	563,826	563,826	563,826	-	819,859	819,859	-
Capital Outlay	-	133,787	133,537	250	661,280	527,493	133,787
Various Highway:							
Personal Services	2,355,568	2,375,738	2,355,818	19,920	2,220,893	2,218,114	2,779
Employee Benefits	692,549	700,321	652,257	48,064	683,642	656,590	27,052
Contracted Services	685,231	707,436	594,659	112,777	804,955	747,517	57,438
Supplies and Materials	284,138	1,018,409	282,349	736,060	1,251,327	437,144	814,183
Other Charges	193,093	193,093	193,093	-	170,657	170,657	-
Capital Outlay	-	69,705	69,705	-	10,000	10,000	-
Total Expenditures	24,487,347	25,493,526	23,438,928	2,054,598	25,857,464	24,780,142	1,077,322
Excess (Deficiency) of Revenues Over (Under) Expenditures	(825,000)	(1,032,457)	1,667,111	2,699,568	(5,051,018)	(1,704,862)	3,346,156
Other Financing Sources (Uses)							
Transfer From Other Funds	1,500,000	1,500,000	1,500,000	-	2,250,000	2,250,000	-
Transfer To Other Funds	(675,000)	(612,814)	(575,000)	37,814	(1,530,406)	(1,530,406)	-
Subscription Financing	-	-	-	-	-	888,743	888,743
Total Other Financing Sources (Uses)	825,000	887,186	925,000	37,814	719,594	1,608,337	888,743
Net Change in Fund Balances	-	(145,271)	2,592,111	2,737,382	(4,331,424)	(96,525)	4,234,899
Fund Balances, July 1	10,197,977	10,197,977	10,197,977	-	10,294,502	10,294,502	-
Fund Balances, June 30	\$ 10,197,977	\$ 10,052,706	\$ 12,790,088	\$ 2,737,382	\$ 5,963,078	\$ 10,197,977	\$ 4,234,899

KNOX COUNTY, TENNESSEE

ADA Construction Capital Projects Fund

Comparative Balance Sheets

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,727,235	\$ 1,133,500
TOTAL ASSETS	<u>\$ 3,727,235</u>	<u>\$ 1,133,500</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 137,188	\$ 94,903
TOTAL LIABILITIES	<u>137,188</u>	<u>94,903</u>
Fund Balances:		
Committed	<u>3,590,047</u>	<u>1,038,597</u>
TOTAL FUND BALANCE	<u>3,590,047</u>	<u>1,038,597</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,727,235</u>	<u>\$ 1,133,500</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Expenditures		
Capital Projects	<u>1,048,550</u>	<u>601,233</u>
Deficiency of Revenues Under Expenditures	<u>(1,048,550)</u>	<u>(601,233)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	<u>3,600,000</u>	<u>-</u>
Net Change in Fund Balances	2,551,450	(601,233)
Fund Balances, July 1	<u>1,038,597</u>	<u>1,639,830</u>
Fund Balances, June 30	<u><u>\$ 3,590,047</u></u>	<u><u>\$ 1,038,597</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, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 16,043	\$ 25,809
Accounts Receivable	24,815	6,752
Inventories	92,897	89,717
TOTAL CURRENT ASSETS	133,755	122,278
Capital Assets:		
Land	880	880
Buildings	803,446	803,446
Machinery and Equipment	759,596	643,524
Computer Software	25,448	25,448
Land Improvements	66,463	66,463
Leases - Equipment	23,167	96,806
Total Capital Assets	1,679,000	1,636,567
Accumulated Depreciation and Amortization	(1,164,078)	(1,163,799)
Capital Assets (Net of Accumulated Depreciation and Amortization)	514,922	472,768
TOTAL ASSETS	648,677	595,046
LIABILITIES		
Current Liabilities:		
Accounts Payable	50,797	40,812
Accrued Liabilities	31,244	25,846
Compensated Absences Payable	16,817	39,547
Lease Liability	1,801	12,088
Accrued Interest	1	6
TOTAL CURRENT LIABILITIES	100,660	118,299
Noncurrent Liabilities:		
Compensated Absences Payable	58,228	111
Lease Liability	-	1,801
TOTAL NONCURRENT LIABILITIES	58,228	1,912
TOTAL LIABILITIES	158,888	120,211
NET POSITION		
Net Investment in Capital Assets	513,121	458,879
Unrestricted (Deficit)	(23,332)	15,956
TOTAL NET POSITION	\$ 489,789	\$ 474,835

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Golf Fees	\$ 912,359	\$ 809,015
Cart and Range Fees	443,323	436,562
Pro Shop	214,455	180,152
Snack Bar	144,716	130,172
Other Income	46,043	45,003
Total Operating Revenues	<u>1,760,896</u>	<u>1,600,904</u>
Operating Expenses		
Personal Services	799,105	630,421
Employee Benefits	156,031	125,841
Contracted Services	284,733	269,285
Supplies and Materials	678,619	606,821
Other Charges	167,368	146,170
Depreciation and Amortization	73,918	93,502
Total Operating Expenses	<u>2,159,774</u>	<u>1,872,040</u>
Operating Loss	<u>(398,878)</u>	<u>(271,136)</u>
Nonoperating Expenses		
Interest Expense	<u>(39)</u>	<u>(201)</u>
Income (Loss) before Contributions and Transfers	<u>(398,917)</u>	<u>(271,337)</u>
Capital Contributions and Transfers		
Capital Contributions	98,871	38,960
Transfers from Other Funds	315,000	305,000
Total Capital Contributions and Transfers	<u>413,871</u>	<u>343,960</u>
Change in Net Position	14,954	72,623
Net Position, July 1	<u>474,835</u>	<u>402,212</u>
Net Position, June 30	<u>\$ 489,789</u>	<u>\$ 474,835</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Receipts from Customers and Users	\$ 1,742,833	\$ 1,609,428
Payments to Vendors	(1,123,920)	(1,074,001)
Payments to Employees	(758,320)	(626,667)
Payments on Behalf of Employees	(156,031)	(125,841)
Net Cash Used by Operating Activities	(295,438)	(217,081)
Cash Flows From Noncapital Financing Activities		
Transfers from Other Funds	315,000	305,000
Cash Flows From Capital and Related Financing Activities		
Capital Contributions	98,871	38,960
Acquisition and Construction of Capital Assets	(116,072)	(81,221)
Principal Paid on Lease Liabilities	(12,088)	(41,732)
Interest Paid on Lease Liabilities	(39)	(201)
Net Cash Provided (Used) by Capital and Related Financing Activities	(29,328)	(84,194)
Net Increase (Decrease) in Cash and Cash Equivalents	(9,766)	3,725
Cash and Cash Equivalents - Beginning of Year	25,809	22,084
Cash and Cash Equivalents - End of Year	\$ 16,043	\$ 25,809
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Loss	\$ (398,878)	\$ (271,136)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization	73,918	93,502
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(18,063)	8,524
Increase in Inventory	(3,180)	(31,263)
Decrease in Prepaid Items	-	409
Increase (Decrease) in Accounts Payable and Accrued Liabilities	15,378	(17,304)
Increase in Compensated Absences Payable	35,387	187
Total Adjustments	103,440	54,055
Net Cash Used by Operating Activities	\$ (295,438)	\$ (217,081)

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, 2024

	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	\$ 1,172,500	\$ 174,853	\$ 2,154,033	\$ 24,204,698	\$ 5,461,493	\$ 317,414	\$ 1,348,343	\$ 20,386,760	\$ 55,220,094
Receivables:									
Accounts	16,625	-	359,644	290	873,690	-	-	866,117	2,116,366
Leases	-	-	-	-	405,504	-	-	-	405,504
Inventories	104,916	23,970	-	-	-	-	-	-	128,886
Prepaid Items	-	-	20,287	-	-	-	-	91,616	111,903
TOTAL CURRENT ASSETS	1,294,041	198,823	2,533,964	24,204,988	6,740,687	317,414	1,348,343	21,344,493	57,982,753
Noncurrent Assets:									
Lease Receivable	-	-	-	-	3,676,354	-	-	-	3,676,354
Capital Assets:									
Machinery and Equipment	205,464	-	-	-	-	238,781	-	-	444,245
Leases	-	53,276	-	-	4,980,389	-	3,187,184	-	8,220,849
Subscriptions	-	-	-	2,629	-	2,477,768	-	-	2,480,397
Accumulated Depreciation and Amortization	(161,355)	(28,298)	-	(2,300)	(490,245)	(1,397,497)	(556,538)	-	(2,636,233)
Capital Assets (Net of Accumulated Depreciation and Amortization)	44,109	24,978	-	329	4,490,144	1,319,052	2,630,646	-	8,509,258
TOTAL NONCURRENT ASSETS	44,109	24,978	-	329	8,166,498	1,319,052	2,630,646	-	12,185,612
TOTAL ASSETS	1,338,150	223,801	2,533,964	24,205,317	14,907,185	1,636,466	3,978,989	21,344,493	70,168,365
LIABILITIES									
Current Liabilities:									
Accounts Payable	185,403	1,601	12,000	14,789	298,957	4	-	829,004	1,341,758
Accrued Liabilities	24,551	4,889	57,253	39,371	-	35,591	-	3,175	164,830
Accrued Interest	-	8	-	1	9,768	18,892	6,008	-	34,677
Claims Liabilities	-	-	-	3,352,983	-	-	-	1,736,000	5,088,983
Compensated Absences Payable	43,322	9,807	36,279	73,325	-	51,199	-	-	213,932
Lease Liability	-	10,816	-	-	102,453	-	631,951	-	745,220
Subscription Liability	-	-	-	337	-	638,106	-	-	638,443
TOTAL CURRENT LIABILITIES	253,276	27,121	105,532	3,480,806	411,178	743,792	637,959	2,568,179	8,227,843
Noncurrent Liabilities:									
Compensated Absences Payable	10,162	2,300	8,510	17,200	-	12,010	-	-	50,182
Claims Liabilities	-	-	-	13,411,932	-	-	-	-	13,411,932
Leases	-	17,079	-	-	4,733,275	-	2,005,929	-	6,756,283
Subscription Liability	-	-	-	-	-	649,017	-	-	649,017
TOTAL NONCURRENT LIABILITIES	10,162	19,379	8,510	13,429,132	4,733,275	661,027	2,005,929	-	20,867,414
TOTAL LIABILITIES	263,438	46,500	114,042	16,909,938	5,144,453	1,404,819	2,643,888	2,568,179	29,095,257
DEFERRED INFLOW OF RESOURCES									
Leases	-	-	-	-	3,895,976	-	-	-	3,895,976
NET POSITION									
Net Investment in Capital Assets	44,109	-	-	-	-	31,929	-	-	76,038
Unrestricted	1,030,603	177,301	2,419,922	7,295,379	5,866,756	199,718	1,335,101	18,776,314	37,101,094
TOTAL NET POSITION	\$ 1,074,712	\$ 177,301	\$ 2,419,922	\$ 7,295,379	\$ 5,866,756	\$ 231,647	\$ 1,335,101	\$ 18,776,314	\$ 37,177,132

KNOX COUNTY, TENNESSEE

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle Service Center	Mailroom	Employee Benefits	Self Insurance	Building Operations	Technical Support Service	Capital Leasing	Self Insurance Healthcare	Total
Operating Revenues									
Charges for Services	\$ 3,397,779	\$ 229,800	\$ 36,092,548	\$ 5,570,590	\$ 14,788,410	\$ 1,508,975	\$ 193,336	\$ 33,105,053	\$ 94,886,491
Operating Expenses									
Cost of Services	3,135,213	357,508	1,751,568	1,771,723	16,724,767	1,491,897	265,344	3,247,013	28,745,033
Depreciation and Amortization	11,073	9,550	-	1,314	227,535	613,711	478,328	-	1,341,511
Medical Claims	-	-	226,399	-	-	-	-	30,150,060	30,376,459
Retirement Contributions	-	-	31,391,972	-	-	-	-	-	31,391,972
OPEB 35% Retiree Healthcare Contributions	-	-	609,350	-	-	-	-	-	609,350
Other Employee Benefits	-	-	2,391,829	-	-	-	-	-	2,391,829
Worker's Compensation & Other Claims	-	-	-	2,440,893	-	-	-	-	2,440,893
Other Expenses	171,334	-	-	62,413	-	6,821	-	-	240,568
Total Operating Expenses	3,317,620	367,058	36,371,118	4,276,343	16,952,302	2,112,429	743,672	33,397,073	97,537,615
Operating Income (Loss)	80,159	(137,258)	(278,570)	1,294,247	(2,163,892)	(603,454)	(550,336)	(292,020)	(2,651,124)
Nonoperating Revenues (Expenses)									
Interest Income	-	-	-	-	95,808	-	-	-	95,808
Interest Expense	-	(627)	-	(31)	(127,257)	(23,621)	(55,968)	-	(207,504)
Total Nonoperating Revenues (Expenses)	-	(627)	-	(31)	(31,449)	(23,621)	(55,968)	-	(111,696)
Income (Loss) before Contributions & Transfers	80,159	(137,885)	(278,570)	1,294,216	(2,195,341)	(627,075)	(606,304)	(292,020)	(2,762,820)
Contributions & Transfers									
Capital Contributions	4,770	-	-	-	-	-	-	-	4,770
Transfers from Other Funds	-	155,000	609,350	-	2,200,000	585,000	500,000	-	4,049,350
Change in Net Position	84,929	17,115	330,780	1,294,216	4,659	(42,075)	(106,304)	(292,020)	1,291,300
Total Net Position, July 1	989,783	160,186	2,089,142	6,001,163	5,862,097	273,722	1,441,405	19,068,334	35,885,832
Total Net Position, June 30	\$ 1,074,712	\$ 177,301	\$ 2,419,922	\$ 7,295,379	\$ 5,866,756	\$ 231,647	\$ 1,335,101	\$ 18,776,314	\$ 37,177,132

KNOX COUNTY, TENNESSEE

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	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	\$ 3,398,053	\$ 229,800	\$ 35,915,985	\$ 5,571,704	\$ 14,919,386	\$ 1,508,975	\$ 193,336	\$ 33,634,602	\$ 95,371,841
Cash Paid to Employees	(508,717)	(90,659)	(496,547)	(820,834)	-	(695,085)	-	-	(2,611,842)
Cash Paid for Goods and Services	(2,481,642)	(230,239)	(2,746,484)	(4,222,988)	(16,950,274)	(620,266)	(261,295)	(3,247,013)	(30,760,201)
Cash Paid on Behalf of Employees	(158,661)	(34,544)	(33,147,395)	(204,508)	-	(182,933)	-	(29,841,103)	(63,569,144)
Net Cash Provided by (Used in) Operating Activities	249,033	(125,642)	(474,441)	323,374	(2,030,888)	10,691	(67,959)	546,486	(1,569,346)
Noncapital Financing Activities									
Transfers from Other Funds	-	155,000	609,350	-	2,200,000	585,000	500,000	-	4,049,350
Net Cash Provided by (Used in) Noncapital Financing Activities	-	155,000	609,350	-	2,200,000	585,000	500,000	-	4,049,350
Capital and Related Financing Activities									
Capital Contributions	4,770	-	-	-	-	-	-	-	4,770
Principal Paid on Liabilities	-	(10,605)	-	(1,321)	(100,941)	(627,378)	(473,510)	-	(1,213,755)
Interest Paid on Liabilities	-	(627)	-	(31)	(127,257)	(23,621)	(55,968)	-	(207,504)
Acquisition and Construction of Capital Assets	(31,470)	-	-	-	-	-	-	-	(31,470)
Net Cash Used in Capital and Related Financing Activities	(26,700)	(11,232)	-	(1,352)	(228,198)	(650,999)	(529,478)	-	(1,447,959)
Investing activities									
Investment earnings	-	-	-	-	95,808	-	-	-	95,808
Net cash provided (used) in investing activities	-	-	-	-	95,808	-	-	-	95,808
Net Increase (Decrease) in Cash and Cash Equivalents	222,333	18,126	134,909	322,022	36,722	(55,308)	(97,437)	546,486	1,127,853
Cash and Cash Equivalents									
Beginning 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
End of Year	\$ 1,172,500	\$ 174,853	\$ 2,154,033	\$ 24,204,698	\$ 5,461,493	\$ 317,414	\$ 1,348,343	\$ 20,386,760	\$ 55,220,094
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	\$ 80,159	\$ (137,258)	\$ (278,570)	\$ 1,294,247	\$ (2,163,892)	\$ (603,454)	\$ (550,336)	\$ (292,020)	\$ (2,651,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation and Amortization	11,073	9,550	-	1,314	227,535	613,711	478,328	-	1,341,511
Change in Assets and Liabilities:									
(Increase) Decrease in Accounts Receivable	274	-	(176,563)	1,114	179,894	-	-	529,549	534,268
(Increase) Decrease in Other Receivables	-	-	-	-	382,699	-	-	-	382,699
(Increase) Decrease in Inventories	64,406	1,184	-	-	-	-	-	-	65,590
(Increase) Decrease in Prepaid Items	-	-	(698)	-	-	-	-	(91,616)	(92,314)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	87,600	(450)	(28,727)	14,806	(225,507)	(5,812)	4,049	450,976	296,935
Increase (Decrease) in Compensated Absences	5,521	1,332	10,117	14,374	-	6,246	-	-	37,590
Increase (Decrease) in Claims Liabilities	-	-	-	(1,002,481)	-	-	-	(50,403)	(1,052,884)
Increase (Decrease) in Unearned Revenues	-	-	-	-	(431,617)	-	-	-	(431,617)
Total Adjustments	168,874	11,616	(195,871)	(970,873)	133,004	614,145	482,377	838,506	1,081,778
Net Cash Provided by (Used in) Operating Activities	\$ 249,033	\$ (125,642)	\$ (474,441)	\$ 323,374	\$ (2,030,888)	\$ 10,691	\$ (67,959)	\$ 546,486	\$ (1,569,346)
Noncash Capital and Related Financing Activities:									
Acquisition of a Lease & SBITA Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,177,121)	\$ -	\$ (2,177,121)

KNOX COUNTY, TENNESSEE

Vehicle Service Center Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,172,500	\$ 950,167
Accounts Receivable	16,625	16,899
Inventories	104,916	169,322
	<u>1,294,041</u>	<u>1,136,388</u>
TOTAL CURRENT ASSETS	<u>1,294,041</u>	<u>1,136,388</u>
Capital Assets:		
Machinery and Equipment	205,464	190,450
Accumulated Depreciation	(161,355)	(166,738)
	<u>44,109</u>	<u>23,712</u>
Capital Assets (Net of Accumulated Depreciation)	<u>44,109</u>	<u>23,712</u>
TOTAL ASSETS	<u>1,338,150</u>	<u>1,160,100</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	185,403	96,258
Accrued Liabilities	24,551	26,096
Compensated Absences	43,322	47,483
	<u>253,276</u>	<u>169,837</u>
TOTAL CURRENT LIABILITIES	<u>253,276</u>	<u>169,837</u>
Noncurrent Liabilities:		
Compensated Absences	10,162	480
	<u>10,162</u>	<u>480</u>
TOTAL LIABILITIES	<u>263,438</u>	<u>170,317</u>
NET POSITION		
Investment in Capital Assets	44,109	23,712
Unrestricted	1,030,603	966,071
	<u>1,074,712</u>	<u>989,783</u>
TOTAL NET POSITION	<u>\$ 1,074,712</u>	<u>\$ 989,783</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	<u>\$ 3,397,779</u>	<u>\$ 3,450,881</u>
Operating Expenses		
Cost of Services	3,135,213	3,208,246
Depreciation and Amortization	11,073	10,487
Other Expenses	<u>171,334</u>	<u>171,349</u>
Total Operating Expenses	<u>3,317,620</u>	<u>3,390,082</u>
Operating Income before Contributions	<u>80,159</u>	<u>60,799</u>
Contributions		
Capital Contributions	<u>4,770</u>	<u>-</u>
Change in Net Position	84,929	60,799
Net Position, July 1	<u>989,783</u>	<u>928,984</u>
Net Position, June 30	<u><u>\$ 1,074,712</u></u>	<u><u>\$ 989,783</u></u>

