



**POPULAR ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR 2020**



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A MESSAGE FROM THE MAYOR

My fellow Knox Countians,

Thank you for allowing me to serve as your mayor and for the opportunity to present Knox County's Financial Report for 2020. This year has been filled with numerous challenges. We are continuing to navigate life during a global pandemic and its economic trials. Although we have been faced with an immense amount of challenges, our community remains strong.

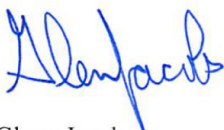
Knox County is filled with innovators and artists, educators and students, athletes, business leaders, blue collar workers, families and singles, young and old. They all share the feeling that Knox County is the best place to live and work. Knox County is a place where people want to raise a family; where businesses want to locate and where visitors from across our great state and country want to visit and make memories. Located at the foothills of the Smoky Mountains, Knox County is a special place with beautiful mountain views, gleaming waterways, numerous hiking trails, biking and outdoor activities, along with the University of Tennessee which adds to our volunteer spirit.

In my opinion, there is no other county in Tennessee that shares our diverse landscape and celebrates our differences and similarities.

I have been very fortunate to travel the globe, including all 50 of our states. Knox County is a special place and I am proud that my family and I chose to make it our home. We will continue to move Knox County forward and will strive to recruit new industries and businesses, improve our roads and infrastructure, and continue to focus on ensuring our students receive a quality education.

Although this year is one of transition and adaption, I hope that we in Knox County will emerge as a stronger, more unified community.

Sincerely,



Glenn Jacobs
Knox County Mayor



Mayor
Glenn Jacobs





ABOUT THE PAFR

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

Although the PAFR is not audited, the financial information reported is based on the audited 2020 Comprehensive Annual Financial Report (CAFR). The Department of Finance is responsible for the preparation of the CAFR. The CAFR contains three basic sections: the introductory section, which provides general information on the government's structure, personnel, economic situation and finances; the financial section, which includes information on fund types, individual funds, and account groups; the statistical section, which provides a broad range of trend data covering key financial indicators from the past ten fiscal years. The report also contains demographic and miscellaneous data useful in assessing the County's financial situation.

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

The 2020 CAFR is available online at <https://knoxcounty.org/finance>.

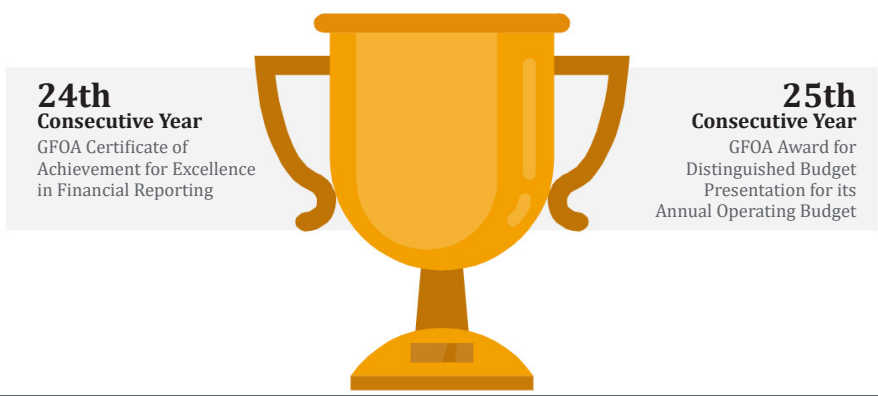


GFOA AWARDS

The Government Finance Officer Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Knox County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 24th consecutive year that our government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized, comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The County has also received, for the 25th consecutive time, the GFOA Award for Distinguished Budget Presentation for its 2020 Annual Operating Budget. In qualifying for this award, the County’s budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

The County received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR award) for the fiscal year ended June 30, 2019. 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.