KNOX COUNTY, TENNESSEE

Mailroom Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 174,853	\$ 156,727
Inventories	<u>23,970</u>	<u>25,154</u>
TOTAL CURRENT ASSETS	<u>198,823</u>	<u>181,881</u>
Capital Assets:		
Leases	53,276	53,276
Accumulated Amortization	<u>(28,298)</u>	<u>(18,748)</u>
Capital Assets (Net of Accumulated Depreciation)	<u>24,978</u>	<u>34,528</u>
TOTAL ASSETS	<u>223,801</u>	<u>216,409</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,601	2,473
Accrued Liabilities	4,889	4,464
Compensated Absences	9,807	10,667
Lease Liability	10,816	10,603
Accrued Interest	<u>8</u>	<u>11</u>
TOTAL CURRENT LIABILITIES	<u>27,121</u>	<u>28,218</u>
Noncurrent Liabilities:		
Compensated Absences	2,300	108
Lease Liability	<u>17,079</u>	<u>27,897</u>
TOTAL NONCURRENT LIABILITIES	<u>19,379</u>	<u>28,005</u>
TOTAL LIABILITIES	<u>46,500</u>	<u>56,223</u>
NET POSITION		
Unrestricted	<u>177,301</u>	<u>160,186</u>
TOTAL NET POSITION	<u>\$ 177,301</u>	<u>\$ 160,186</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	\$ 229,800	\$ 219,704
Operating Expenses		
Cost of Services	357,508	343,368
Amortization	9,550	9,551
Total Operating Expenses	367,058	352,919
Operating Loss	(137,258)	(133,215)
Nonoperating Expenses		
Interest Expense	(627)	(726)
Loss before Transfers	(137,885)	(133,941)
Transfers		
Transfers from Other Funds	155,000	137,000
Change in Net Position	17,115	3,059
Net Position, July 1	160,186	157,127
Net Position, June 30	<u>\$ 177,301</u>	<u>\$ 160,186</u>

KNOX COUNTY, TENNESSEE

Employee Benefits Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,154,033	\$ 2,019,124
Accounts Receivable	359,644	183,081
Prepaid Items	<u>20,287</u>	<u>19,589</u>
TOTAL ASSETS	<u>2,533,964</u>	<u>2,221,794</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	12,000	29,603
Accrued Liabilities	57,253	68,377
Compensated Absences	<u>36,279</u>	<u>34,325</u>
TOTAL CURRENT LIABILITIES	<u>105,532</u>	<u>132,305</u>
Noncurrent Liabilities:		
Compensated Absences	<u>8,510</u>	<u>347</u>
TOTAL LIABILITIES	<u>114,042</u>	<u>132,652</u>
NET POSITION		
Unrestricted	<u>\$ 2,419,922</u>	<u>\$ 2,089,142</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	\$ 36,092,548	\$ 34,086,634
Operating Expenses		
Finance and Administration:		
Cost of Services	1,751,568	1,613,282
Medical Claims	226,399	245,405
Retirement Contributions	31,391,972	29,107,945
OPEB 35% Retiree Healthcare Contributions	609,350	600,000
Other Employee Benefits	2,391,829	1,385,014
Total Operating Expenses	<u>36,371,118</u>	<u>32,951,646</u>
Income (Loss) before Transfers	<u>(278,570)</u>	<u>1,134,988</u>
Transfers		
Transfers from Other Funds	<u>609,350</u>	<u>600,000</u>
Change in Net Position	330,780	1,734,988
Net Position, July 1	<u>2,089,142</u>	<u>354,154</u>
Net Position, June 30	<u>\$ 2,419,922</u>	<u>\$ 2,089,142</u>

KNOX COUNTY, TENNESSEE

Self Insurance Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 24,204,698	\$ 23,882,676
Accounts Receivable	290	1,404
TOTAL CURRENT ASSETS	<u>24,204,988</u>	<u>23,884,080</u>
Capital Assets:		
Subscription Asset	2,629	2,629
Accumulated Amortization	<u>(2,300)</u>	<u>(986)</u>
Capital Assets (Net of Accumulated Amortization)	<u>329</u>	<u>1,643</u>
TOTAL ASSETS	<u>24,205,317</u>	<u>23,885,723</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	14,789	55
Accrued Liabilities	39,371	39,296
Claims Liability	3,352,983	3,553,479
Compensated Absences	73,325	75,389
Subscription Liability	337	1,321
Accrued Interest	<u>1</u>	<u>4</u>
TOTAL CURRENT LIABILITIES	<u>3,480,806</u>	<u>3,669,544</u>
Noncurrent Liabilities:		
Compensated Absences	17,200	762
Claims Liability	13,411,932	14,213,917
Subscription Liability	<u>-</u>	<u>337</u>
TOTAL NONCURRENT LIABILITIES	<u>13,429,132</u>	<u>14,215,016</u>
TOTAL LIABILITIES	<u>16,909,938</u>	<u>17,884,560</u>
NET POSITION		
Unrestricted	<u>7,295,379</u>	<u>6,001,163</u>
TOTAL NET POSITION	<u>\$ 7,295,379</u>	<u>\$ 6,001,163</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	<u>\$ 5,570,590</u>	<u>\$ 5,828,150</u>
Operating Expenses		
Cost of Services	1,771,723	1,815,583
Amortization	1,314	986
Workers' Compensation & Other Claims	2,440,893	1,269,840
Other Expenses	<u>62,413</u>	<u>67,747</u>
Total Operating Expenses	<u>4,276,343</u>	<u>3,154,156</u>
Operating Income	<u>1,294,247</u>	<u>2,673,994</u>
Nonoperating Expenses		
Interest Expense	<u>(31)</u>	<u>(50)</u>
Change in Net Position	1,294,216	2,673,944
Net Position, July 1	<u>6,001,163</u>	<u>3,327,219</u>
Net Position, June 30	<u><u>\$ 7,295,379</u></u>	<u><u>\$ 6,001,163</u></u>

KNOX COUNTY, TENNESSEE

Building Operations Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 5,461,493	\$ 5,424,771
Accounts Receivable	873,690	1,053,584
Lease Receivable	405,504	432,317
TOTAL CURRENT ASSETS	<u>6,740,687</u>	<u>6,910,672</u>
Noncurrent Assets:		
Lease Receivable	3,676,354	4,032,240
Capital Assets:		
Leases - Buildings	4,980,389	5,054,736
Accumulated Amortization	(490,245)	(262,710)
Capital Assets (Net of Accumulated Amortization)	<u>4,490,144</u>	<u>4,792,026</u>
TOTAL NONCURRENT ASSETS	<u>8,166,498</u>	<u>8,824,266</u>
TOTAL ASSETS	<u>14,907,185</u>	<u>15,734,938</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	298,957	525,150
Lease Liability - Current	102,453	112,725
Accrued Interest	9,768	9,082
TOTAL CURRENT LIABILITIES	<u>411,178</u>	<u>646,957</u>
Noncurrent Liabilities:		
Lease Liability	4,733,275	4,898,291
TOTAL LIABILITIES	<u>5,144,453</u>	<u>5,545,248</u>
DEFERRED INFLOW OF RESOURCES		
Leases	3,895,976	4,327,593
NET POSITION		
Unrestricted	<u>\$ 5,866,756</u>	<u>\$ 5,862,097</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	\$ 14,788,410	\$ 13,046,274
Operating Expenses		
Cost of Services	16,724,767	16,660,141
Amortization	227,535	171,933
Total Operating Expenses	16,952,302	16,832,074
Operating Loss	(2,163,892)	(3,785,800)
Nonoperating Revenues (Expenses)		
Interest Income	95,808	100,874
Interest Expense	(127,257)	(106,341)
Total Nonoperating Revenues (Expenses)	(31,449)	(5,467)
Loss before Transfers	(2,195,341)	(3,791,267)
Transfers		
Transfers from Other Funds	2,200,000	3,800,000
Change in Net Position	4,659	8,733
Net Position, July 1	5,862,097	5,853,364
Net Position, June 30	<u>\$ 5,866,756</u>	<u>\$ 5,862,097</u>

KNOX COUNTY, TENNESSEE

Technical Support Service Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 317,414	\$ 372,722
Capital Assets:		
Machinery and Equipment	238,781	238,781
Subscription Asset	2,477,768	2,477,768
Accumulated Depreciation and Amortization	<u>(1,397,497)</u>	<u>(783,786)</u>
Capital Assets (Net of Accumulated Depreciation and Amortization)	<u>1,319,052</u>	<u>1,932,763</u>
TOTAL ASSETS	<u>1,636,466</u>	<u>2,305,485</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	4	15
Accrued Liabilities	35,591	32,275
Compensated Absences	51,199	56,393
Subscription Liability	638,106	627,378
Accrued Interest	<u>18,892</u>	<u>28,009</u>
TOTAL CURRENT LIABILITIES	<u>743,792</u>	<u>744,070</u>
Noncurrent Liabilities:		
Compensated Absences	12,010	570
Subscription Liability	<u>649,017</u>	<u>1,287,123</u>
TOTAL NONCURRENT LIABILITIES	<u>661,027</u>	<u>1,287,693</u>
TOTAL LIABILITIES	<u>1,404,819</u>	<u>2,031,763</u>
NET POSITION		
Net Investment in Capital Assets	31,929	18,262
Unrestricted	<u>199,718</u>	<u>255,460</u>
TOTAL NET POSITION	<u>\$ 231,647</u>	<u>\$ 273,722</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	<u>\$ 1,508,975</u>	<u>\$ 1,325,823</u>
Operating Expenses		
Cost of Services	1,491,897	1,810,789
Depreciation and Amortization	613,711	613,711
Other Expense	<u>6,821</u>	<u>370</u>
Total Operating Expenses	<u>2,112,429</u>	<u>2,424,870</u>
Operating Loss	(603,454)	(1,099,047)
Nonoperating Expenses		
Interest Expense	<u>(23,621)</u>	<u>(34,011)</u>
Loss before Transfers	<u>(627,075)</u>	<u>(1,133,058)</u>
Transfers		
Transfers from Other Funds	<u>585,000</u>	<u>1,200,000</u>
Change in Net Position	(42,075)	66,942
Net Position, July 1	<u>273,722</u>	<u>206,780</u>
Net Position, June 30	<u><u>\$ 231,647</u></u>	<u><u>\$ 273,722</u></u>

KNOX COUNTY, TENNESSEE

Capital Leasing Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,348,343	\$ 1,445,780
Capital Assets:		
Lease Asset - Vehicles	3,187,184	1,010,063
Accumulated Amortization	<u>(556,538)</u>	<u>(78,210)</u>
Capital Assets (Net of Accumulated Amortization)	<u>2,630,646</u>	<u>931,853</u>
TOTAL ASSETS	<u>3,978,989</u>	<u>2,377,633</u>
LIABILITIES		
Current Liabilities:		
Lease Liability	631,951	211,942
Accrued Interest	<u>6,008</u>	<u>1,959</u>
TOTAL CURRENT LIABILITIES	<u>637,959</u>	<u>213,901</u>
Noncurrent Liabilities:		
Lease Liability	<u>2,005,929</u>	<u>722,327</u>
TOTAL LIABILITIES	<u>2,643,888</u>	<u>936,228</u>
NET POSITION		
Unrestricted	<u>\$ 1,335,101</u>	<u>\$ 1,441,405</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	\$ 193,336	\$ -
Operating Expenses		
Costs of Services	265,344	71,765
Amortization	478,328	78,210
Total Operating Expenses	743,672	149,975
Operating Loss	(550,336)	(149,975)
Nonoperating Expenses		
Interest Expense	(55,968)	(8,620)
Loss before Transfers	(606,304)	(158,595)
Transfers		
Transfers From Other Funds	500,000	-
Change in Net Position	(106,304)	(158,595)
Net Position, July 1	1,441,405	1,600,000
Net Position, June 30	<u>\$ 1,335,101</u>	<u>\$ 1,441,405</u>

KNOX COUNTY, TENNESSEE

Self Insurance Healthcare Fund
Comparative Statements of Net Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 20,386,760	\$ 19,840,274
Accounts Receivable	866,117	1,395,666
Prepaid Items	91,616	-
	<u>21,344,493</u>	<u>21,235,940</u>
TOTAL CURRENT ASSETS		
	<u>21,344,493</u>	<u>21,235,940</u>
LIABILITIES		
Liabilities:		
Accounts Payable	829,004	378,767
Accrued Liabilities	3,175	2,436
Claims Liability	1,736,000	1,786,403
	<u>2,568,179</u>	<u>2,167,606</u>
TOTAL LIABILITIES		
	<u>2,568,179</u>	<u>2,167,606</u>
NET POSITION		
Unrestricted	<u>\$ 18,776,314</u>	<u>\$ 19,068,334</u>

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	<u>\$ 33,105,053</u>	<u>\$ 31,348,192</u>
Operating Expenses		
Cost of Services	3,247,013	1,708,955
Medical Claims	<u>30,150,060</u>	<u>29,343,820</u>
Total Operating Expenses	<u>33,397,073</u>	<u>31,052,775</u>
Change in Net Position	(292,020)	295,417
Net Position, July 1	<u>19,068,334</u>	<u>18,772,917</u>
Net Position, June 30	<u><u>\$ 18,776,314</u></u>	<u><u>\$ 19,068,334</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, 2024

	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	\$ -	\$ -	\$ 399	\$ -	\$ -	\$ 64	\$ -	\$ -	\$ 463
Investments, at Fair Value:									
Money Market Funds	-	-	-	-	-	-	672,411	-	672,411
Mutual Funds	34,006,274	224,096,073	315,062,940	10,671,378	31,533,205	2,759,064	7,268,605	5,103,370	630,500,909
Investments, at Contract Value:									
Guaranteed Investment Contracts	-	-	106,625,376	3,837,019	9,477,732	-	-	1,662,402	121,602,529
Total Investments	34,006,274	224,096,073	421,688,316	14,508,397	41,010,937	2,759,064	7,941,016	6,765,772	752,775,849
Receivables:									
Employee Contributions	1,282	-	222,911	-	66,686	-	-	6,526	297,405
Employer Contributions	-	-	268,816	-	-	-	-	2,313	271,129
Notes Receivable from Participants	-	-	3,576,046	187,434	-	-	-	-	3,763,480
Settlement Receivable	792,199	2,362,966	-	-	-	-	-	-	3,155,165
Total Receivables	793,481	2,362,966	4,067,773	187,434	66,686	-	-	8,839	7,487,179
Accrued Interest and Dividends	4,471	23,289	-	-	-	-	8,468	-	36,228
Total Assets	34,804,226	226,482,328	425,756,488	14,695,831	41,077,623	2,759,128	7,949,484	6,774,611	760,299,719
LIABILITIES									
Accounts Payable - Administrative Expenses	9,615	14,338	-	-	-	-	-	-	23,953
NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS	\$ 34,794,611	\$ 226,467,990	\$ 425,756,488	\$ 14,695,831	\$ 41,077,623	\$ 2,759,128	\$ 7,949,484	\$ 6,774,611	\$ 760,275,766

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, 2024**

	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	\$ 3,326,825	\$ 10,191,187	\$ 12,493,093	\$ 151,487	\$ -	\$ 1,275,357	\$ 609,350	\$ 185,076	\$ 28,232,375
Employees	53,863	1,021,974	10,772,238	1,238,993	3,591,743	-	-	414,526	17,093,337
Rollovers	-	-	567,587	-	578,522	-	-	-	1,146,109
Total Contributions	3,380,688	11,213,161	23,832,918	1,390,480	4,170,265	1,275,357	609,350	599,602	46,471,821
Investment Income (Loss):									
Interest and Dividend Income	1,441,072	7,369,908	11,309,465	389,487	1,021,852	173,705	161,030	205,742	22,072,261
Interest on Notes Receivable from Participants	-	-	191,099	3,398	-	-	-	-	194,497
Net Appreciation (Depreciation) in Fair Value of Investments	1,865,924	14,669,287	31,607,984	918,006	3,325,686	99,804	626,858	526,231	53,639,780
Total Investment Income (Loss)	3,306,996	22,039,195	43,108,548	1,310,891	4,347,538	273,509	787,888	731,973	75,906,538
Other:									
Settlement Income	792,199	2,362,966	-	-	-	-	-	-	3,155,165
Total Additions	7,479,883	35,615,322	66,941,466	2,701,371	8,517,803	1,548,866	1,397,238	1,331,575	125,533,524
DEDUCTIONS									
Benefits and Refunds	5,949,898	15,308,098	28,710,264	403,552	1,987,425	614,665	-	598,619	53,572,521
Administrative Expenses	109,120	686,194	596,098	38,765	70,040	634,814	71,231	27,029	2,233,291
Total Deductions	6,059,018	15,994,292	29,306,362	442,317	2,057,465	1,249,479	71,231	625,648	55,805,812
CHANGE IN NET POSITION	1,420,865	19,621,030	37,635,104	2,259,054	6,460,338	299,387	1,326,007	705,927	69,727,712
NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS, BEGINNING OF YEAR									
	<u>33,373,746</u>	<u>206,846,960</u>	<u>388,121,384</u>	<u>12,436,777</u>	<u>34,617,285</u>	<u>2,459,741</u>	<u>6,623,477</u>	<u>6,068,684</u>	<u>690,548,054</u>
NET POSITION - RESTRICTED FOR PENSION, OPEB, AND RETIREMENT BENEFITS, END OF YEAR									
	<u>\$ 34,794,611</u>	<u>\$ 226,467,990</u>	<u>\$ 425,756,488</u>	<u>\$ 14,695,831</u>	<u>\$ 41,077,623</u>	<u>\$ 2,759,128</u>	<u>\$ 7,949,484</u>	<u>\$ 6,774,611</u>	<u>\$ 760,275,766</u>

KNOX COUNTY, TENNESSEE

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

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ -	\$ 250
Investments, at Fair Value:		
Mutual Funds	34,006,274	33,377,884
Receivables:		
Employee Contributions	1,282	-
Settlement Receivable	792,199	-
Total Receivable	793,481	-
Accrued Interest and Dividends	4,471	6,010
Total Assets	34,804,226	33,384,144
LIABILITIES		
Accounts Payable - Administrative Expenses	9,615	10,398
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 34,794,611</u>	<u>\$ 33,373,746</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, 2024 and 2023