KNOX COUNTY GOVERNMENT



Fourth Row: Justin Biggs, Charles Busler, Kyle Ward

Third Row: Larsen Jay, John Schoonmaker

Second Row: Randy Smith, Richie Beeler, Carson Dailey

First Row: Courtney Durrett, Terry Hill, Dasha Lundy

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

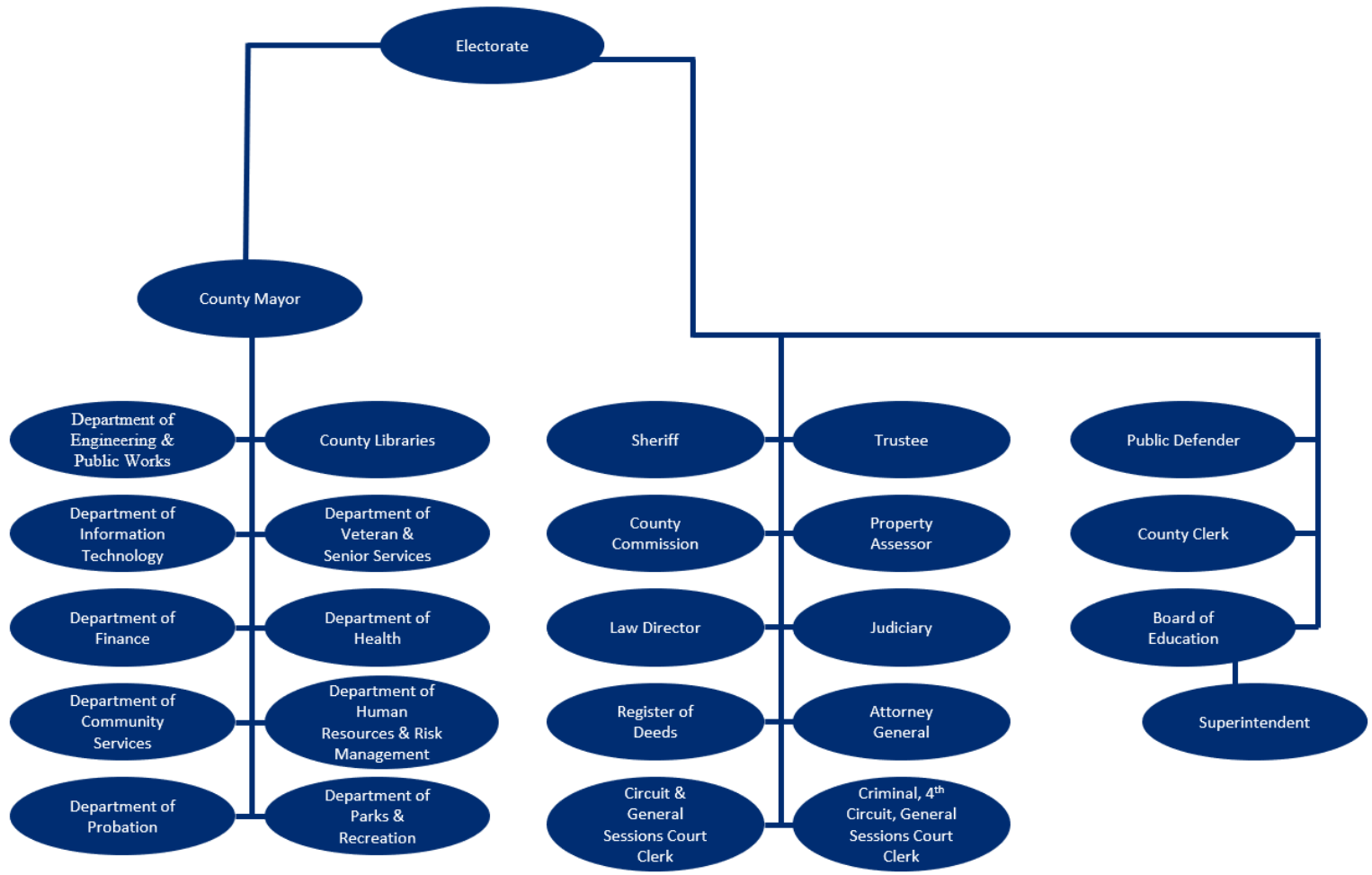
The board's primary duties are to adopt ordinances, emergency ordinances, and resolutions governing the operation of government or to regulate the conduct and affairs of the residents of Knox County. Each member of the Knox County Commission serves all Knox Countians eagerly and are happy to be of assistance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

Mission & Vision

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



ORGANIZATIONAL CHART



KNOX COUNTY AT-a-GLANCE

History

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

Livability

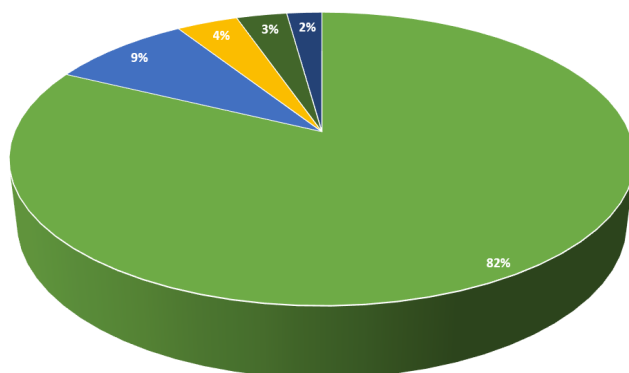
Knoxville ranks among the nation's best places to live, raise a family, and own a business. This year, U.S. News and World Report named Knoxville the 46th best place to live in the country and ranked it 13th among best places to retire. Last year, Knoxville was ranked 14th least expensive city by Yahoo Finance, and it consistently receives national recognition for world class amenities, like urban outdoors and cycling friendliness.

Post-Secondary Education

Four two-year colleges and ten four-year universities are located in Knox County and the surrounding area. The University of Tennessee was ranked 44th among the nation's top public schools in 2020 by U.S. News and World Report.

Civic Organizations

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



■ White ■ Black or African American ■ Asian or Other ■ Hispanic ■ Two or More Races

GREETINGS from



3RD

Knox is the Third Largest County in the State

470,313

2020 Estimated Population of Knox

526

Knox Area in Square Miles

visit **knoxville** TENNESSEE
#GREETINGSFROM



BUILDING PERMITS

\$280

million Commercial Valuations

\$717

million Residential Valuations

3,994

Residential Permits Issued

526,331 198

Parks

Park Acres

Miles of Greenways & Walking Trails



SHERIFF

1,084

Employees (FY20)

10,461

Arrests (2019)

8.1%

Unemployment Rate (Pandemic)

\$51,758

Per Capita Income

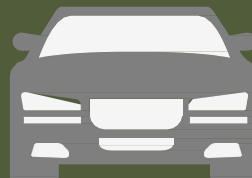
\$215,415

Median House Value

Largest Employer U.S. Department of Energy, Oak Ridge 15,862 Employees

Public Library & Branches

18



2,263

Miles of Streets

9

Streets Resurfaced (Miles)

5

Airlines

123

Flights Daily

2.6m

Passengers Annually

85

Traffic Signals



MAJOR INITIATIVES

- Building three new elementary schools including beginning the planning phase of construction on the new Lonsdale Elementary School, and significant renovations at Amherst Elementary and Brickey-McCloud Elementary.
- Building new dog parks in five communities throughout the county.
- The Schaad Road Project entered Phase II.
- Developing a Career and Trade Academy and partnering in the development of a Drug Recovery High School program.
- Creating the 44-mile Knox County Water Trail along Beaver Creek.





2020 ACCOMPLISHMENTS



- Kicked off a “takeout” Tuesday and Thursday event to promote local restaurants that suffered during the COVID-19 pandemic.

- Launched the All4Knox program to create a community-wide strategic plan to combat substance abuse.



- Read City USA initiative started by the Mayor set a record by exceeding its goal of 500,000 hours.

- Created a new scholarship fund at the Tennessee College of Applied Technology Knoxville by donating part of his salary.

- Pledged \$250,000 toward a \$1.5 million fundraising effort to begin work for a Veterans Memorial Park in Knox County.