	2024	2023
ADDITIONS		
Contributions:		
Employer	\$ 3,326,825	\$ 3,005,004
Employees	53,863	70,267
Total Contributions	3,380,688	3,075,271
Investment Income:		
Interest and Dividend Income	1,441,072	1,367,871
Net Appreciation in Fair Value of Investments	1,865,924	1,306,734
Total Investment Income	3,306,996	2,674,605
Other:		
Settlement Income	792,199	-
Total Additions	7,479,883	5,749,876
DEDUCTIONS		
Benefits and Refunds	5,949,898	6,371,760
Administrative Expenses	109,120	113,818
Total Deductions	6,059,018	6,485,578
CHANGE IN NET POSITION	1,420,865	(735,702)
NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR	33,373,746	34,109,448
NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR	\$ 34,794,611	\$ 33,373,746

KNOX COUNTY, TENNESSEE

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	\$ 224,096,073	\$ 206,873,912
Receivables:		
Settlement Receivable	2,362,966	-
Accrued Interest and Dividends	<u>23,289</u>	<u>11,550</u>
Total Assets	<u>226,482,328</u>	<u>206,885,462</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>14,338</u>	<u>38,502</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 226,467,990</u>	<u>\$ 206,846,960</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 10,191,187	\$ 8,129,160
Employees	<u>1,021,974</u>	<u>1,136,691</u>
Total Contributions	<u>11,213,161</u>	<u>9,265,851</u>
Investment Income:		
Interest and Dividend Income	7,369,908	7,761,498
Net Appreciation in Fair Value of Investments	<u>14,669,287</u>	<u>11,446,688</u>
Total Investment Income	<u>22,039,195</u>	<u>19,208,186</u>
Other:		
Settlement Income	<u>2,362,966</u>	<u>-</u>
Total Additions	<u>35,615,322</u>	<u>28,474,037</u>
DEDUCTIONS		
Benefits and Refunds	15,308,098	13,877,140
Administrative Expenses	<u>686,194</u>	<u>784,392</u>
Total Deductions	<u>15,994,292</u>	<u>14,661,532</u>
CHANGE IN NET POSITION	19,621,030	13,812,505
NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>206,846,960</u>	<u>193,034,455</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 226,467,990</u></u>	<u><u>\$ 206,846,960</u></u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Asset Accumulation Plan
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 399	\$ -
Investments, at Fair Value:		
Mutual Funds	315,062,940	277,191,672
Collective Investment Trusts	-	18,461,324
Investments, at Contract Value:		
Guaranteed Investment Contracts	106,625,376	94,061,117
 Total Investments	 <u>421,688,316</u>	 <u>389,714,113</u>
Receivables:		
Employee Contributions	222,911	-
Employer Contributions	268,816	-
Notes Receivable from Participants	3,576,046	3,143,530
 Total Receivables	 <u>4,067,773</u>	 <u>3,143,530</u>
 Total Assets	 <u>425,756,488</u>	 <u>392,857,643</u>
 LIABILITIES		
Accounts Payable - Investments Purchased	-	4,736,259
 NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	 <u>\$ 425,756,488</u>	 <u>\$ 388,121,384</u>

KNOX COUNTY, TENNESSEE

**Comparative Statements of Changes in Fiduciary Net Position
Pension Trust Fund - Asset Accumulation Plan**

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 12,493,093	\$ 11,853,432
Employees	10,772,238	10,557,408
Rollovers	567,587	542,344
	<u>23,832,918</u>	<u>22,953,184</u>
Total Contributions		
Investment Income:		
Interest and Dividend Income	11,309,465	13,503,451
Interest on Notes Receivable from Participants	191,099	160,572
Net Appreciation in Fair Value of Investments	31,607,984	17,101,708
	<u>43,108,548</u>	<u>30,765,731</u>
Total Investment Income		
Total Additions	<u>66,941,466</u>	<u>53,718,915</u>
DEDUCTIONS		
Benefits and Refunds	28,710,264	27,624,643
Administrative Expenses	596,098	62,156
	<u>29,306,362</u>	<u>27,686,799</u>
Total Deductions		
CHANGE IN NET POSITION	37,635,104	26,032,116
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR	<u>388,121,384</u>	<u>362,089,268</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR	<u>\$ 425,756,488</u>	<u>\$ 388,121,384</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	\$ 10,671,378	\$ 9,007,339
Collective Investment Trusts	-	295,461
Investments, at Contract Value:		
Guaranteed Investment Contracts	3,837,019	3,395,540
 Total Investments	 <u>14,508,397</u>	 <u>12,698,340</u>
 Receivables:		
Notes Receivable from Participants	187,434	-
 Total Assets	 <u>14,695,831</u>	 <u>12,698,340</u>
 LIABILITIES		
Accounts Payable - Investments Purchased	-	261,563
 NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS	 <u>\$ 14,695,831</u>	 <u>\$ 12,436,777</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 151,487	\$ 274,620
Employees	1,238,993	945,976
Total Contributions	<u>1,390,480</u>	<u>1,220,596</u>
Investment Income:		
Interest and Dividend Income	389,487	491,580
Interest on Notes Receivable from Participants	3,398	-
Net Appreciation in Fair Value of Investments	918,006	300,930
Total Investment Income	<u>1,310,891</u>	<u>792,510</u>
Total Additions	<u>2,701,371</u>	<u>2,013,106</u>
DEDUCTIONS		
Benefits and Refunds	403,552	562,784
Administrative Expenses	38,765	-
Total Deductions	<u>442,317</u>	<u>562,784</u>
CHANGE IN NET POSITION	2,259,054	1,450,322
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR	<u>12,436,777</u>	<u>10,986,455</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR	<u><u>\$ 14,695,831</u></u>	<u><u>\$ 12,436,777</u></u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Voluntary 457 Plan
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	\$ 31,533,205	\$ 25,608,910
Collective Investment Trusts	-	1,433,865
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>9,477,732</u>	<u>7,887,856</u>
 Total Investments	<u>41,010,937</u>	<u>34,930,631</u>
 Receivables:		
Employee Contributions	<u>66,686</u>	<u>-</u>
 Total Assets	<u>41,077,623</u>	<u>34,930,631</u>
LIABILITIES		
Accounts Payable - Investments Purchased	<u>-</u>	<u>313,346</u>
 NET POSITION - RESTRICTED FOR		
 RETIREMENT BENEFITS	<u><u>\$ 41,077,623</u></u>	<u><u>\$ 34,617,285</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employee	\$ 3,591,743	\$ 3,137,164
Rollovers	578,522	147,869
Total Contributions	<u>4,170,265</u>	<u>3,285,033</u>
Investment Income:		
Interest and Dividend Income	1,021,852	1,138,295
Net Appreciation in Fair Value of Investments	3,325,686	1,846,352
Total Investment Income	<u>4,347,538</u>	<u>2,984,647</u>
Total Additions	<u>8,517,803</u>	<u>6,269,680</u>
DEDUCTIONS		
Benefits and Refunds	1,987,425	1,978,073
Administrative Expense	70,040	-
Total Deductions	<u>2,057,465</u>	<u>1,978,073</u>
CHANGE IN NET POSITION	6,460,338	4,291,607
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, BEGINNING OF YEAR	<u>34,617,285</u>	<u>30,325,678</u>
NET POSITION - RESTRICTED FOR RETIREMENT BENEFITS, END OF YEAR	<u>\$ 41,077,623</u>	<u>\$ 34,617,285</u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Other Employee Benefit Trust Fund - Employee Disability Plan
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 64	\$ 149,248
Investments, at Fair Value:		
Mutual Funds	<u>2,759,064</u>	<u>2,337,390</u>
Total Assets	<u>2,759,128</u>	<u>2,486,638</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>-</u>	<u>26,897</u>
NET POSITION - RESTRICTED FOR		
OPEB BENEFITS	<u>\$ 2,759,128</u>	<u>\$ 2,459,741</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 1,275,357	\$ 564,682
Investment Income:		
Interest and Dividend Income	173,705	144,212
Net Appreciation in Fair Value of Investments	99,804	55,945
Total Investment Income	273,509	200,157
Total Additions	1,548,866	764,839
DEDUCTIONS		
Benefits and Refunds	614,665	599,777
Administrative Expenses	634,814	681,428
Total Deductions	1,249,479	1,281,205
CHANGE IN NET POSITION	299,387	(516,366)
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	2,459,741	2,976,107
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	<u>\$ 2,759,128</u>	<u>\$ 2,459,741</u>

KNOX COUNTY, TENNESSEE

Comparative Statements of Fiduciary Net Position
Other Employee Benefit Trust Fund - Retiree Healthcare Plan
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Money Market Funds	\$ 672,411	\$ 129,274
Mutual Funds	<u>7,268,605</u>	<u>6,486,921</u>
Total Investments	<u>7,941,016</u>	<u>6,616,195</u>
Accrued Income	<u>8,468</u>	<u>7,282</u>
Total Assets	<u>7,949,484</u>	<u>6,623,477</u>
NET POSITION - RESTRICTED FOR		
OPEB BENEFITS	<u><u>\$ 7,949,484</u></u>	<u><u>\$ 6,623,477</u></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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 609,350	\$ 600,000
Investment Income:		
Interest and Dividend Income	161,030	132,873
Net Appreciation in Fair Value of Investments	626,858	384,704
Total Investment Income	787,888	517,577
Total Additions	1,397,238	1,117,577
DEDUCTIONS		
Administrative Expenses	71,231	68,085
CHANGE IN NET POSITION	1,326,007	1,049,492
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	<u>6,623,477</u>	<u>5,573,985</u>
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	<u>\$ 7,949,484</u>	<u>\$ 6,623,477</u>

KNOX COUNTY, TENNESSEE

**Comparative Statements of Fiduciary Net Position
Pension Trust Fund - Medical Expense Retirement Plan
For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	\$ 5,103,370	\$ 4,422,684
Collective Investment Trusts	-	1,111,090
Investments, at Contract Value:		
Guaranteed Investment Contracts	<u>1,662,402</u>	<u>539,888</u>
 Total Investments	 <u>6,765,772</u>	 <u>6,073,662</u>
 Receivables:		
Employee Contributions	6,526	-
Employer Contributions	<u>2,313</u>	<u>-</u>
 Total Receivables	 <u>8,839</u>	 <u>-</u>
 Total Assets	 <u>6,774,611</u>	 <u>6,073,662</u>
 LIABILITIES		
Accounts Payable - Investments Purchased	<u>-</u>	<u>4,978</u>
 NET POSITION - RESTRICTED FOR OPEB BENEFITS	 <u><u>\$ 6,774,611</u></u>	 <u><u>\$ 6,068,684</u></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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 185,076	\$ 175,822
Employees	414,526	393,599
Total Contributions	<u>599,602</u>	<u>569,421</u>
Investment Income:		
Interest and Dividend Income	205,742	252,114
Net Appreciation in Fair Value of Investments	526,231	358,893
Total Investment Income	<u>731,973</u>	<u>611,007</u>
Total Additions	<u>1,331,575</u>	<u>1,180,428</u>
DEDUCTIONS		
Benefits and Refunds	598,619	574,285
Administrative Expenses	27,029	-
Total Deductions	<u>625,648</u>	<u>574,285</u>
CHANGE IN NET POSITION	705,927	606,143
NET POSITION - RESTRICTED FOR OPEB BENEFITS, BEGINNING OF YEAR	<u>6,068,684</u>	<u>5,462,541</u>
NET POSITION - RESTRICTED FOR OPEB BENEFITS, END OF YEAR	<u>\$ 6,774,611</u>	<u>\$ 6,068,684</u>

KNOX COUNTY, TENNESSEE
Combining Statements of Fiduciary Net Position
Custodial Funds
June 30, 2024
(With Comparative Totals for June 30, 2023)

	Municipal Sales Tax	Subdivision Bonds	External Agencies	Constitutional Officers	Totals	
					2024	2023
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 1,650,753	\$ 7,748,856	\$ 43,169,950	\$ 52,569,559	\$ 44,362,778
Accounts Receivable	12,760,191	-	-	968,909	13,729,100	13,245,407
TOTAL ASSETS	\$ 12,760,191	\$ 1,650,753	\$ 7,748,856	\$ 44,138,859	\$ 66,298,659	\$ 57,608,185
LIABILITIES						
Accounts Payable	\$ 127,602	\$ -	\$ -	\$ -	\$ 127,602	\$ 124,470
Due to Other Governments	12,632,589	-	-	-	12,632,589	12,322,557
TOTAL LIABILITIES	12,760,191	-	-	-	12,760,191	12,447,027
NET POSITION - RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS						
	\$ -	\$ 1,650,753	\$ 7,748,856	\$ 44,138,859	\$ 53,538,468	\$ 45,161,158

KNOX COUNTY, TENNESSEE

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

For the Year Ended June 30, 2024

	<u>Municipal Sales Tax</u>	<u>Subdivision Bonds</u>	<u>External Agencies</u>	<u>Constitutional Officers</u>	<u>Total All Custodial Funds</u>
ADDITIONS					
Collected for Other Offices/Governments	\$ 77,239,767	\$ -	\$ -	\$ 125,403,375	\$ 202,643,142
Litigants, Heirs, & Others	-	-	-	30,388,828	30,388,828
Charges for Goods/Services	-	-	3,412,025	-	3,412,025
Bonds for New Developments	-	548,091	-	-	548,091
Interest Income	-	-	107,445	-	107,445
Grant Proceeds/Match	-	-	50,279,243	-	50,279,243
Community Contributions/Sponsorships	-	-	925,111	-	925,111
Jail Commissary	-	-	-	1,591,407	1,591,407
Other	-	-	6,625,058	-	6,625,058
Total Additions	<u>77,239,767</u>	<u>548,091</u>	<u>61,348,882</u>	<u>157,383,610</u>	<u>296,520,350</u>
DEDUCTIONS					
Distributed to Other Offices/Governments	76,467,369	-	-	122,435,433	198,902,802
Trustee's Commission	772,398	-	-	2,073,451	2,845,849
Release of Funds upon Completion of New Developments	-	457,191	-	-	457,191
Salary & Fringe Benefits	-	-	34,712,531	-	34,712,531
Purchase Capital Assets	-	-	1,430,797	-	1,430,797
Operating Expenditures	-	-	20,358,428	-	20,358,428
Indirect Costs	-	-	59,578	-	59,578
Jail Commissary Expenditures	-	-	-	1,453,957	1,453,957
Litigants, Heirs, and Others	-	-	-	27,739,773	27,739,773
Other	-	-	182,134	-	182,134
Total Deductions	<u>77,239,767</u>	<u>457,191</u>	<u>56,743,468</u>	<u>153,702,614</u>	<u>288,143,040</u>
CHANGE IN NET POSITION	-	90,900	4,605,414	3,680,996	8,377,310
NET POSITION - RESTRICTED BEGINNING OF YEAR	<u>-</u>	<u>1,559,853</u>	<u>3,143,442</u>	<u>40,457,863</u>	<u>45,161,158</u>
NET POSITION - RESTRICTED END OF YEAR	<u>\$ -</u>	<u>\$ 1,650,753</u>	<u>\$ 7,748,856</u>	<u>\$ 44,138,859</u>	<u>\$ 53,538,468</u>

KNOX COUNTY, TENNESSEE
Combining Statement of Net Position
Nonmajor Component Units
June 30, 2024

	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	\$ 27,371,217	\$ -	\$ 8,780	\$ 6,100,275	\$ 33,480,272
Accounts Receivable	44	-	-	-	44
Accrued Interest Receivable	-	-	-	12,372	12,372
Contributions Receivable	-	-	-	122,741	122,741
Investments	-	-	-	1,049,261	1,049,261
Prepaid Items	306,228	-	-	30,308	336,536
Capital Assets:					
Land and Construction in Process	8,624,227	-	-	-	8,624,227
Other Capital Assets, Net of Accumulated Depreciation	8,561,396	-	-	-	8,561,396
Total Assets	<u>44,863,112</u>	<u>-</u>	<u>8,780</u>	<u>7,314,957</u>	<u>52,186,849</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	1,389,145	-	-	-	1,389,145
Liabilities					
Accounts Payable and Accrued Liabilities	245,890	-	-	423,986	669,876
Noncurrent Liabilities:					
Due in Less than One Year	471,237	-	-	-	471,237
Due in More than One Year	261,339	-	-	-	261,339
Net Pension Liability	516,573	-	-	-	516,573
Total Liabilities	<u>1,495,039</u>	<u>-</u>	<u>-</u>	<u>423,986</u>	<u>1,919,025</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	8,229	-	-	-	8,229
Net Position					
Investment in Capital Assets	17,179,392	-	-	-	17,179,392
Restricted for:					
Education Purposes	-	-	-	1,969,756	1,969,756
Unrestricted	27,569,597	-	8,780	4,921,215	32,499,592
Total Net Position	<u>\$ 44,748,989</u>	<u>\$ -</u>	<u>\$ 8,780</u>	<u>\$ 6,890,971</u>	<u>\$ 51,648,740</u>

KNOX COUNTY, TENNESSEE

Combining Statement of Activities

Nonmajor Component Units

For the Year Ended June 30, 2024

<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	\$ 12,410,407	\$ 9,788,308	\$ -	\$ 48,000	\$ (2,574,099)	\$ -	\$ -	\$ -	\$ (2,574,099)
Knox County Development Corporation	172,599	53,223	-	-	-	(119,376)	-	-	(119,376)
Knox County Railroad Authority	500	-	-	-	-	-	(500)	-	(500)
Knox Education Foundation	5,332,947	-	3,526,364	-	-	-	-	(1,806,583)	(1,806,583)
Total component units	\$ 17,916,453	\$ 9,841,531	\$ 3,526,364	\$ 48,000	(2,574,099)	(119,376)	(500)	(1,806,583)	(4,500,558)
General Revenues:									
Investment Revenue					1,387,379	32,630	-	299,170	1,719,179
Payments from Primary Government					1,333,231	-	-	2,500,000	3,833,231
Other Revenues - Loan Forgiveness					-	450,000	-	-	450,000
Other Governments and Citizens Groups					-	130,939	-	-	130,939
Miscellaneous					-	-	-	1,023	1,023
Grants and Contributions					2,247,402	-	-	-	2,247,402
Special Item - Distribution of Net Position to Another Organization					-	(42,360,822)	-	-	(42,360,822)
Total General Revenues and Special Item					4,968,012	(41,747,253)	-	2,800,193	(33,979,048)
Change in Net Position					2,393,913	(41,866,629)	(500)	993,610	(38,479,606)
Net Position, July 1					42,355,076	41,866,629	9,280	5,897,361	90,128,346
Net Position, June 30					\$ 44,748,989	\$ -	\$ 8,780	\$ 6,890,971	\$ 51,648,740