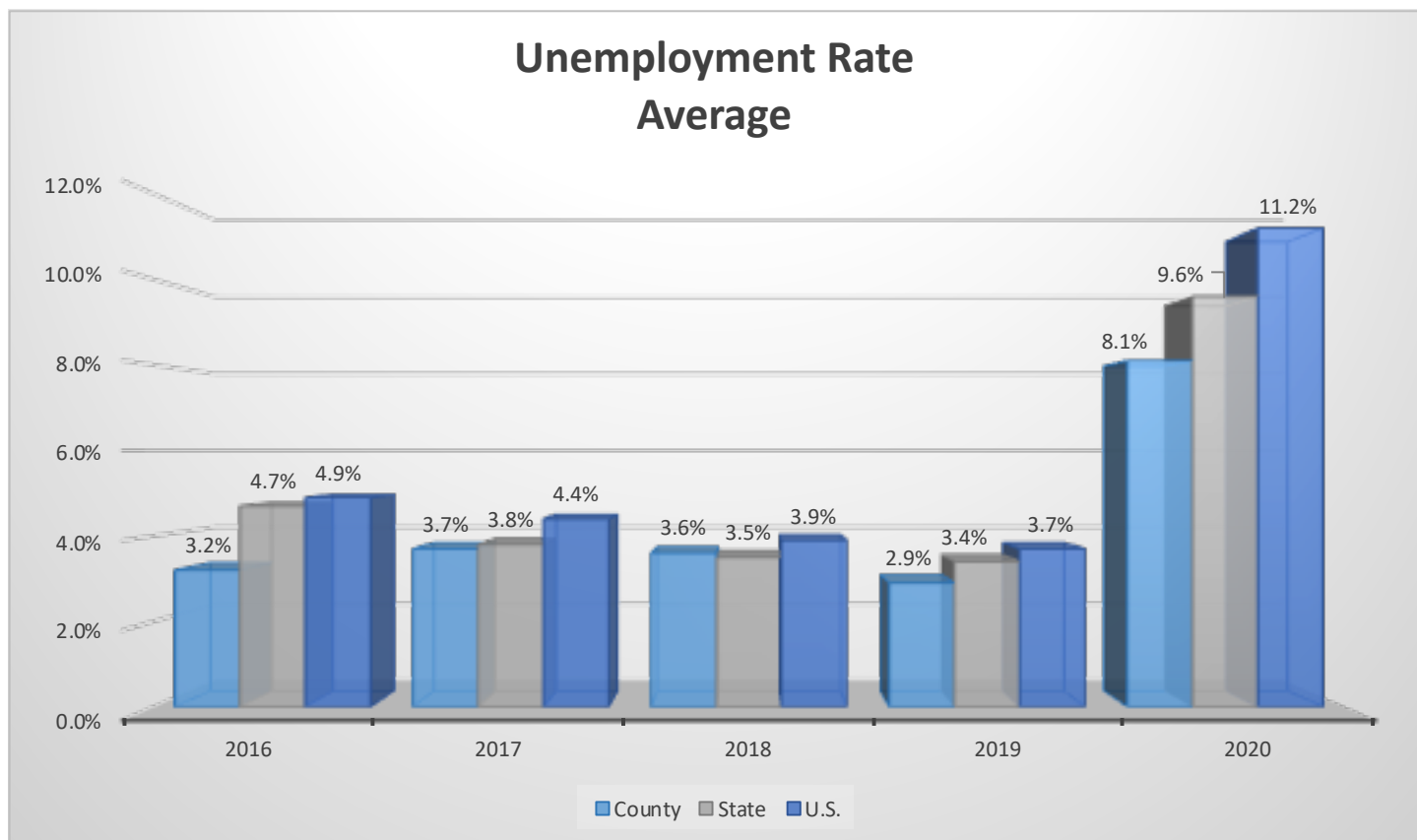
- Hosted the first-ever drive-thru School Mania, which provided school supplies to Knox County students.





EMPLOYMENT

The County's unemployment rate has been consistently lower than the national rates for the past five years. The following graph presents the average annual unemployment rates for that time. The County's unemployment rate was 8.1% in 2020, higher than the previous year due to the COVID-19 pandemic.