KNOX COUNTY, TENNESSEE
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2024

Governmental Activities, Payable through Debt Service Fund: Description of Indebtedness	Original Issue Amount	Interest Rate	Issuance Date	Last Maturity Date	Outstanding 6/30/2023	Transactions FY 2023:			Outstanding 6/30/2024
						Debt Issued	Principal Payments	Principal Refunded	
<u>Bonds Payable:</u>									
General Obligation, Series 2003	\$ 72,000,000	Variable Rate (3.99 at 6/30/24)	10/1/2003	6/1/2029	\$ 29,675,000	\$ -	\$ 4,225,000	\$ -	\$ 25,450,000
General Obligation, Series 2004	70,000,000	Variable Rate (3.99 at 6/30/24)	9/23/2004	6/1/2029	32,700,000	-	4,760,000	-	27,940,000
General Obligation, Series 2005	77,000,000	Variable Rate (4.95 at 6/30/24)	8/18/2005	6/1/2034	48,925,000	-	1,050,000	-	47,875,000
General Obligation, Series 2007	69,000,000	Variable Rate (4.90 at 6/30/24)	6/27/2007	6/1/2034	69,000,000	-	-	-	69,000,000
General Obligation, Series 2008	40,000,000	Variable Rate (3.99 at 6/30/24)	11/4/2008	6/1/2029	16,290,000	-	2,395,000	-	13,895,000
B General Obligation, Qualified School Construction Bonds Series 2010	29,236,000	0.00%	10/7/2010	7/1/2027	7,648,676	-	1,824,281	-	5,824,395
General Obligation, Series 2016	35,900,000	1.0 - 5.0%	4/15/2016	6/1/2036	24,550,000	-	1,525,000	-	23,025,000
General Obligation, Series 2017	90,265,000	3.0 - 5.0%	5/1/2017	6/1/2037	71,305,000	-	3,790,000	-	67,515,000
General Obligation Refunding, Series 2017B	57,780,000	2.0 - 5.0%	12/1/2017	6/1/2035	49,570,000	-	3,365,000	-	46,205,000
General Obligation, Series 2018	33,165,000	4.0 - 5.0%	7/24/2018	6/1/2038	24,870,000	-	1,660,000	-	23,210,000
General Obligation/Refunding, Series 2019	45,610,000	2.75 - 5.0%	5/15/2019	4/1/2038	29,905,000	-	3,440,000	-	26,465,000
General Obligation, Series 2019B	37,230,000	2.375 - 5.0%	10/10/2019	6/1/2040	33,440,000	-	1,390,000	-	32,050,000
B General Obligation Refunding, Series 2020A	17,420,000	1.5 - 5.0%	1/31/2020	8/1/2030	13,030,000	-	1,695,000	-	11,335,000
General Obligation Refunding, Series 2020B	38,090,000	1.875 - 5.0%	4/1/2020	6/1/2038	33,690,000	-	1,730,000	-	31,960,000
General Obligation, Series 2020C	55,155,000	3.0 - 5.0%	11/20/2020	6/1/2040	48,615,000	-	1,590,000	-	47,025,000
C General Obligation Refunding, Series 2020D	33,200,000	.35 - 1.0%	11/20/2020	6/1/2026	19,515,000	-	6,475,000	-	13,040,000
General Obligation Refunding, Series 2020E	22,905,000	1.5 - 2.1%	11/20/2020	6/1/2036	19,685,000	-	1,390,000	-	18,295,000
General Obligation, Series 2022	87,040,000	3.0 - 5.0%	4/14/2022	6/1/2042	84,975,000	-	1,750,000	-	83,225,000
General Obligation, Series 2023	70,000,000	4.0 - 5.0%	6/30/2023	6/1/2043	70,000,000	-	1,915,000	-	68,085,000
General Obligation Series 2024	95,250,000	4.0-5.0%	5/31/2024	6/1/2044	-	95,250,000	-	-	95,250,000
Total Bonds Payable through Debt Service Fund					<u>\$ 727,388,676</u>	<u>\$ 95,250,000</u>	<u>\$ 45,969,281</u>	<u>\$ -</u>	<u>\$ 776,669,395</u>
<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	\$ 470,797	\$ -	\$ 434,413	\$ -	\$ 36,384
<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	\$ 9,924,964	\$ -	\$ 471,439	\$ -	\$ 9,453,525
B STEM Academy	5,864,061	4.00%	1/1/2011	12/1/2030	2,749,904	-	320,848	-	2,429,056
Total Financed Purchases Payable through Debt Service Fund					<u>\$ 12,674,868</u>	<u>\$ -</u>	<u>\$ 792,287</u>	<u>\$ -</u>	<u>\$ 11,882,581</u>

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, 2024

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
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	\$ 25,450,000	\$ 3,573,000	\$ 27,940,000	\$ 3,467,600	\$47,875,000	\$16,069,500	\$69,000,000	\$23,465,000	\$13,895,000	\$ 2,151,750	\$ 5,824,395	\$ 4,391,672	\$ 23,025,000	\$ 4,817,776	\$67,515,000	\$17,411,650	\$46,205,000	\$ 8,790,027	\$23,210,000	\$ 7,207,200

continued

KNOX COUNTY, TENNESSEE

Knox County Primary Government and Board of Education
 Schedule of Debt Service Requirements
 General Bonded Debt (Continued)
 June 30, 2024

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		\$95,250,000 General Obligation Bonds Series 2024		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 3,265,000	\$ 4,122,670	\$ 49,619,281	\$ 31,333,015
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	3,265,000	3,948,000	51,479,281	29,308,070
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	4,365,000	3,784,750	53,823,856	27,293,332
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	4,360,000	3,566,500	56,356,977	23,741,685
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	3,635,000	3,348,500	56,325,000	21,173,082
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	2,810,000	3,166,750	54,415,000	18,712,443
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	2,810,000	3,026,250	55,185,000	16,335,244
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	2,810,000	2,885,750	56,045,000	14,164,365
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	2,805,000	2,745,250	56,495,000	12,046,612
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	2,825,000	2,605,000	58,010,000	9,920,811
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	6,230,000	2,492,000	45,140,000	7,814,587
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	6,230,000	2,242,800	35,335,000	6,416,936
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	6,230,000	1,993,600	31,775,000	5,243,375
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	6,230,000	1,744,400	25,630,000	4,161,940
2039	-	-	2,420,000	141,019	-	-	-	-	3,675,000	222,150	-	-	-	-	5,790,000	694,350	3,640,000	728,000	6,230,000	1,495,200	21,755,000	3,280,719
2040	-	-	2,485,000	71,443	-	-	-	-	3,730,000	111,900	-	-	-	-	5,785,000	520,650	3,640,000	582,400	6,230,000	1,246,000	21,870,000	2,532,393
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,000	347,100	3,640,000	436,800	6,230,000	996,800	15,655,000	1,780,700
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,785,000	173,550	3,640,000	291,200	6,230,000	747,600	15,655,000	1,212,350
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,640,000	145,600	6,230,000	498,400	9,870,000	644,000
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,230,000	249,200	6,230,000	249,200
Totals	\$ 26,465,000	\$ 7,171,036	\$ 32,050,000	\$ 8,925,318	\$ 11,335,000	\$ 1,120,587	\$ 31,960,000	\$ 5,678,763	\$ 47,025,000	\$ 14,703,200	\$ 13,040,000	\$ 195,800	\$ 18,295,000	\$ 2,293,960	\$ 83,225,000	\$ 30,747,000	\$ 68,085,000	\$ 28,278,600	\$ 95,250,000	\$ 46,905,420	\$ 776,669,395	\$ 237,364,859

KNOX COUNTY, TENNESSEE

**Knox County Primary Government
Schedule of Debt Service Requirements
General Bonded Debt
June 30, 2024**

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
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	\$ 12,193,632	\$ 1,980,891	\$ 18,360,570	\$ 2,278,709	\$ 31,087,664	\$ 10,434,741	\$ 50,450,000	\$ 17,156,655	\$ 9,031,750	\$ 1,398,636	\$ 9,375,000	\$ 1,961,135	\$ 23,695,000	\$ 6,110,950	\$ 34,225,000	\$ 6,554,232	\$ 16,920,020	\$ 5,254,028

continued

KNOX COUNTY, TENNESSEE

Knox County Primary Government
 Schedule of Debt Service Requirements
 General Bonded Debt (Continued)
 June 30, 2024

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		\$43,900,000 General Obligation Bonds Series 2024		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 1,504,808	\$ 1,900,107	\$ 27,389,898	\$ 15,547,618
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	1,504,814	1,819,603	28,386,236	14,486,978
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	2,011,795	1,744,363	27,782,050	13,405,029
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	2,009,491	1,643,773	29,873,073	12,174,550
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	1,675,344	1,543,298	30,499,569	10,857,431
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	1,295,108	1,459,531	28,683,727	9,501,505
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	1,295,108	1,394,776	29,587,096	8,233,109
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	1,295,108	1,330,020	30,502,113	7,039,124
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	1,292,803	1,265,265	30,893,769	5,856,613
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	1,302,021	1,200,625	31,810,561	4,661,201
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	2,871,360	1,148,544	21,623,783	3,456,683
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	2,871,360	1,033,690	15,356,356	2,787,640
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	2,871,360	918,835	13,854,514	2,273,743
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	2,871,360	803,981	11,732,680	1,797,686
2039	-	-	1,395,000	81,219	-	-	1,335,234	80,714	-	-	-	-	1,910,156	229,070	1,553,656	310,731	2,871,360	689,126	9,065,406	1,390,860
2040	-	-	1,430,000	41,112	-	-	1,355,217	40,657	-	-	-	-	1,908,506	171,766	1,553,656	248,585	2,871,360	574,272	9,118,739	1,076,392
2041	-	-	-	-	-	-	-	-	-	-	-	-	1,908,506	114,510	1,553,656	186,439	2,871,360	459,418	6,333,522	760,367
2042	-	-	-	-	-	-	-	-	-	-	-	-	1,908,487	57,255	1,553,656	124,292	2,871,360	344,563	6,333,503	526,110
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,553,656	62,146	2,871,360	229,709	4,425,016	291,855
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,871,360	114,854	2,871,360	114,854
Totals	\$ 17,200,000	\$ 4,661,237	\$ 18,450,000	\$ 5,137,807	\$ 16,384,549	\$ 2,911,263	\$ 17,085,545	\$ 5,342,099	\$ 13,040,000	\$ 195,800	\$ 8,207,209	\$ 1,029,079	\$ 27,456,409	\$ 10,143,619	\$ 29,060,623	\$ 12,070,114	\$ 43,900,000	\$ 21,618,353	\$ 396,122,971	\$ 116,239,348

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
Schedule of Debt Service Requirements
General Bonded Debt
June 30, 2024**

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
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	\$ 13,256,368	\$ 1,592,109	\$ 9,579,430	\$ 1,188,891	\$ 16,787,336	\$ 5,634,759	\$ 18,550,000	\$ 6,308,345	\$ 4,863,250	\$ 753,114	\$ 5,824,395	\$ 4,391,672	\$ 13,650,000	\$ 2,856,641	\$ 43,820,000	\$ 11,300,700	\$ 11,980,000	\$ 2,235,795

continued

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -
Knox County Board of Education
Schedule of Debt Service Requirements
General Bonded Debt (Continued)
June 30, 2024

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		\$51,350,000 General Obligation Bonds Series 2024		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 1,760,192	\$ 2,222,563	\$ 22,229,383	\$ 15,785,397
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	1,760,186	2,128,397	23,093,045	14,821,092
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	2,353,205	2,040,387	26,041,806	13,888,303
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	2,350,509	1,922,727	26,483,904	11,567,135
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	1,959,656	1,805,202	25,825,431	10,315,651
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	1,514,892	1,707,219	25,731,271	9,210,937
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	1,514,892	1,631,474	25,597,906	8,102,136
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	1,514,892	1,555,730	25,542,887	7,125,241
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	1,512,197	1,479,985	25,601,231	6,189,999
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	1,522,979	1,404,375	26,199,439	5,259,610
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	3,358,640	1,343,456	23,516,217	4,357,904
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	3,358,640	1,209,110	19,978,644	3,629,296
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	3,358,640	1,074,765	17,920,486	2,969,632
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	3,358,640	940,419	13,897,320	2,364,254
2039	-	-	-	-	1,025,000	59,800	-	-	-	-	2,339,766	141,436	-	-	3,879,844	465,280	2,089,210	417,269	3,358,640	806,074	12,689,594	1,889,859
2040	-	-	-	-	1,055,000	30,331	-	-	-	-	2,374,783	71,243	-	-	3,876,494	348,884	2,086,344	333,815	3,358,640	671,728	12,751,261	1,456,001
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,876,494	232,590	2,086,344	250,361	3,358,640	537,382	9,321,478	1,020,333
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,876,513	116,295	2,086,344	166,908	3,358,640	403,037	9,321,497	686,240
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,086,344	83,454	3,358,640	268,691	5,444,984	352,145	
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,358,640	134,346	3,358,640	134,346
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	\$ 39,024,377	\$ 16,208,486	\$ 51,350,000	\$ 25,287,067	\$ 380,546,424	\$ 121,125,511

Knox County Primary Government and Board of Education
Schedule of Debt Service Requirements
Financed Purchases
June 30, 2024

Principal and Interest Requirements to Maturity - Primary Government				Principal and Interest Requirements to Maturity - Component Unit - The Board			
Hannon Armstrong Solar Project (QECB Funding)				L&N Capital Lease STEM Academy			
Fiscal Year	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments	
2025	\$ 506,243	\$ 423,630	\$ 929,873	\$ 333,919	\$ 91,085	\$ 425,004	
2026	542,770	400,241	943,011	347,524	77,480	425,004	
2027	581,097	375,173	956,270	361,683	63,321	425,004	
2028	621,308	348,345	969,653	376,418	48,586	425,004	
2029	663,489	319,669	983,158	391,754	33,250	425,004	
2030	707,732	289,055	996,787	407,715	17,289	425,004	
2031	754,128	256,409	1,010,537	210,043	2,459	212,502	
2032	802,779	221,630	1,024,409	-	-	-	
2033	853,786	184,617	1,038,403	-	-	-	
2034	907,257	145,262	1,052,519	-	-	-	
2035	963,306	103,448	1,066,754	-	-	-	
2036	1,022,048	59,062	1,081,110	-	-	-	
2037	527,582	11,975	539,557	-	-	-	
Total	\$ 9,453,525	\$ 3,138,516	\$ 12,592,041	\$ 2,429,056	\$ 333,470	\$ 2,762,526	

KNOX COUNTY, TENNESSEE
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2024

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2023	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2024
GOVERNMENTAL ACTIVITIES:								
Lease Liability								
Buildings								
County Clerk - Halls Lease	\$ 359,273	1.059	2/1/2016	1/31/2026	\$ 209,200	\$ -	\$ 79,839	\$ 129,361
Graham - Isajah's Landing East - Clerk	1,080,414	1.913	6/1/2020	5/31/2035	967,739	-	65,434	902,305
Mascot Branch Library lease	47,576	1.681	5/1/2017	4/30/2032	39,376	-	4,169	35,207
Hart TC IV - Sheriff Office Space Turkey Creek	11,329	2.366	7/1/2022	6/30/2027	9,151	-	2,207	6,944
Schaad Companies LLC - Election Commission Renewal FY23	324,447	2.310	6/1/2023	5/31/2028	318,989	-	58,872	260,117
TVA East Tower	3,608,389	2.583	8/1/2020	3/31/2061	3,626,282	-	(12,098)	3,638,380
John H. Daniel - TRADES	1,446,347	1.580	12/20/2021	12/8/2032	1,384,735	-	187,387	1,197,348
Knox County Recovery Court FY24	139,853	2.312	2/1/2024	1/31/2029	-	139,853	10,911	128,942
Knox County Drug Court	60,539	0.727	2/1/2019	1/31/2024	14,223	-	14,223	-
Total Building Lease Liability					6,569,695	139,853	410,944	6,298,604
Land								
Bower Field Renewal FY23	55,437	2.452	5/3/2022	7/2/2032	49,766	-	4,453	45,313
The Carter Convenience Center	318,585	2.068	1/1/2017	12/31/2036	282,492	-	18,331	264,161
Volunteer Landing Marina	30,990	0.893	4/1/2015	3/31/2025	14,580	-	8,303	6,277
Total Land Lease Liability					346,838	-	31,087	315,751
Equipment								
Canon C5240 & C5503	32,663	1.217	7/1/2021	1/30/2027	22,017	-	5,404	16,613
Sharp Copiers - COUNTY	506,870	1.217	7/1/2021	1/30/2027	341,660	-	83,863	257,797
RICOH MP301SPF	5,059	1.217	11/15/2016	7/14/2027	3,412	-	838	2,574
Ricoh MP C307 - CONT4183-01	3,973	1.217	2/20/2017	7/19/2027	2,680	-	658	2,022
Ricoh MPC2504EX - CONT5053-01	7,366	1.217	3/6/2018	7/26/2027	4,970	-	1,220	3,750
Ricoh MP C3504ex - CONT4897-01	10,489	1.217	8/28/2017	7/27/2027	7,076	-	1,737	5,339
Ricoh MP 3555SP - CONT4920-01	9,802	1.217	8/31/2017	7/31/2027	6,659	-	1,600	5,059
Ricoh - Office of the District Attorney General	55,511	1.217	10/12/2017	7/11/2027	37,431	-	9,187	28,244
Ricoh Copiers - Knox County Veterans Office	2,627	1.217	7/24/2018	7/23/2027	1,772	-	435	1,337
Epson Workforce Pro Color MFP WF-R5690 - Knox County Sheriff's Office	13,794	1.217	3/6/2018	6/5/2027	9,234	-	2,316	6,918
Kyocera P2135DN Printer - Knox County Sheriff's Office	1,217	1.217	3/6/2018	7/5/2027	820	-	201	619
Ricoh IM C2500 - Knox County Sheriff's Office	6,691	1.217	3/6/2018	7/5/2027	4,511	-	1,107	3,404
Ricoh IM C300F - Knox County Sheriff's Office	7,493	1.217	3/6/2018	7/5/2027	5,051	-	1,239	3,812
Ricoh MP 301SPF - Knox County Sheriff's Office	42,987	1.217	3/6/2018	7/5/2027	28,980	-	7,113	21,867
Ricoh MP 3054 - Knox County Sheriff's Office	3,449	1.217	3/6/2018	7/5/2027	2,325	-	571	1,754
Ricoh MP 3055SP - Knox County Sheriff's Office	3,998	1.217	3/6/2018	7/5/2027	2,695	-	661	2,034
Ricoh MP 3555SP - Knox County Sheriff's Office	5,070	1.217	3/6/2018	7/5/2027	3,418	-	839	2,579
Ricoh MP 402SPF - Knox County Sheriff's Office	5,834	1.217	3/6/2018	7/5/2027	3,933	-	965	2,968
Ricoh MP 4055SP - Knox County Sheriff's Office	9,433	1.217	3/6/2018	7/5/2027	6,360	-	1,562	4,798
Ricoh MP 501SPF - Knox County Sheriff's Office	5,361	1.217	3/6/2018	7/5/2027	3,614	-	887	2,727
Ricoh MP 5055SP - Knox County Sheriff's Office	5,566	1.217	3/6/2018	7/5/2027	3,752	-	921	2,831
Ricoh MP 601SPF - Knox County Sheriff's Office	14,297	1.217	3/6/2018	7/5/2027	9,638	-	2,365	7,273
Ricoh MP 6055SP - Knox County Sheriff's Office	31,670	1.217	3/6/2018	7/5/2027	21,351	-	5,240	16,111
Ricoh MP C2004EX - Knox County Sheriff's Office	20,440	1.217	3/6/2018	7/5/2027	13,780	-	3,382	10,398
Ricoh MP C3004ex - Knox County Sheriff's Office	5,862	1.217	3/6/2018	7/5/2027	3,952	-	970	2,982
Ricoh MP C307 - Knox County Sheriff's Office	27,627	1.217	3/6/2018	7/5/2027	18,626	-	4,572	14,054
Ricoh MP C3504ex - Knox County Sheriff's Office	28,889	1.217	3/6/2018	7/5/2027	18,128	-	4,450	13,678
Ricoh MP C407 - Knox County Sheriff's Office	3,447	1.217	3/6/2018	7/5/2027	2,324	-	571	1,753
Ricoh MP C4504ex - Knox County Sheriff's Office	15,099	1.217	3/6/2018	7/5/2027	10,179	-	2,498	7,681
Ricoh MP C6503 - Knox County Sheriff's Office	16,487	1.217	3/6/2018	7/5/2027	11,115	-	2,728	8,387
Ricoh MP C8003 - Knox County Sheriff's Office	22,274	1.217	3/6/2018	7/5/2027	15,017	-	3,686	11,331
Ricoh MPC2504EX - Knox County Sheriff's Office	13,523	1.217	3/6/2018	7/5/2027	9,117	-	2,238	6,879
Ricoh SP C440DN Color Printer - Knox County Sheriff's Office	846	1.217	3/6/2018	7/5/2027	570	-	140	430
Ricoh MP C307 - Corryton Senior Center	3,794	1.217	12/31/2019	7/31/2027	2,578	-	620	1,958
Ricoh MP 2555SPDF - Knox County Clerk - Main	6,432	1.217	8/1/2019	7/31/2027	4,366	-	1,050	3,316
Ricoh MP 305SPF - Knox County Clerk - Main	2,074	1.217	11/14/2019	7/13/2027	1,399	-	344	1,055
Ricoh MP C307 - Knox County Governmental Library	8,025	1.217	8/27/2019	7/26/2027	5,414	-	1,329	4,085
Ricoh MP C6503 - Knox County Health Department	87,982	1.217	4/26/2019	7/25/2027	59,356	-	14,570	44,786
Ricoh IM C4500 - Knox County Mayor's Office	13,848	1.217	8/14/2019	7/13/2027	9,339	-	2,293	7,046
IM350F Black and White Multifunction Printer - Knox County Property Management	1,256	0.727	12/20/2019	12/19/2024	524	-	369	155
Ricoh MP C307 - Halls Senior Center	3,745	1.217	2/21/2020	7/20/2027	2,526	-	620	1,906
Ricoh IM C4500 - Knox County Clerk - Commission Library	13,247	1.217	2/7/2020	7/6/2027	8,931	-	2,192	6,739
Ricoh MP 2555SP - Knox County Clerk - East	7,933	1.217	2/7/2020	7/6/2027	5,348	-	1,313	4,035
IM350F & Ricoh MP 2555SP - Knox County Clerk - Main	10,705	1.217	2/7/2020	7/6/2027	7,217	-	1,771	5,446
Ricoh MP 2555SPDF & IM350F - Knox County Clerk - Main	34,009	1.217	12/21/2020	7/20/2027	22,940	-	5,631	17,309
Ricoh MP 2555SP - Knox County Register of Deeds	5,636	1.217	7/28/2020	7/27/2027	3,802	-	933	2,869
Ricoh MP C307 - South Knoxville Senior Center	3,745	1.217	1/15/2020	7/14/2027	2,526	-	620	1,906
Ricoh IM C3000 - Tennessee District Attorneys General Conference	18,139	1.217	2/19/2020	7/18/2027	12,234	-	3,003	9,231
RICOH MP-C2504	6,687	1.217	1/23/2020	7/22/2027	4,511	-	1,107	3,404