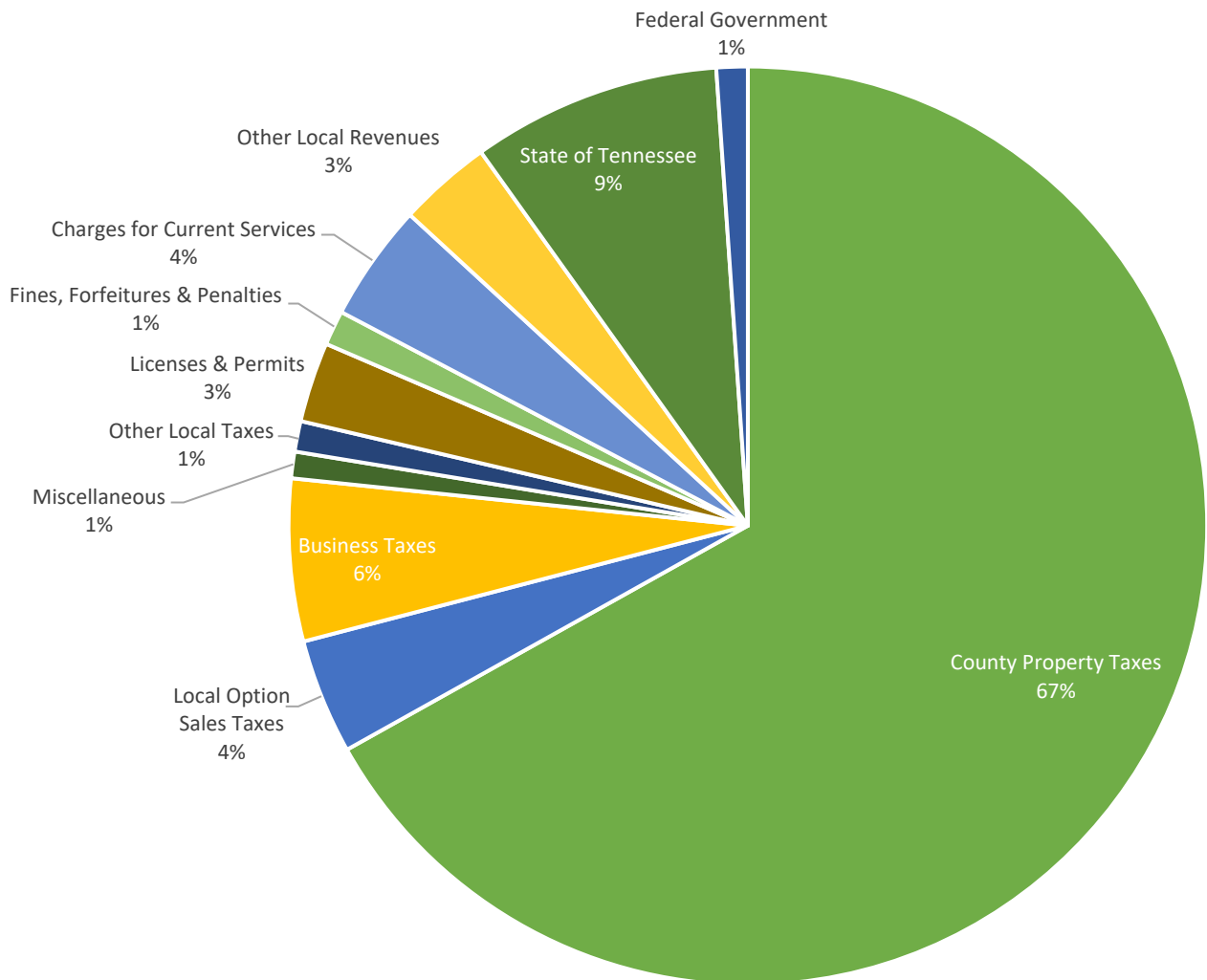
The County is within the Knoxville Metropolitan Statistical Area (MSA) which is home to the U.S Department of Energy and Covenant Health, which are major employers. The County’s primary occupations are in educational services, health care, hospitality, and retail trade sectors. Industry sectors such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