KNOX COUNTY, TENNESSEE
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2024

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2023	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2024
Ricoh MP 5055SP, IM C6500 & MP 4055SP - Knox County Criminal Court Clerk	215,835	1.217	6/15/2021	7/14/2027	144,529	-	36,249	108,280
RICOH IM350F	11,590	1.015	8/2/2021	8/1/2027	7,957	-	1,918	6,039
Ricoh IM C2500 - Knox County Fire Prevention	6,936	1.300	12/7/2021	7/6/2027	5,014	-	1,229	3,785
RICOH MP-301SPF	18,602	1.134	8/11/2021	6/10/2027	12,612	-	3,166	9,446
iX-9A Series	21,243	2.773	8/1/2021	7/31/2026	16,581	-	5,224	11,357
iX-7 Series	32,034	1.217	5/16/2017	7/15/2027	21,918	-	5,380	16,538
IM350F & Ricoh IM C3000 - Knox County Trustee	13,674	1.106	8/31/2021	7/31/2027	9,395	-	2,262	7,133
Total Equipment Lease Liability					1,007,183	-	249,357	757,826
Vehicles								
Chevrolet Equinox 2022 (3) FY23	77,411	2.275	8/23/2022	8/31/2026	61,288	-	18,880	42,408
Chevrolet Silverado 271 (5) FY23	313,012	2.682	1/18/2023	1/31/2028	286,410	-	59,525	226,885
Chevrolet Silverado 5500-HD 2023 FY23	120,738	2.682	2/15/2023	2/29/2028	112,067	-	22,849	89,218
Chevrolet Traverse 2023 (5) FY23	164,023	2.676	3/22/2023	3/31/2027	152,954	-	39,300	113,654
Chevrolet Traverse 2023 (3) FY23	99,846	2.327	4/10/2023	4/30/2027	94,371	-	23,814	70,557
Chevrolet Silverado 1500 FY23	56,117	2.310	4/12/2023	4/30/2028	53,710	-	10,626	43,084
Chevrolet Silverado 2500-HD 2023 FY23	45,430	2.310	4/17/2023	4/30/2028	43,594	-	8,625	34,969
Chevrolet Silverado 3500-HD 2023 FY23	69,684	2.310	5/16/2023	5/31/2028	67,903	-	13,194	54,709
Chevrolet Traverse 2023 FY23 IT	31,676	2.327	5/3/2023	5/31/2027	30,420	-	7,505	22,915
Chevrolet Traverse 2023 FY23 County Clerk	32,126	2.327	6/6/2023	6/30/2027	31,552	-	7,623	23,929
Chevrolet Blazer 2024	33,749	2.350	5/2/2024	5/31/2028	-	33,749	1,358	32,391
Chevrolet Silverado 3500-HD 2023 Unit #25XFGS	70,468	2.312	1/10/2024	1/31/2029	-	70,468	6,406	64,062
Chevrolet Silverado 3500-HD 2023 Unit #25XFGV	70,692	2.736	8/4/2023	8/31/2028	-	70,692	12,080	58,612
Chevrolet Silverado 3500-HD 2023 Unit #25XFH2	70,007	2.736	8/31/2023	8/31/2028	-	70,007	11,177	58,830
Chevrolet Silverado 3500-HD 2023 Unit #25XFH5	70,436	2.736	9/26/2023	9/30/2028	-	70,436	10,255	60,181
Chevrolet Silverado 3500-HD 2023 Unit #25XFH9	70,449	2.736	7/17/2023	7/31/2028	-	70,449	12,774	57,675
Chevrolet Silverado 3500-HD 2023 Unit #25XFHB	69,196	3.511	12/8/2023	12/31/2028	-	69,196	7,301	61,895
Chevrolet Silverado 3500-HD 2023 Unit #25XFHC	70,588	2.736	7/13/2023	7/31/2028	-	70,588	12,913	57,675
Chevrolet Silverado 3500-HD 2023 Unit #25XFHF	70,344	2.736	7/20/2023	7/31/2028	-	70,344	12,669	57,675
Chevrolet Silverado 3500-HD 2023 Unit #25XFHH	70,623	2.736	7/12/2023	7/31/2028	-	70,623	12,948	57,675
Chevrolet Silverado 3500-HD 2023 Unit #25XFHR	63,909	2.736	9/11/2023	9/30/2028	-	63,909	9,724	54,185
Chevrolet Silverado 3500-HD 2023 Unit #25XFHW	63,909	2.736	9/11/2023	9/30/2028	-	63,909	9,724	54,185
Chevrolet Silverado 3500-HD 2023 Unit #25XFHX	63,288	3.511	10/3/2023	10/31/2028	-	63,288	8,751	54,537
Chevrolet Silverado 3500-HD 2023 Unit #25XFJ2	62,718	3.511	10/25/2023	10/31/2028	-	62,718	8,094	54,624
Chevrolet Silverado 3500-HD 2023 Unit #25XFJ3	63,288	3.511	10/3/2023	10/31/2028	-	63,288	8,751	54,537
Chevrolet Silverado 3500-HD 2023 Unit #25XFJ6	62,718	3.511	10/25/2023	10/31/2028	-	62,718	8,094	54,624
Chevrolet Silverado 3500-HD 2023 Unit #25XFJ9	68,923	3.511	10/3/2023	10/31/2028	-	68,923	9,529	59,394
Chevrolet Silverado 3500-HD 2023 Unit #25XFJB	69,529	2.736	9/11/2023	9/30/2028	-	69,529	10,580	58,949
Chevrolet Silverado 3500-HD 2023 Unit #25XFJD	68,302	3.511	10/25/2023	10/31/2028	-	68,302	8,814	59,488
Chevrolet Silverado 3500-HD 2023 Unit #25XFJF	68,096	3.511	10/31/2023	10/31/2028	-	68,096	8,608	59,488
Chevrolet Silverado 3500-HD 2023 Unit #25XFJH	68,096	3.511	10/31/2023	10/31/2028	-	68,096	8,608	59,488
Chevrolet Silverado 3500-HD 2023 Unit #25XFJM	68,096	3.511	10/31/2023	10/31/2028	-	68,096	8,608	59,488
Chevrolet Silverado 3500-HD 2023 Unit #26LZJF	62,009	3.511	10/25/2023	10/31/2028	-	62,009	8,002	54,007
Chevrolet Silverado 3500-HD 2024 Unit #27D7P9	63,131	2.312	5/31/2024	5/31/2029	-	63,131	1,145	61,986
Chevrolet Silverado 3500-HD 2024 Unit #27D7PZ	64,622	2.312	5/30/2024	5/31/2029	-	64,622	1,208	63,414
Chevrolet Silverado 3500-HD 2024 Unit #27D7Q6	64,622	2.312	5/30/2024	5/31/2029	-	64,622	1,208	63,414
Chevrolet Silverado 3500-HD 2024 Unit #27D7Q8	65,188	2.312	6/14/2024	6/30/2029	-	65,188	645	64,543
Chevrolet Silverado 3500-HD 2024 Unit #27D7QF	64,586	2.312	5/31/2024	5/31/2029	-	64,586	1,171	63,415
Chevrolet Silverado 3500-HD 2024 Unit #27D7RM	54,332	2.312	3/1/2024	2/28/2029	-	54,332	3,528	50,804
Chevrolet Silverado 3500-HD 2024 Unit #27D7RN	54,714	2.312	3/22/2024	3/31/2029	-	54,714	2,953	51,761
Chevrolet Silverado 3500-HD 2024 Unit #27D7S5	56,910	2.312	3/20/2024	3/31/2029	-	56,910	3,125	53,785
Chevrolet Silverado 3500-HD 2024 Unit #27D7S6	56,699	2.312	3/15/2024	3/31/2029	-	56,699	3,248	53,451
Chevrolet Silverado 3500-HD 2024 Unit #27D7S8	56,314	2.312	3/11/2024	3/31/2029	-	56,314	2,863	53,451
Ford Edge 2024 Unit #27BS8V	39,055	2.786	9/25/2023	9/30/2027	-	39,055	7,194	31,861
Total Vehicle Lease Liability					934,269	2,159,606	455,997	2,637,878
Total Lease Liability Governmental					8,857,985	2,299,459	1,147,385	10,010,059
BUSINESS-TYPE ACTIVITIES:								
Lease Liability								
Equipment								
E-Z-GO Golf Cart	65,009	0.514	8/1/2018	7/31/2023	3,954	-	3,954	-
Wells Fargo Lease - Bunker Rake	9,630	0.514	10/1/2019	9/30/2023	964	-	964	-
Wells Fargo Lease - Mower	23,167	0.727	10/1/2019	9/30/2024	8,971	-	7,170	1,801
Total Equipment Lease Liability					13,889	-	12,088	1,801
GENERAL PURPOSE SCHOOLS FUND ACTIVITIES:								
Lease Liability								
Land								
Robert D. Craton 5th Ave Lease	323,653	1.217	9/1/2017	8/31/2027	227,675	-	51,038	176,637
Total Land Lease Liability	323,653				227,675	-	51,038	176,637
Equipment								

KNOX COUNTY, TENNESSEE
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2024

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Balance as of July 1, 2023	Issued During Period	Paid/Matured During Period	Balance as of June 30, 2024
Equipment								
Pitney Bowes - Halls MS	3,592	1.059	5/17/2017	6/16/2026	2,176	-	718	1,458
Riso Copiers - School	1,711,479	1.059	7/1/2021	6/30/2026	1,036,822	-	341,955	694,867
Epson Copiers - School	1,710,080	1.059	7/1/2021	6/30/2026	1,035,975	-	341,676	694,299
Konica Minolta Copier - School	71,620	1.059	7/1/2021	6/30/2026	43,388	-	14,310	29,078
Canon Copiers - PO22000020 & PO22000177	634,251	1.059	7/1/2021	6/30/2026	384,233	-	126,725	257,508
Canon Copiers - PO22001219, PO22001238, PO22001253, PO22001350 & PO22001601	30,361	0.972	7/1/2021	6/30/2026	18,378	-	6,066	12,312
Canon Copiers - Image Runner IRDX6755i	4,847	1.059	7/1/2021	6/30/2026	2,936	-	968	1,968
Canon Copiers - Contract 39769	761,625	0.727	7/1/2021	6/30/2024	255,569	-	255,569	-
Canon Copier - Canon IRADV DX C5760i	2,967	1.177	9/1/2021	6/30/2026	1,860	-	613	1,247
Ricoh Copiers - Knox County Schools Maintenance	27,391	1.217	2/5/2018	7/4/2027	18,466	-	4,533	13,933
Ricoh Copiers - Knox County Schools Maintenance Annex	8,964	1.217	4/26/2018	7/25/2027	6,048	-	1,485	4,563
Total Equipment Lease Liability					2,805,851	-	1,094,618	1,711,233
Vehicles								
2019 Dodge Charger	134,143	0.514	9/1/2020	8/31/2023	10,366	-	10,366	-
Nissan Cargo Van	97,930	1.059	5/20/2021	7/19/2026	59,975	-	19,238	40,737
Nissan Pathfinder 4x4 2022	31,423	1.217	5/20/2021	7/19/2026	19,273	-	6,172	13,101
Chevrolet Malibu 4dr Sedan 2022	21,360	1.217	5/20/2021	7/19/2026	13,100	-	4,195	8,905
Chevrolet Malibu 4dr Sedan 2022 (2)	53,358	1.217	5/20/2021	7/19/2026	32,724	-	10,479	22,245
Chevrolet Malibu 4dr Sedan 2022 (8) FY23	162,121	2.366	9/1/2022	9/30/2027	136,644	-	30,928	105,716
Chevrolet Malibu 4dr Sedan 2022 FY23	26,453	2.366	8/31/2022	8/31/2027	22,202	-	5,129	17,073
Nissan Pathfinder 4x4 2023 FY23	44,910	2.682	12/9/2022	12/31/2027	39,927	-	8,301	31,626
Chevrolet Malibu 4dr Sedan 2023 (15)	434,783	2.736	7/14/2023	7/31/2028	-	434,783	79,363	355,421
Dodge Durango 2023 (3)	128,789	2.736	7/26/2023	7/31/2028	-	128,789	22,881	105,908
Dodge Durango 2023 (4)	181,340	2.736	7/1/2023	6/30/2028	-	181,340	34,648	146,692
School Bus - Henry Bus Lines	76,932	2.426	3/1/2024	6/30/2027	-	76,932	7,557	69,375
School Bus - JLL Transport	76,932	2.426	3/1/2024	6/30/2027	-	76,932	7,557	69,375
School Bus - Lynch	76,932	2.426	3/1/2024	6/30/2027	-	76,932	7,557	69,375
Total Vehicle Lease Liability					334,211	975,708	254,371	1,055,549
Total Lease Liability General Purpose Schools					3,367,737	975,708	1,400,027	2,943,419
Total Lease Liability					\$ 12,239,611	\$ 3,275,167	\$ 2,559,500	\$ 12,955,279

KNOX COUNTY, TENNESSEE
Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year
June 30, 2024

Year Ending, June 30,	Leases		
	Principal	Interest	Total
2025	2,459,133	270,487	2,729,620
2026	2,517,036	224,662	2,741,698
2027	1,590,631	181,973	1,772,604
2028	1,086,728	148,222	1,234,950
2029	523,643	125,805	649,448
2030	317,499	116,335	433,834
2031	332,577	108,381	440,958
2032	352,052	99,970	452,022
2033	255,936	91,968	347,904
2034	183,719	87,425	271,144
2035	180,830	83,394	264,224
2036	92,180	80,296	172,476
2037	83,916	78,045	161,961
2038	75,388	76,073	151,461
2039	78,891	74,085	152,976
2040	82,501	72,004	154,505
2041	86,220	69,830	156,050
2042	90,053	67,557	157,610
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	51,707	167,306
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	27,693	179,375
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	\$ 12,955,279	\$ 2,755,024	\$ 15,710,303

KNOX COUNTY, TENNESSEE

Schedule of Salaries and Insurance Coverage of Principal Elected Officials
For the year ended June 30, 2024

OFFICIAL	AUTHORIZATION FOR SALARY	SALARY PAID DURING YEAR	POLICY AMOUNT	INSURANCE COMPANY
Assessor of Property	Section 8-24-102 (k), T.C.A.	\$ 180,607	\$ 400,000	Self - Insured
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.	\$ 172,755	\$ 400,000	Self - Insured
County Clerk	Section 8-24-102 (k), T.C.A.	\$ 157,051	\$ 400,000	Self - Insured
County Mayor	Section 8-24-102, T.C.A.	\$ 208,602	\$ 400,000	Self - Insured
Criminal and Fourth Circuit Court Clerk	Section 8-24-102 (k), T.C.A.	\$ 172,755	\$ 400,000	Self - Insured
Law Director	Section 3.08, Knox County Charter	\$ 204,612	N/A	N/A
Register of Deeds	Section 8-24-102 (k), T.C.A.	\$ 157,051	\$ 400,000	Self - Insured
Sheriff	Section 8-24-102 (j), T.C.A.	\$ 198,668	\$ 100,000	Self - Insured
Trustee	Section 8-24-102 (k), T.C.A.	\$ 157,050	\$ 17,431,456	Self - Insured

KNOX COUNTY, TENNESSEE
Schedule of Internal Receivables and Payables
June 30, 2024

		Due From				
		General Fund	General Purpose Schools	Central Cafeteria Schools	Constitutional Officers	Total
Due To	General Fund	\$ -	\$ -	\$ -	\$ 5,771,441	\$ 5,771,441
	General Grants	82,397	-	-	-	82,397
	General Purpose Schools	-	-	302,267	-	302,267
	Federal Projects Schools	-	257,662	-	-	257,662
	Total	\$ 82,397	\$ 257,662	\$ 302,267	\$ 5,771,441	\$ 6,413,767