TOP 10 EMPLOYERS 2020

	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF EMPLOYEES
1	U.S. Department of Energy, Oak Ridge Operations	15,862	3.74%
2	Covenant Health	9,792	2.31%
3	The University of Tennessee	9,384	2.21%
4	Knox County Public Schools	7,949	1.87%
5	Walmart Stores	6,863	1.62%
6	University Health System	5,458	1.29%
7	DENSO Manufacturing	5,350	1.26%
8	Clayton Homes	4,883	1.15%
9	The Dollywood Company	4,500	1.06%
10	State of Tennessee - Regional Office	3,286	0.77%
	TOTAL	73,327	17.28%

COUNTY'S GENERAL FUND

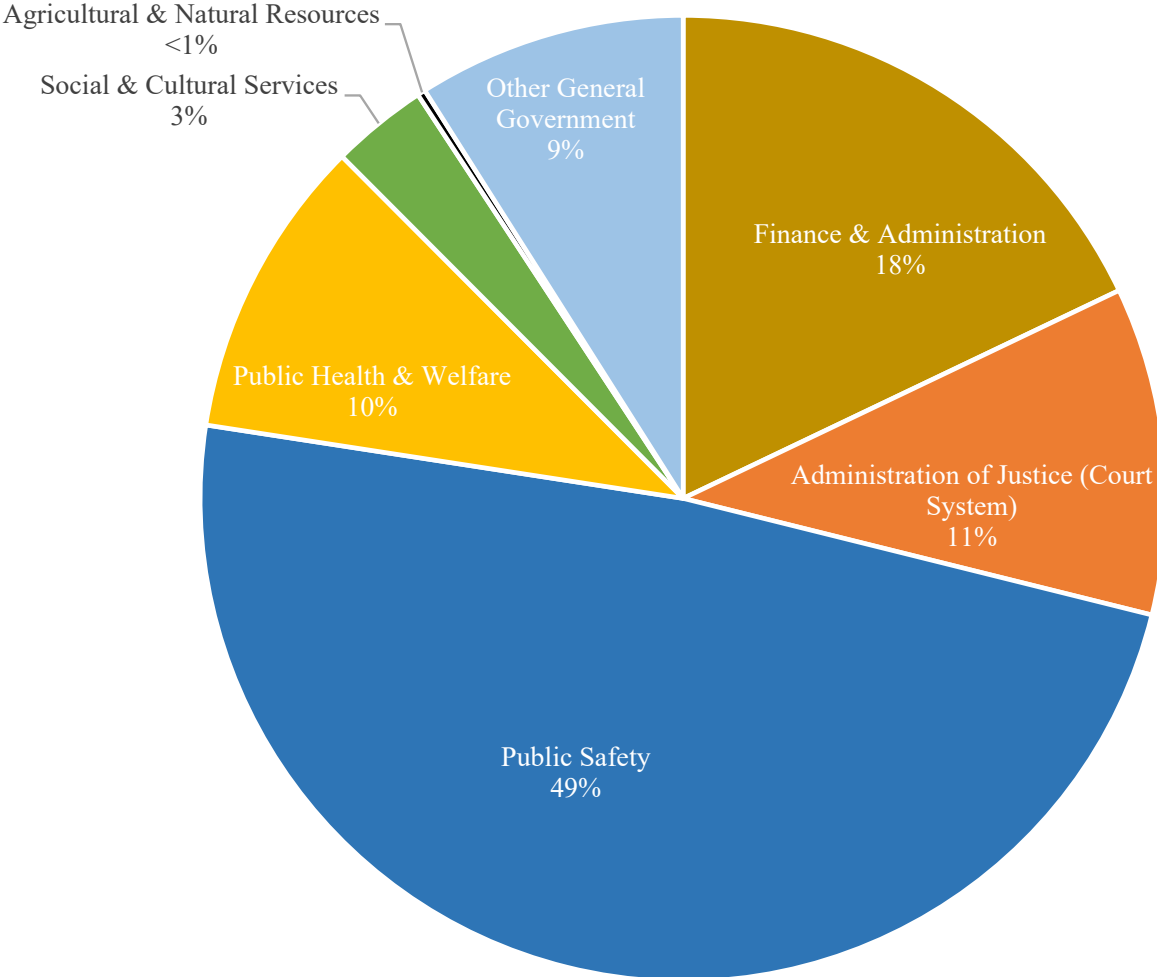
WHERE THE MONEY COMES FROM



The General Fund accounts for resources traditionally associated with governments that are not required legally or by financial management to be accounted for in another fund. The 'Miscellaneous' section consists of the wheel tax, increases in equity interest in joint ventures, and from other government and citizen groups. The General Fund accounts for the normal recurring activities of the County (i.e., public safety, recreation, health and welfare, general government, etc.). These activities are funded principally by property taxes on individuals and businesses.

COUNTY'S GENERAL FUND

WHERE THE MONEY GOES



COUNTY'S GENERAL FUND

REVENUE - GENERAL FUND

Category	2018	2019	2020	19/20 Variance
County Property Taxes	\$ 122,979,983	\$ 125,637,491	\$ 126,640,655	\$ 1,003,164
Local Option Sales Taxes	6,646,573	6,839,780	7,672,552	832,772
Business Taxes	9,681,404	10,492,518	10,809,938	317,420
Wheel Taxes	556,116	572,282	564,983	(7,299)
Other Local Taxes	2,777,092	2,686,853	2,036,010	(650,843)
Licenses & Permits	5,220,162	5,043,155	5,340,198	297,043
Fines, Forfeitures & Penalties	2,155,077	2,190,263	2,313,421	123,158