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, 2024

	Board of Education
	Total -- Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 91,600,923
Investments, at Fair Value	136,787,059
Accounts Receivable	45,465,557
Local Taxes Receivable, net	144,512,707
Lease Receivable	15,225
Inventories	2,329,755
Prepaid Items	1,120,088
Net Pension Asset	74,920,121
Capital Assets:	
Land and Construction in Process	64,447,139
Other Capital Assets, Net of Accumulated Depreciation	472,878,717
Total Assets	1,034,077,291
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	75,357,936
Deferred Outflows Related to Other Post-Employment Benefits	16,910,797
Total Deferred Outflows of Resources	92,268,733
Liabilities	
Accounts Payable and Accrued Liabilities	73,630,570
Unearned Revenue	518,401
Accrued Interest	313
Noncurrent Liabilities:	
Portion Due in Less than One Year:	
Self-insurance Liability	70,000
Other Long-term Obligations	8,282,771
Portion Due in More than One Year:	
Net Pension Liability	18,090,858
Total Other Post-Employment Benefits Liability	46,114,845
Self-insurance Liability	2,260,976
Other Long-term Obligations	19,638,102
Total Liabilities	168,606,836
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	6,581,327
Deferred Inflows Related to Other Post-Employment Benefits	11,580,303
Deferred Inflows of Property Taxes and Other Receivables	101,419,759
Total Deferred Inflows of Resources	119,581,389
Net Position	
Investment in Capital Assets	530,811,843
Net Investment in Capital Assets	128,275
Restricted for:	
Education Purposes	35,590,573
Capital Purposes-Education	67,458,413
Pensions	87,054,441
Unrestricted	117,114,254
Total Net Position	\$ 838,157,799

Knox County Board of Education

Statement of Activities

For the Year Ended June 30, 2024

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	\$ 804,999,554	\$ 36,598,455	\$ 145,049,462	\$ (623,351,637)
Education - Payment to Primary Government	9,071,724	-	-	(9,071,724)
Total primary government	<u>\$ 814,071,278</u>	<u>\$ 36,598,455</u>	<u>\$ 145,049,462</u>	<u>(632,423,361)</u>
General Revenues:				
Property Taxes				108,032,175
Sales Taxes				239,437,493
Wheel Taxes				912,721
Other Local Taxes				797,157
Interest Income				7,269,193
Miscellaneous				82,697
State of Tennessee Investment in Student Achievement				314,941,797
Payments from Knox County Primary Government				51,469,200
Intergovernmental Revenues				4,140,806
Total General Revenues				<u>727,083,239</u>
Change in Net Position				94,659,878
Net Position, July 1				<u>743,497,921</u>
Net Position, June 30				<u>\$ 838,157,799</u>

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit

Knox County Board of Education

Balance Sheet

Governmental Funds

June 30, 2024

	General Purpose School	School Construction Capital Projects	School Federal Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 32,128,630	\$ 23,089,533	\$ -	\$ 36,382,760	\$ 91,600,923
Investments, at Fair Value	82,578,104	54,208,955	-	-	136,787,059
Receivables (Net of Allowance for Uncollectibles):					
Accounts	11,694,512	-	26,218,434	7,552,611	45,465,557
Local Taxes	144,512,707	-	-	-	144,512,707
Leases	15,225	-	-	-	15,225
Due from Other Funds	19,476,291	-	-	257,662	19,733,953
Inventories	1,440,794	-	-	888,961	2,329,755
Prepaid Items	404,169	-	431,678	284,241	1,120,088
TOTAL ASSETS	\$ 292,250,432	\$ 77,298,488	\$ 26,650,112	\$ 45,366,235	\$ 441,565,267
LIABILITIES					
Accounts Payable	\$ 2,500,039	\$ 9,840,075	\$ 10,013,594	\$ 1,131,530	\$ 23,485,238
Accrued Liabilities	50,042,244	-	-	181,518	50,223,762
Due to Other Funds	257,662	-	16,837,480	2,638,811	19,733,953
Unearned Revenue	-	-	-	518,401	518,401
TOTAL LIABILITIES	52,799,945	9,840,075	26,851,074	4,470,260	93,961,354
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes and Other Receivable	103,297,323	-	-	-	103,297,323
FUND BALANCES					
Nonspendable	1,844,963	-	431,678	1,173,202	3,449,843
Restricted	12,153,776	67,458,413	-	35,571,116	115,183,305
Committed	12,734,102	-	-	4,298,267	17,032,369
Assigned	1,131,467	-	-	-	1,131,467
Unassigned (Deficit)	108,288,856	-	(632,640)	(146,610)	107,509,606
TOTAL FUND BALANCES (DEFICIT)	136,153,164	67,458,413	(200,962)	40,895,975	244,306,590
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 292,250,432	\$ 77,298,488	\$ 26,650,112	\$ 45,366,235	\$ 441,565,267

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, 2024

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

Ending Fund Balance - Governmental Funds	\$	244,306,590
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		537,325,856
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.		74,920,121
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	\$	75,357,936
Deferred outflows related to other postemployment benefits		16,910,797
Deferred inflows related to pensions		(6,581,327)
Deferred inflows related to other postemployment benefits		<u>(11,580,303)</u>
		74,107,103
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.		1,877,564
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences	\$	19,848,200
Accrued Interest		313
Lease and SBITA Obligations		3,956,682
Financed Purchases		2,429,056
Termination Benefits		1,608,505
Self-insurance Liability		2,330,976
Total Other Post-Employment Benefits Liability		46,114,845
Net Pension Liability		<u>18,090,858</u>
		<u>(94,379,435)</u>
Net Position of Governmental Activities	\$	<u>838,157,799</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, 2024

	General Purpose School	School Construction Capital Projects	School Federal Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 107,924,551	\$ -	\$ -	\$ -	\$ 107,924,551
Local Option Sales Taxes	239,437,493	-	-	-	239,437,493
Wheel Tax	912,721	-	-	-	912,721
Other Local Taxes	797,157	-	-	-	797,157
Licenses and Permits	27,312	-	-	-	27,312
Charges for Current Services	450,563	-	-	6,877,428	7,327,991
Other Local Revenues	7,956,031	-	-	26,924,954	34,880,985
Fees Received from County Officials	-	-	-	309,257	309,257
State of Tennessee	324,968,581	-	1,348,837	9,393,177	335,710,595
Federal Government	599,346	-	95,506,496	24,299,191	120,405,033
Other Governments and Citizen Groups	15,037	-	-	2,286,910	2,301,947
Interest Earned	6,965,387	-	-	-	6,965,387
Payments from Primary Government	-	51,469,200	-	-	51,469,200
Total Revenues	690,054,179	51,469,200	96,855,333	70,090,917	908,469,629
Expenditures					
Current:					
Education	615,168,096	-	71,117,951	70,978,537	757,264,584
Capital Outlay	1,601,084	37,082,994	23,459,191	2,999,442	65,142,711
Payments to Primary Government	9,071,724	-	-	-	9,071,724
Debt Service:					
Principal	1,583,275	-	-	72,565	1,655,840
Interest	56,301	-	-	24,897	81,198
Total Expenditures	627,480,480	37,082,994	94,577,142	74,075,441	833,216,057
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,573,699	14,386,206	2,278,191	(3,984,524)	75,253,572
Other Financing Sources (Uses)					
Transfers from Other Funds	-	38,282,536	14,978	5,439,994	43,737,508
Transfers to Other Funds	(41,229,667)	(25,000)	(2,323,905)	(158,936)	(43,737,508)
Lease and Subscription Financing	976,463	-	-	-	976,463
Total Other Financing Sources (Uses)	(40,253,204)	38,257,536	(2,308,927)	5,281,058	976,463
Net Change in Fund Balances	22,320,495	52,643,742	(30,736)	1,296,534	76,230,035
Fund Balances, July 1	113,832,669	14,814,671	(170,226)	39,599,441	168,076,555
Fund Balances (Deficit), June 30	\$ 136,153,164	\$ 67,458,413	\$ (200,962)	\$ 40,895,975	\$ 244,306,590

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, 2024

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

Net Change in Fund Balances - Total Governmental Funds	\$	76,230,035
<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 (\$58,473,841) exceeded depreciation and amortization (\$31,443,231) in the current period.</p>		
		27,030,610
<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>		
		1,877,564
<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>		
		(1,769,940)
<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>		
		680,135
<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	\$	(1,723,465)
Deferred Outflows Related to Other Post-Employment Benefits		(318,311)
Deferred Outflows Related to Pensions		(12,393,172)
		(14,434,948)
<p>(Increase) decrease in liabilities and deferred inflows:</p>		
Self-insurance Liability		49,619
Accrued Interest		5,606
Termination Benefits		406,439
Total Other Post-Employment Benefits Liability		(2,399,396)
Net Pension Liability		(2,383,308)
Deferred Inflows Related to Pensions		9,096,977
Deferred Inflows Related to Other Post-Employment Benefits		226,428
Compensated Absences Liability		(276,791)
Financed Purchases		320,848
		5,046,422
Change in Net Position of Governmental Activities	\$	94,659,878

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
General Fund - General Purpose School
Comparative Balance Sheets
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 32,128,630	\$ 12,688,098
Investments, at Fair Value	82,578,104	82,580,877
Receivables (Net of Allowance for Uncollectibles):		
Accounts	11,694,512	8,721,856
Local Taxes	144,512,707	151,443,537
Leases	15,225	17,678
Due from Other Funds	19,476,291	15,608,702
Prepaid Items	404,169	741,947
Inventories	1,440,794	1,317,704
TOTAL ASSETS	<u>\$ 292,250,432</u>	<u>\$ 273,120,399</u>
LIABILITIES		
Accounts Payable	\$ 2,500,039	\$ 1,176,321
Accrued Liabilities	50,042,244	47,094,034
Due to Other Funds	257,662	389,001
TOTAL LIABILITIES	<u>52,799,945</u>	<u>48,659,356</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes and Other Receivable	<u>103,297,323</u>	<u>110,628,374</u>
FUND BALANCES		
Nonspendable	1,844,963	2,059,651
Restricted	12,153,776	9,167,856
Committed	12,734,102	4,861,316
Assigned	1,131,467	6,413,891
Unassigned	108,288,856	91,329,955
TOTAL FUND BALANCES	<u>136,153,164</u>	<u>113,832,669</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 292,250,432</u>	<u>\$ 273,120,399</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, 2024 and 2023

	2024	2023
Revenues		
Property Taxes	\$ 107,924,551	\$ 113,152,627
Local Option Sales Taxes	239,437,493	231,296,010
Wheel Tax	912,721	1,885,756
Other Local Taxes	797,157	819,734
Licenses and Permits	27,312	43,524
Charges for Current Services	450,563	469,485
Other Local Revenues	7,956,031	6,376,743
State of Tennessee	324,968,581	257,897,171
Federal Government	599,346	725,050
Other Governments and Citizen Groups	15,037	19,069
Interest Earned	6,965,387	4,111,567
	690,054,179	616,796,736
Expenditures		
Current:		
Education	615,168,096	563,975,539
Capital Outlay	1,601,084	1,023,614
Payments to Primary Government	9,071,724	18,186,683
Debt Service:		
Principal	1,583,275	1,434,274
Interest	56,301	51,807
	627,480,480	584,671,917
Total Expenditures		
Excess of Revenues Over Expenditures	62,573,699	32,124,819
Other Financing Sources (Uses)		
Transfers from Other Funds	-	393
Transfers to Other Funds	(41,229,667)	(11,447,421)
Lease and Subscription Financing	976,463	784,713
	(40,253,204)	(10,662,315)
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	22,320,495	21,462,504
Fund Balances, July 1	113,832,669	92,370,165
Fund Balances, June 30	\$ 136,153,164	\$ 113,832,669

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, 2024 and 2023**

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Property Taxes	\$ 105,457,240	\$ 105,457,240	\$ 107,924,551	\$ 2,467,311	\$ 109,060,000	\$ 113,152,627	\$ 4,092,627
Local Option Sales Taxes	225,736,930	225,736,930	239,437,493	13,700,563	217,367,000	231,296,010	13,929,010
Wheel Tax	900,000	900,000	912,721	12,721	1,750,000	1,885,756	135,756
Other Local Taxes	750,000	750,000	797,157	47,157	900,000	819,734	(80,266)
Licenses and Permits	36,000	36,000	27,312	(8,688)	36,000	43,524	7,524
Charges for Current Services	275,000	275,000	450,563	175,563	275,000	469,485	194,485
Other Local Revenues	10,575,000	10,575,000	7,956,031	(2,618,969)	7,321,100	6,376,743	(944,357)
State of Tennessee	316,080,830	316,080,830	323,132,746	7,051,916	253,751,000	256,036,805	2,285,805
Federal Government	600,000	600,000	599,346	(654)	600,000	725,050	125,050
Other Governments and Citizen Groups	-	-	15,037	15,037	-	19,069	19,069
Interest Earned	275,000	275,000	6,965,387	6,690,387	350,000	4,111,567	3,761,567
Total Revenues	660,686,000	660,686,000	688,218,344	27,532,344	591,410,100	614,936,370	23,526,270
Expenditures							
Current:							
Education:							
Personal Services	421,867,232	419,455,520	412,503,287	6,952,233	384,962,068	380,369,592	4,592,476
Employee Benefits	114,093,348	112,704,759	108,517,754	4,187,005	107,457,821	102,406,555	5,051,266
Contracted Services	38,699,808	42,201,088	39,336,472	2,864,616	39,533,245	38,166,001	1,367,244
Supplies and Materials	29,977,522	39,276,213	38,243,574	1,032,639	35,383,592	28,064,443	7,319,149
Other Charges	15,914,079	18,014,675	16,370,750	1,643,925	15,682,245	14,594,663	1,087,582
Capital Outlay	1,525,450	1,795,889	1,601,084	194,805	4,963,802	1,023,614	3,940,188
Payments to Primary Government	35,151,000	9,127,400	9,071,724	55,676	18,188,870	18,186,683	2,187
Total Expenditures	657,228,439	642,575,544	625,644,645	16,930,899	606,171,643	582,811,551	23,360,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,457,561	18,110,456	62,573,699	44,463,243	(14,761,543)	32,124,819	46,886,362
Other Financing Sources (Uses)							
Transfers from Other Funds	-	-	-	-	-	393	393
Transfers to Other Funds	(3,457,561)	(41,373,161)	(41,229,667)	143,494	(11,937,132)	(11,447,421)	489,711
Lease and SBITA Financing	-	-	976,463	976,463	551,229	784,713	233,484
Total Other Financing Sources (Uses)	(3,457,561)	(41,373,161)	(40,253,204)	1,119,957	(11,385,903)	(10,662,315)	723,588
Net Change in Fund Balances	-	(23,262,705)	22,320,495	45,583,200	(26,147,446)	21,462,504	47,609,950
Fund Balances, July 1	113,832,669	113,832,669	113,832,669	-	92,370,165	92,370,165	-
Fund Balances, June 30	\$ 113,832,669	\$ 90,569,964	\$ 136,153,164	\$ 45,583,200	\$ 66,222,719	\$ 113,832,669	\$ 47,609,950

Note: The revenue and expenditure totals in this statement do not include \$1,835,835 for FY '24 and \$1,860,366 for FY '23 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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 23,089,533	\$ 4,393,741
Investments, at Fair Value	<u>54,208,955</u>	<u>19,493,242</u>
TOTAL ASSETS	<u>\$ 77,298,488</u>	<u>\$ 23,886,983</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 9,840,075</u>	<u>\$ 9,072,312</u>
TOTAL LIABILITIES	<u>9,840,075</u>	<u>9,072,312</u>
Fund Balances:		
Restricted	<u>67,458,413</u>	<u>14,814,671</u>
TOTAL FUND BALANCES	<u>67,458,413</u>	<u>14,814,671</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 77,298,488</u>	<u>\$ 23,886,983</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenues		
Other Local Revenues	\$ -	\$ 30,000
Payments from Primary Government	<u>51,469,200</u>	<u>40,214,371</u>
Total Revenues	<u>51,469,200</u>	<u>40,244,371</u>
Expenditures		
Capital Projects	<u>37,082,994</u>	<u>46,238,493</u>
Total Expenditures	<u>37,082,994</u>	<u>46,238,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,386,206</u>	<u>(5,994,122)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	38,282,536	9,731,622
Transfers to Other Funds	<u>(25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>38,257,536</u>	<u>9,731,622</u>
Net Change in Fund Balance	52,643,742	3,737,500
Fund Balances, July 1	<u>14,814,671</u>	<u>11,077,171</u>
Fund Balances, June 30	<u>\$ 67,458,413</u>	<u>\$ 14,814,671</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, 2024*

	Project Budget	Expenditures			Available
		Prior Years	Current	Total	
Expenditures					
<i>Capital Projects:</i>					
<i>School Renovation:</i>					
Physical Plant Upgrades	\$ 18,811,779	\$ 14,276,148	\$ 3,078,924	\$ 17,355,072	\$ 1,456,707
Foundation Stabilization	1,750,000	645,749	542,109	1,187,858	562,142
Security Upgrades	20,975,000	15,517,952	1,897,830	17,415,782	3,559,218
Tech Upgrades Systemwide	2,646,876	1,602,509	229,212	1,831,721	815,155
School Accessibility	800,000	349,116	58,595	407,711	392,289
HVAC Upgrades	23,433,137	12,818,053	3,415,077	16,233,130	7,200,007
Roofing Upgrades	17,174,655	9,885,563	4,659,120	14,544,683	2,629,972
Land Acquisition	6,325,561	3,220,099	3,105,462	6,325,561	-
BEP Growth Mod Class Relocation	6,112,391	4,555,821	73,346	4,629,168	1,483,223
Drive Parking Upgrades	6,300,000	3,126,477	2,873,350	5,999,826	300,174
Env. Testing & Rem.	1,450,000	793,512	146,957	940,469	509,531
Cafeteria Upgrades - Powell High School	3,177,260	3,175,872	-	3,175,872	1,388
Adrian Burnett Elementary	23,247,532	21,131,122	1,465,141	22,596,264	651,269
Lonsdale Construction	23,800,000	21,676,893	-	21,676,893	2,123,107
South Knox Elem Vestibule	66,006	-	44,851	44,851	21,155
Bearden Elementary Playground	187,130	-	187,130	187,130	-
Western Heights Solution	3,400,000	-	-	-	3,400,000
Facilities Condition Assessment	1,000,000	-	622,367	622,367	377,633
Richard Yoakley Renovations	-	199,525	(199,525)	-	-
Playground Improvements	50,000	-	49,511	49,511	489
Gibbs Softball Outfield Wall	10,000	9,844	-	9,844	156
Halls High Renovation	2,743,052	2,509,884	135,893	2,645,776	97,276
Gibbs High Stadium Upgrade	1,394,860	1,282,821	30,000	1,312,821	82,039
Bearden Middle Seating	127,371	-	124,743	124,743	2,628
Farragut Elementary	10,088,199	47,897	3,225,124	3,273,021	6,815,178
Title IX Solutions	17,395,000	7,196,054	1,520,508	8,716,561	8,678,439
Fire Alarm System Upgrades	4,000,000	2,289,611	1,096,498	3,386,108	613,892
Northwest Elementary	33,513,274	25,453,126	6,953,001	32,406,127	1,107,147
Sterchi 250 Student Addition	20,000,000	687,113	321,111	1,008,225	18,991,775
Harden Valley ACAD Classroom Addition	12,972,000	614,032	1,426,660	2,040,692	10,931,308
<i>Total Capital Projects</i>	<i>\$ 262,951,083</i>	<i>\$ 153,064,793</i>	<i>\$ 37,082,994</i>	<i>\$ 190,147,787</i>	<i>\$ 72,803,296</i>

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -
Knox County Board of Education
School Federal Projects Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Receivables (Net of Allowance for Uncollectibles):		
Accounts	\$ 26,218,434	\$ 13,890,517
Prepaid Items	431,678	55,003
TOTAL ASSETS	<u>\$ 26,650,112</u>	<u>\$ 13,945,520</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 10,013,594	\$ 2,245,147
Due to Other Funds	16,837,480	11,870,599
TOTAL LIABILITIES	<u>26,851,074</u>	<u>14,115,746</u>
Fund Balances:		
Nonspendable	431,678	55,003
Unassigned (Deficit)	(632,640)	(225,229)
TOTAL FUND BALANCES (DEFICIT)	<u>(200,962)</u>	<u>(170,226)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,650,112</u>	<u>\$ 13,945,520</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenues		
State of Tennessee	\$ 1,348,837	\$ -
Federal Government	<u>95,506,496</u>	<u>72,061,019</u>
Total Revenues	<u>96,855,333</u>	<u>72,061,019</u>
Expenditures		
Current:		
Education	71,117,951	53,156,921
Capital Outlay	<u>23,459,191</u>	<u>16,733,507</u>
Total Expenditures	<u>94,577,142</u>	<u>69,890,428</u>
Excess of Revenues Over Expenditures	<u>2,278,191</u>	<u>2,170,591</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	14,978	81,381
Transfers to Other Funds	<u>(2,323,905)</u>	<u>(2,245,647)</u>
Total Other Financing Uses	<u>(2,308,927)</u>	<u>(2,164,266)</u>
Net Change in Fund Balances	(30,736)	6,325
Fund Balances, July 1	<u>(170,226)</u>	<u>(176,551)</u>
Fund Balances (Deficit), June 30	<u>\$ (200,962)</u>	<u>\$ (170,226)</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, 2024 and 2023**

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
State of Tennessee	\$ -	\$ 22,312,644	\$ 1,348,837	\$ (20,963,807)	\$ 13,515,000	\$ -	\$ (13,515,000)
Federal Government	-	155,825,390	95,506,496	(60,318,894)	193,800,124	72,061,019	(121,739,105)
Total Revenues	-	178,138,034	96,855,333	(81,282,701)	207,315,124	72,061,019	(135,254,105)
Expenditures							
Current:							
Education:							
Personal Services	-	42,363,279	34,047,780	8,315,499	66,448,513	32,579,179	33,869,334
Employee Benefits	-	11,013,833	8,083,496	2,930,337	14,435,581	7,852,664	6,582,917
Contracted Services	-	21,640,858	8,379,709	13,261,149	26,022,785	3,639,941	22,382,844
Supplies and Materials	-	19,842,328	13,958,342	5,883,986	20,520,878	4,495,261	16,025,617
Other Charges	-	26,140,568	6,648,624	19,491,944	29,379,310	4,589,876	24,789,434
Capital Outlay	-	53,401,661	23,459,191	29,942,470	47,152,607	16,733,507	30,419,100
Total Expenditures	-	174,402,527	94,577,142	79,825,385	203,959,674	69,890,428	134,069,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,735,507	2,278,191	(1,457,316)	3,355,450	2,170,591	(1,184,859)
Other Financing Sources (Uses)							
Transfer from Other Funds	-	14,978	14,978	-	257,400	81,381	(176,019)
Transfer to Other Funds	-	(3,750,483)	(2,323,905)	1,426,578	(3,612,850)	(2,245,647)	1,367,203
Total Other Financing Sources (Uses)	-	(3,735,505)	(2,308,927)	1,426,578	(3,355,450)	(2,164,266)	1,191,184
Net Change in Fund Balances	-	2	(30,736)	(30,738)	-	6,325	6,325
Fund Balances, July 1	(170,226)	(170,226)	(170,226)	-	(176,551)	(176,551)	-
Fund Balances (Deficit), June 30	\$ (170,226)	\$ (170,224)	\$ (200,962)	\$ (30,738)	\$ (176,551)	\$ (170,226)	\$ 6,325

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, 2024

	School General Projects	Central Cafeteria	Internal School Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 19,540,711	\$ 16,842,049	\$ 36,382,760
Receivables (Net of Allowance for Uncollectibles):				
Accounts	7,127,903	413,961	10,747	7,552,611
Due from Other Funds	-	257,662	-	257,662
Inventories	147,118	741,843	-	888,961
Prepaid Items	280,162	4,079	-	284,241
TOTAL ASSETS	\$ 7,555,183	\$ 20,958,256	\$ 16,852,796	\$ 45,366,235
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 472,092	\$ 584,067	\$ 75,371	\$ 1,131,530
Accrued Liabilities	-	181,518	-	181,518
Due to Other Funds	2,336,544	302,267	-	2,638,811
Unearned Revenue	21,000	497,401	-	518,401
TOTAL LIABILITIES	2,829,636	1,565,253	75,371	4,470,260
Fund Balances:				
Nonspendable	427,280	745,922	-	1,173,202
Restricted	-	18,647,081	16,924,035	35,571,116
Committed	4,298,267	-	-	4,298,267
Unassigned (Deficit)	-	-	(146,610)	(146,610)
TOTAL FUND BALANCES	4,725,547	19,393,003	16,777,425	40,895,975
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,555,183	\$ 20,958,256	\$ 16,852,796	\$ 45,366,235

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, 2024

	School General Projects	Central Cafeteria	Internal School Funds	Total Nonmajor Governmental Funds
Revenues				
Charges for Current Services	\$ 1,670,331	\$ 5,207,097	\$ -	\$ 6,877,428
Other Local Revenues	1,161,744	584,054	25,179,156	26,924,954
Investment Revenues	-	309,257	-	309,257
State of Tennessee	9,153,096	240,081	-	9,393,177
Federal Government	-	24,299,191	-	24,299,191
Other Governments and Citizen Groups	2,286,910	-	-	2,286,910
Total Revenues	14,272,081	30,639,680	25,179,156	70,090,917
Expenditures				
Current:				
Education	16,171,389	31,530,130	23,277,018	70,978,537
Capital Outlay	729,079	2,270,363	-	2,999,442
Debt Service:				
Principal	-	72,565	-	72,565
Interest	-	24,897	-	24,897
Total Expenditures	16,900,468	33,897,955	23,277,018	74,075,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,628,387)	(3,258,275)	1,902,138	(3,984,524)
Other Financing Sources (Uses)				
Transfers from Other Funds	5,414,994	-	25,000	5,439,994
Transfers to Other Funds	-	-	(158,936)	(158,936)
Total Other Financing Sources (Uses)	5,414,994	-	(133,936)	5,281,058
Net Change in Fund Balances	2,786,607	(3,258,275)	1,768,202	1,296,534
Fund Balances, July 1	1,938,940	22,651,278	15,009,223	39,599,441
Fund Balances, June 30	\$ 4,725,547	\$ 19,393,003	\$ 16,777,425	\$ 40,895,975

KNOX COUNTY, TENNESSEE

Discretely Presented Component Unit -
Knox County Board of Education
School General Projects Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Receivables (Net of Allowance for Uncollectibles):		
Accounts	\$ 7,127,903	\$ 5,517,535
Prepaid Items	280,162	1,930
Inventories	147,118	145,830
	<u>7,555,183</u>	<u>5,665,295</u>
TOTAL ASSETS	<u>\$ 7,555,183</u>	<u>\$ 5,665,295</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 472,092	\$ 194,997
Due to Other Funds	2,336,544	3,350,293
Unearned Revenue	21,000	181,065
	<u>2,829,636</u>	<u>3,726,355</u>
TOTAL LIABILITIES	<u>2,829,636</u>	<u>3,726,355</u>
Fund Balances:		
Nonspendable	427,280	147,760
Committed	4,298,267	1,791,180
	<u>4,725,547</u>	<u>1,938,940</u>
TOTAL FUND BALANCES	<u>4,725,547</u>	<u>1,938,940</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,555,183</u>	<u>\$ 5,665,295</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenues		
Charges for Current Services	\$ 1,670,331	\$ 1,202,617
Other Local Revenues	1,161,744	405,281
State of Tennessee	9,153,096	9,248,521
Other Governments and Citizens Groups	<u>2,286,910</u>	<u>816,879</u>
Total Revenues	<u>14,272,081</u>	<u>11,673,298</u>
Expenditures		
Current:		
Education	16,171,389	15,089,890
Capital Outlay	<u>729,079</u>	<u>26,260</u>
Total Expenditures	<u>16,900,468</u>	<u>15,116,150</u>
Deficiency of Revenues Under Expenditures	<u>(2,628,387)</u>	<u>(3,442,852)</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	5,414,994	3,953,065
Transfers to Other Funds	<u>-</u>	<u>(393)</u>
Total Other Financing Sources	<u>5,414,994</u>	<u>3,952,672</u>
Net Change in Fund Balances	2,786,607	509,820
Fund Balances, July 1	<u>1,938,940</u>	<u>1,429,120</u>
Fund Balances, June 30	<u><u>\$ 4,725,547</u></u>	<u><u>\$ 1,938,940</u></u>

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, 2024 and 2023

	2024				2023		
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues							
Charges for Current Services	\$ -	\$ 1,697,698	\$ 1,670,331	\$ (27,367)	\$ 1,230,059	\$ 1,202,617	\$ (27,442)
Other Local Revenues	-	300,800	1,161,744	860,944	347,645	405,281	57,636
State of Tennessee	-	18,967,053	9,153,096	(9,813,957)	11,446,610	9,248,521	(2,198,089)
Other Governments and Citizens Groups	-	2,348,860	2,286,910	(61,950)	818,617	816,879	(1,738)
Total Revenues	-	23,314,411	14,272,081	(9,042,330)	13,842,931	11,673,298	(2,169,633)
Expenditures							
Current:							
Education:							
Personal Services	-	14,592,257	10,413,914	4,178,343	10,134,847	9,384,752	750,095
Employee Benefits	-	3,439,175	2,202,341	1,236,834	2,537,840	2,117,861	419,979
Contracted Services	-	1,518,131	844,201	673,930	1,294,243	837,838	456,405
Supplies and Materials	-	4,493,173	1,997,933	2,495,240	4,883,646	2,062,789	2,820,857
Other Charges	-	1,206,915	713,000	493,915	956,386	686,650	269,736
Capital Outlay	-	6,454,238	729,079	5,725,159	285,561	26,260	259,301
Total Expenditures	-	31,703,889	16,900,468	14,803,421	20,092,523	15,116,150	4,976,373
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(8,389,478)	(2,628,387)	5,761,091	(6,249,592)	(3,442,852)	2,806,740
Other Financing Sources (Uses)							
Transfers from Other Funds	-	6,867,083	5,414,994	(1,452,089)	5,304,910	3,953,065	(1,351,845)
Transfers to Other Funds	-	-	-	-	-	(393)	(393)
Total Other Financing Sources (Uses)	-	6,867,083	5,414,994	(1,452,089)	5,304,910	3,952,672	(1,352,238)
Net Change in Fund Balances	-	(1,522,395)	2,786,607	4,309,002	(944,682)	509,820	1,454,502
Fund Balances, July 1	1,938,940	1,938,940	1,938,940	-	1,429,120	1,429,120	-
Fund Balances, June 30	\$ 1,938,940	\$ 416,545	\$ 4,725,547	\$ 4,309,002	\$ 484,438	\$ 1,938,940	\$ 1,454,502

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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 19,540,711	\$ 22,614,899
Receivables (Net of Allowance for Uncollectibles):		
Accounts	413,961	338,118
Due from Other Funds	257,662	389,001
Inventories	741,843	601,317
Prepaid Items	4,079	8,544
TOTAL ASSETS	<u>\$ 20,958,256</u>	<u>\$ 23,951,879</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 584,067	\$ 344,041
Accrued Liabilities	181,518	158,061
Due to Other Funds	302,267	387,810
Unearned Revenue	497,401	410,689
TOTAL LIABILITIES	<u>1,565,253</u>	<u>1,300,601</u>
 Fund Balances:		
Nonspendable	745,922	609,861
Restricted	18,647,081	22,041,417
TOTAL FUND BALANCES	<u>19,393,003</u>	<u>22,651,278</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,958,256</u>	<u>\$ 23,951,879</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, 2024 and 2023

	2024	2023
Revenues		
Charges for Current Services	\$ 5,207,097	\$ 6,745,849
Other Local Revenues	584,054	578,513
Investment Revenues	309,257	229,377
State of Tennessee	240,081	253,107
Federal Government	24,299,191	25,039,422
Total Revenues	30,639,680	32,846,268
Expenditures		
Current:		
Education:		
Food Service	31,530,130	30,205,162
Capital Outlay	2,270,363	361,342
Debt Service:		
Principal	72,565	51,695
Interest	24,897	22,143
Total Expenditures	33,897,955	30,640,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,258,275)	2,205,926
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	(3,258,275)	3,197,841
Fund Balances, July 1	22,651,278	19,453,437
Fund Balances, June 30	\$ 19,393,003	\$ 22,651,278

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, 2024 and 2023

	2024				2023			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	
Revenues								
Charges for Current Services	\$ 6,575,000	\$ 6,581,180	\$ 5,207,097	\$ (1,374,083)	\$ 5,625,000	\$ 6,745,849	\$ 1,120,849	
Other Local Revenues	450,000	450,000	584,054	134,054	499,000	578,513	79,513	
Investment Revenue	100,000	100,000	309,257	209,257	1,000	229,377	228,377	
State of Tennessee	225,000	225,000	240,081	15,081	250,000	253,107	3,107	
Federal Government	23,750,000	25,217,214	24,299,191	(918,023)	22,530,000	25,039,422	2,509,422	
Total Revenues	31,100,000	32,573,394	30,639,680	(1,933,714)	28,905,000	32,846,268	3,941,268	
Expenditures								
Current:								
Education:								
Food Service:								
Personal Services	11,625,000	10,757,900	10,158,045	599,855	9,083,000	9,082,550	450	
Employee Benefits	3,087,000	3,087,000	2,795,216	291,784	2,585,000	2,582,481	2,519	
Contracted Services	1,706,103	2,291,803	2,291,751	52	1,636,843	1,614,084	22,759	
Supplies & Materials	13,542,000	15,296,794	15,296,698	96	14,484,011	14,493,267	(9,256)	
Other Charges	1,089,897	1,089,897	1,085,882	4,015	2,484,915	2,506,618	(21,703)	
Capital Outlay	50,000	3,000,000	2,270,363	729,637	361,406	361,342	64	
Total Expenditures	31,100,000	35,523,394	33,897,955	1,625,439	30,635,175	30,640,342	(5,167)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,950,000)	(3,258,275)	(308,275)	(1,730,175)	2,205,926	3,936,101	
Other Financing Uses								
Transfers from Other Funds	-	-	-	-	-	15,000	15,000	
Subscription Financing	-	-	-	-	976,915	976,915	-	
Total Other Financing Sources (Uses)	-	-	-	-	976,915	991,915	15,000	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	(2,950,000)	(3,258,275)	(308,275)	(753,260)	3,197,841	3,951,101	
Fund Balances, July 1	22,651,278	22,651,278	22,651,278	-	19,453,437	19,453,437	-	
Fund Balances, June 30	\$ 22,651,278	\$ 19,701,278	\$ 19,393,003	\$ (308,275)	\$ 18,700,177	\$ 22,651,278	\$ 3,951,101	

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
Internal School Fund
Comparative Balance Sheets
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 16,842,049	\$ 15,038,611
Receivables (Net of Allowance for Uncollectibles):		
Accounts	<u>10,747</u>	<u>88,270</u>
TOTAL ASSETS	<u>\$ 16,852,796</u>	<u>\$ 15,126,881</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	<u>\$ 75,371</u>	<u>\$ 117,658</u>
TOTAL LIABILITIES	<u>75,371</u>	<u>117,658</u>
Fund Balances:		
Restricted for Education	16,924,035	15,009,223
Unassigned (Deficit)	<u>(146,610)</u>	<u>-</u>
TOTAL FUND BALANCES	<u>16,777,425</u>	<u>15,009,223</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,852,796</u>	<u>\$ 15,126,881</u>

KNOX COUNTY, TENNESSEE

**Discretely Presented Component Unit -
Knox County Board of Education
Internal School Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances
For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenues		
Other Local Revenues	\$ 25,179,156	\$ 23,754,154
Total Revenues	<u>25,179,156</u>	<u>23,754,154</u>
Expenditures		
Current:		
Operation of Non-instructional Services	<u>23,277,018</u>	<u>22,210,920</u>
Total Expenditures	<u>23,277,018</u>	<u>22,210,920</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,902,138</u>	<u>1,543,234</u>
Other Financing Sources (Uses)		
Transfers from Other Funds	25,000	-
Transfers to Other Funds	<u>(158,936)</u>	<u>(88,000)</u>
Total Other Financing Sources (Uses)	<u>(133,936)</u>	<u>(88,000)</u>
Net Change in Fund Balances	1,768,202	1,455,234
Fund Balances, July 1	<u>15,009,223</u>	<u>13,553,989</u>
Fund Balances, June 30	<u>\$ 16,777,425</u>	<u>\$ 15,009,223</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Value:		
Mutual Funds	<u>\$ 40,595,256</u>	<u>\$ 41,545,917</u>
Receivables:		
Accrued Interest and Dividends	4,041	7,453
Settlement Receivables	<u>683,915</u>	<u>-</u>
Total Receivables	<u>687,956</u>	<u>7,453</u>
Total Assets	<u>41,283,212</u>	<u>41,553,370</u>
LIABILITIES		
Accounts Payable - Administrative Expenses	<u>8,027</u>	<u>9,860</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 41,275,185</u></u>	<u><u>\$ 41,543,510</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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Employer	\$ 1,500,000	\$ 1,200,000
Investment Income:		
Interest and Dividend Income	1,738,521	1,725,815
Net Appreciation in Fair Value of Investments	<u>2,313,377</u>	<u>2,086,436</u>
Total Investment Income	<u>4,051,898</u>	<u>3,812,251</u>
Other:		
Settlement Income	<u>683,915</u>	<u>-</u>
Total Additions	<u>6,235,813</u>	<u>5,012,251</u>
DEDUCTIONS		
Benefits and Refunds	6,381,641	6,432,526
Administrative Expenses	<u>122,497</u>	<u>110,331</u>
Total Deductions	<u>6,504,138</u>	<u>6,542,857</u>
CHANGE IN NET POSITION	(268,325)	(1,530,606)
NET POSITION - RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>41,543,510</u>	<u>43,074,116</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS, END OF YEAR	<u>\$ 41,275,185</u>	<u>\$ 41,543,510</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	287-294
<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	295-298
<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	299-301
<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	302-303
<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	304-306
<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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government										
Governmental activities										
Net investment in capital assets	\$ 267,497,791	\$ 267,670,250	\$ 262,771,208	\$ 269,818,927	\$ 236,006,482	\$ 239,026,759	\$ 239,891,274	\$ 259,092,443	\$ 293,112,141	\$ 305,107,752
Restricted	8,583,223	9,000,894	9,090,050	10,349,925	11,744,112	13,323,605	14,756,724	18,540,577	22,347,954	32,384,392
Unrestricted	(262,043,799)	(259,493,264)	(311,592,681)	(304,099,280)	(288,502,236)	(279,162,030)	(270,054,056)	(293,574,111)	(318,093,538)	(349,789,515)
Total governmental activities net position	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)	(12,297,371)
Business-type activities										
Three Ridges Golf Course										
Investment in capital assets	568,919	509,820	489,809	489,551	455,210	417,533	415,134	429,428	458,879	513,121
Unrestricted	18,491	2,719	(45,569)	(46,609)	(50,958)	(63,750)	(30,989)	(27,216)	15,956	(23,332)
Total business-type activities net position	587,410	512,539	444,240	442,942	404,252	353,783	384,145	402,212	474,835	489,789
Total primary government net position	\$ 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)	\$ (11,807,582)
Changes in Net Position										
Expenses										
Primary government:										
Governmental activities:										
Finance and Administration	\$ 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	\$ 65,648,272
Finance and Administration - payment to component unit	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	2,500,000
Administration of Justice	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	35,504,954
Public Safety	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	135,961,879
Public Safety - payment to component unit	326,200	485,002	856,322	1,191,595	1,191,595	1,191,595	1,166,603	1,166,603	1,166,603	1,166,603
Public Health and Welfare	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	41,625,413
Public Health and Welfare - payment to component unit	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628
Social and Cultural Services	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	25,874,959
Agricultural and Natural Resources	470,977	490,451	518,339	520,063	483,133	488,941	391,064	487,814	491,522	555,225
Other General Government	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	64,240,735
Other General Government - payment to component unit	600,000	625,000	665,000	700,000	725,000	730,500	730,500	693,499	-	-
Engineering & Public Works	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	41,309,376
Education - payment to component unit	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	51,469,200
Debt Service - interest and fees	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	26,148,560
Debt Service - other	-	-	-	-	-	-	-	-	-	-
Total expenses - governmental activities	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	492,171,804
Business-type activities:										
Three Ridges Golf Course	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	2,159,813
Total primary government expenses	\$ 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	\$ 494,331,617

Continued

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

KNOX COUNTY, TENNESSEE

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Primary government:										
Governmental activities:										
Charges for Services:										
Finance and Administration	\$ 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	\$ 32,422,660
Administration of Justice	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	12,888,222
Public Safety	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	8,499,996
Public Health and Welfare	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	5,870,594
Social and Cultural Services	778,733	771,108	890,986	816,249	762,846	603,244	545,902	616,245	703,333	636,598
Other General Government	298,127	303,569	318,940	280,504	260,242	306,041	312,346	75,146	71,061	54,294
Engineering & Public Works	122,259	142,101	473,550	154,050	154,100	184,268	3,081,970	3,275,283	3,267,363	4,360,330
Operating grants and contributions	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	71,077,354
Capital grants and contributions	-	-	-	3,440,398	6,215,851	6,548,486	8,020,823	21,782,423	14,697,956	18,775,958
Total program revenues - governmental activities	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	154,586,006
Net (expenses)/revenues - Governmental activities	(238,644,869)	(247,083,505)	(312,085,701)	(238,991,434)	(284,862,027)	(257,101,065)	(263,297,589)	(293,114,124)	(308,941,131)	(337,585,798)
Business-type activities:										
Charges for Services	798,212	788,756	759,401	814,837	819,556	956,820	1,461,267	1,515,263	1,600,904	1,760,896
Capital grants and contributions	-	-	35,000	44,876	27,250	-	37,936	57,950	38,960	98,871
Total program revenues - business-type activities	798,212	788,756	794,401	859,713	846,806	956,820	1,499,203	1,573,213	1,639,864	1,859,767
Net (expenses)/revenues - Business-type activities	(201,878)	(274,871)	(343,299)	(321,298)	(358,690)	(350,469)	(69,638)	(98,233)	(232,377)	(300,046)
Net (expenses)/revenues										
Primary government activities	\$ (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)	\$ (337,885,844)

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Primary government:										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 210,941,099
Sales taxes	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	24,788,874
Lodging taxes	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	14,677,619
Business taxes	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	16,553,839
Wheel taxes	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	14,099,133
Other local taxes	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	4,298,729
Investment revenue	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	13,915,925
Other revenues	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	27,986,702
Contracts - other governments and citizens	381,842	296,117	308,350	428,174	352,694	309,730	300,542	290,606	302,390	299,947
Miscellaneous	828,323	746,701	1,443,103	1,176,215	788,341	1,788,758	877,491	600,965	632,965	675,003
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)	(315,000)
Total general revenues - governmental activities	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	327,921,870
Business-type activities:										
Transfers										
	250,000	200,000	275,000	320,000	320,000	300,000	100,000	115,000	305,000	315,000
Total general revenues - primary government	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	328,236,870
Change in Net Position										
Governmental activities:	6,293,531	3,140,665	(55,170,732)	25,964,016	(17,017,968)	13,939,976	11,405,608	(804,781)	13,307,648	(9,663,928)
Business-type activities:	48,122	(74,871)	(68,299)	(1,298)	(38,690)	(50,469)	30,362	16,767	72,623	14,954
Total Change in Net Position - Primary government activities	\$ 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	\$ (9,648,974)

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
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
2024	210,941,099	24,788,874	14,677,619	16,553,839	14,099,133	4,298,729	285,359,293

KNOX COUNTY, TENNESSEE

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Wheel Tax</u>	<u>Other Local Tax</u>	<u>Total</u>
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
2024	108,032,175	239,437,493	912,721	797,157	349,179,546

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
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
2024	318,973,274	264,226,367	14,677,619	16,553,839	15,011,854	5,095,886	634,538,839

KNOX COUNTY, TENNESSEE

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 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	\$ 11,183,012
Restricted	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	4,676,183
Committed	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	7,658,000
Assigned	1,130,360	789,441	387,963	921,525	251,677	695,016	761,483	2,581,315	2,502,599	1,385,575
Unassigned	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	88,997,241
Total general fund	<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>	<u>\$ 113,900,011</u>
All other governmental funds										
Nonspendable	\$ 3,958,516	\$ 114,681	\$ 104,525	\$ 93,419	\$ 79,623	\$ 67,892	\$ 70,220	\$ 95,389	\$ 159,296	\$ 170,355
Restricted	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	69,431,570
Committed	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	39,895,101
Assigned	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	8,512,005
Unassigned	-	-	-	(13,247,367)	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 118,009,031</u>

KNOX COUNTY, TENNESSEE

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 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	\$ 284,832,675
Licenses and permits	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	3,480,598
Fines, forfeitures and penalties	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	3,573,916
Charges for current services	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	51,264,718
Other local revenues	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	14,025,864
State of Tennessee	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	12,250,623
Federal government	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	28,830,296
Other governments and citizen groups	646,219	1,210,967	592,769	1,748,187	998,711	1,028,405	704,699	54,318,734	52,400,336	57,611,394
Investment earnings	15,686	18,121	-	-	-	-	1,750,402	1,137,320	1,702,272	2,521,676
Payments from component units	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	9,071,724
Increase in equity interest in joint venture	-	-	-	406,204	298,686	408,316	930,016	1,270,769	1,010,759	1,096,823
Total revenues	303,451,641	315,638,013	319,777,562	337,976,198	339,247,956	344,942,985	388,334,728	423,189,750	449,049,872	468,560,307
Expenditures										
Finance and administration	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	62,698,050
Finance and administration - payments to component unit	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	2,500,000
Administration of justice	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	34,700,013
Public safety	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	109,142,529
Public safety - payments to component unit	326,200	485,002	856,322	1,191,595	1,191,595	1,191,595	1,166,603	1,166,603	1,166,603	1,166,603
Public health and welfare	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	40,586,655
Public health and welfare - payments to component unit	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628	166,628
Social and cultural services	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	23,028,270
Agricultural and natural resources	470,977	490,451	518,339	520,063	483,133	488,941	391,064	487,814	491,522	555,225
Other general government	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	38,107,684
Other general government - payments to component unit	600,000	625,000	665,000	700,000	725,000	730,500	730,500	693,499	-	-
Engineering & Public Works	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	23,329,355
Decrease in equity interest in joint venture	931,800	153,036	180,513	-	-	-	-	-	-	-
Debt proceeds paid to component unit	24,271,315	19,385,000	70,750,000	2,000,000	-	-	-	-	-	-
Debt issuance cost	209,442	196,957	481,587	-	461,032	210,558	284,964	847,106	443,145	805,783
Education - Payments to component unit	-	-	9,968,536	-	39,410,750	15,800,000	35,800,000	58,325,000	40,214,371	51,469,200
Capital Outlay	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	50,573,198
Grant Expenditures	-	-	-	-	-	-	-	-	-	18,688,856
Debt Service:										
Principal	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	49,177,078
Interest	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	27,010,615
Other charges	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	2,712,145
Total expenditures	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	536,417,887
Excess (deficiency) of revenues over (under) expenditures	(35,638,650)	(38,276,399)	(102,844,984)	(9,210,890)	(52,669,722)	(18,285,395)	(24,408,302)	(74,153,616)	(43,500,060)	(67,857,580)
Other financing sources (uses)										
Transfers in	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	26,429,159
Transfers out	(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)	(30,793,509)
Capital lease proceeds	12,450,000	-	-	-	-	-	-	-	-	-
Refunding bonds issued	72,860,000	-	-	57,780,000	12,860,000	55,510,000	56,105,000	-	-	-
Bonds issued	30,040,000	35,900,000	90,265,000	-	65,915,000	37,230,000	55,155,000	87,040,000	70,000,000	95,250,000
Premium on debt issued	1,484,442	2,206,016	8,436,587	-	6,867,466	3,057,567	8,127,804	6,771,413	3,397,228	5,044,283
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	146,323
Total other financing sources (uses)	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	96,076,256
Net change in fund balances	\$ 8,087,082	\$ (2,366,710)	\$ (6,954,599)	\$ (11,772,163)	\$ 18,865,216	\$ 19,990,046	\$ 35,759,431	\$ 17,712,989	\$ 29,633,846	\$ 28,218,676
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%	15.70%

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						
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%
2023	11,718,595,450	6,729,930,900	322,504,138	961,868,757	19,732,899,245	1.554	70,358,730,665	28.05%

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									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Knox County Direct Rates										
General	\$ 0.96	\$ 0.96	\$ 0.97	\$ 0.97	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.6524	\$ 0.6524
Debt Service	0.30	0.48	0.47	0.47	0.43	0.43	0.43	0.43	0.3152	0.3552
Schools	1.06	0.88	0.88	0.88	0.80	0.80	0.80	0.80	0.5864	0.5464
Total direct rate	2.32	2.32	2.32	2.32	2.12	2.12	2.12	2.12	1.5540	1.5540
City of Knoxville Rates	2.39	2.73	2.73	2.73	2.46	2.46	2.46	2.46	2.1556	2.1556
Total direct & overlapping rates	<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>	<u>\$ 3.7096</u>

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

KNOX COUNTY, TENNESSEE

**Principal Property Taxpayers
Tax Year 2023 and Nine Years Ago
(Unaudited)**

Taxpayer	Tax Year 2023			Tax Year 2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pilot Corporation	\$ 97,683,541	1	0.44%	\$ 17,274,487	7	0.16%
Comcast	83,459,886	2	0.38%	-		-
Green Mountain Coffee Roasters Inc.	82,231,159	3	0.37%	-		-
Fresenius Medical Care	62,652,652	4	0.29%	-		-
Rohm & Haas	61,821,477	5	0.28%	12,971,682	10	0.12%
Metro Knoxville	61,172,720	6	0.28%	62,023,720	1	0.56%
Exedy Anerica Corporation	54,842,107	7	0.25%	17,430,647	6	0.16%
SREIT Forest Ridge Apartments	52,668,200	8	0.24%	-		-
West Town Mall	45,004,560	9	0.20%	27,749,840	5	0.25%
SREIT Eagle Pointe Apartments LLC	42,151,655	10	0.19%	-		-
Hart TC	-		-	14,578,840	9	0.13%
AT&T Mobbility	-		-	30,867,352	4	0.28%
Verizon	-		-	31,352,620	3	0.28%
Bellsouth Communications	-		-	57,825,239	2	0.53%
Tennessee Holding	-		-	14,800,000	8	0.13%
Totals	\$ 643,687,957		2.92%	\$ 286,874,427		2.60%

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
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%
2024	306,407	300,065	97.9%	-	300,065	97.9%

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)			
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	2.33%	1.578
2024	811,139	9,490	12,981	833,610	2.47% (2)	1.665 (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 302 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)
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%	1,529
2024	811,139	1.15% (3)	1,620

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 295 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 302.

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

KNOX COUNTY, TENNESSEE

Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
(amounts expressed in thousands)
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 833,610	100.00%	\$ 833,610
Subtotal, direct debt	<u>833,610</u>		<u>833,610</u>
City of Knoxville overlapping debt	105,050	100.00%	105,050
Town of Farragut overlapping debt	-	100.00%	-
Subtotal, overlapping debt	<u>105,050</u>		<u>105,050</u>
Total direct and overlapping debt	<u><u>\$ 938,660</u></u>		<u><u>\$ 938,660</u></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)
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	118,379	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	3.8%
2023	494,574	33,706,390	63,494	37.3	128,457	3.1%
2024	500,669 (4)	33,706,390 (4)	67,323	37.5 (4)	128,457 (4)	2.9%

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 2023 and Nine Years Ago
(Unaudited)**

Employer (1)	2023			2014		
	Employees (2)	Rank	Percentage of Total Knoxville MSA Employment (3)	Employees (2)	Rank	Percentage of Total Knoxville MSA Employment (3)
U.S. Department of Energy, Oak Ridge Operations	16,975	1	3.90%	11,637	1	2.96%
Covenant Health	11,963	2	2.75%	10,458	2	2.66%
The University of Tennessee	11,197	3	2.58%	6,660	4	1.70%
Knox County Public Schools	10,118	4	2.33%	6,804	3	1.73%
Walmart Stores	6,614	5	1.52%	6,006	5	1.53%
University Health System	5,387	6	1.24%	4,224	6	1.08%
Clayton Homes	5,047	7	1.16%	-	-	-
DENSO Mfg	5,000	8	1.15%	3,500	9	0.89%
Roark Capital Group	4,608	9	1.06%	-	-	-
The Dollywood Company	4,500	10	1.03%	-	-	-
K-VA-T Food Stores	-	-	-	4,078	7	1.04%
State of Tennessee, Regional Office	-	-	-	3,226	10	0.82%
Tennova Healthcare	-	-	-	4,067	8	1.04%
Total	81,409		18.72%	60,660		15.45%

(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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	529	547	552	549	553	555	535	526	528	537
Public safety	1,041	1,054	1,063	1,040	1,069	1,084	1,086	1,118	1,121	1,073
Public health and welfare	286	298	306	290	294	292	287	307	359	353
Highways	115	117	116	118	123	125	151	153	157	159
Social, cultural, and recreation	200	200	202	198	204	210	208	209	207	206
Total	<u><u>2,171</u></u>	<u><u>2,216</u></u>	<u><u>2,239</u></u>	<u><u>2,195</u></u>	<u><u>2,243</u></u>	<u><u>2,266</u></u>	<u><u>2,267</u></u>	<u><u>2,313</u></u>	<u><u>2,372</u></u>	<u><u>2,328</u></u>

Source: Knox County Budget.

KNOX COUNTY, TENNESSEE

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sheriff (1)										
Arrests	23,400	23,498	11,722	10,802	10,461	8,283	8,902	9,139	8,291	*
Accidents	2,861	3,097	3,131	3,365	2,840	2,256	2,619	2,641	2,517	*
Incidents	29,653	28,960	31,366	30,868	28,160	26,890	27,610	26,421	19,491	*
Health services (2)										
Community Health:										
Presentations performed by Community Health Division	-	-	-	-	119	144	114	163	218	241
Attendees at Community Health Presentations	-	-	-	-	2,667	3,209	1,711	3,070	4,541	5,248
Air Quality:										
Compliance evaluations/complaint investigations conducted	-	-	-	-	752	864	704	845	880	847
Environmental Health:										
Inspections on food establishments, mobile food units, childcare facilities, school cafeterias conducted	-	-	-	-	2,786	7,024	3,827	3,948	7,501	6,374
Communicable and Environmental Disease:										
Reportable disease investigations conducted	-	-	-	-	7,564	11,774	90,017	89,469	31,233	16,847
Health Services:										
Patient encounters	-	-	-	-	83,048	76,073	128,859	59,628	60,386	58,749
Vaccines administered	-	-	-	-	34,487	27,993	65,719	29,407	26,006	20,823
Dental Services:										
Patient encounters	-	-	-	-	4,768	6,365	4,178	3,533	6,047	5,719
Children served through school-based sealant program	-	-	-	-	1,671	1,504	224	6,037	1,336	1,471
Emergency Preparedness:										
Outreach events	-	-	-	-	30	45	127	48	12	23
Regional exercises	-	-	-	-	4	9	2	5	7	8
Epidemiology data reports	-	-	-	-	6	5	2	6	8	8
Engineering & public works (2)										
Street resurfacing (miles)	12	25	48	50	27	9	34	38	50	36
Road maintenance service orders processed	2,302	2,653	2,560	2,471	2,872	3,815	2,017	2,133	2,554	4,066
Litter reduction from right of way (miles)	906	1,040	766	749	779	719	773	700	769	808
Parks & recreation (2)										
Number of park shelter reservations	6,000	7,000	4,875	4,854	5,467	5,705	5,832	6,205	1,144	1,501
Total all participants on all teams	60,000	22,750	39,668	32,135	31,026	28,235	30,130	33,146	1,600	3,682
Total number of attendees at events	170,000	63,600	114,801	101,792	104,076	99,972	104,490	107,261	134,580	192,020

* 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	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)	2,236	2,241	2,244	2,248	2,256	2,263	2,265	2,279	2,279	1,748
Bridges	143	143	143	145	148	148	149	149	149	149
Traffic signals	73	75	76	81	81	85	86	87	89	92
Parks & Recreation										
Parks acreage	2,025	2,169	2,169	2,169	2,176	2,262	2,262	2,275	2,275	2,631
Parks	48	48	48	48	49	52	52	52	52	59
Spray pools	3	3	3	3	3	3	3	3	3	4
Tennis courts	13	13	13	13	13	13	13	13	13	12
Pickleball Courts										4

Note: An adjustment to Engineering & Public Works Street data for center line miles has been made on the 2024 column. The Engineering & Public Works department has created a Master Street GIS layer and is currently using an asset management software linked to the Master Street GIS layer that has provided more exact information as to center line miles of streets in Knox County.

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