Charges for Current Services	7,692,955	8,458,108	7,829,148	(628,960)
Other Local Revenues	4,842,366	6,423,269	6,231,325	(191,944)
State of Tennessee	13,916,623	12,851,494	16,609,050	3,757,556
Federal Government	1,089,621	1,414,906	2,080,003	665,097
Other Governments & Citizen Groups	514,993	421,131	796,941	375,810
Increase in Equity Interest in Joint Venture	406,204	298,686	408,316	109,630
Total Revenues	\$ 178,479,169	\$ 183,329,936	\$ 189,332,540	\$ 6,002,604

Note: County revenues have increased over the last three years

EXPENDITURES - GENERAL FUND

Category	2018	2019	2020	19/20 Variance
Finance & Administration	\$ 30,118,144	\$ 33,493,502	\$ 32,699,879	\$ (793,623)
Administration of Justice (Court System)	18,758,678	20,012,386	20,015,623	3,237
Public Safety	84,379,458	88,340,254	88,622,008	281,754
Public Health & Welfare	22,313,862	23,457,235	18,412,051	(5,045,184)
Social & Cultural Services	5,218,606	5,231,099	5,893,413	662,314
Agricultural & Natural Resources	520,063	483,133	488,941	5,808
Other General Government	14,699,478	16,774,661	16,402,264	(372,397)
Total Expenditures	\$ 176,008,289	\$ 187,792,270	\$ 182,534,179	\$ (5,258,091)

SCHOOL'S GENERAL FUND

REVENUE - GENERAL FUND

Category	2018	2019	2020	19/20 Variance
Property Taxes	\$ 100,650,102	\$ 102,501,659	\$ 103,802,639	\$ 1,300,980
Local Option Sales Taxes	151,819,824	157,968,631	163,255,052	5,286,421
Wheel Tax	1,671,093	1,719,672	1,697,739	(21,933)
Other Local Taxes	1,065,230	1,038,560	787,312	(251,248)
Licenses & Permits	33,193	34,627	31,132	(3,495)
Charges for Current Services	809,822	486,473	400,960	(85,513)
Other Local Revenues	3,079,505	4,677,941	4,533,456	(144,485)
State of Tennessee	214,169,176	226,073,473	233,354,463	7,280,990
Federal Government	649,194	671,598	673,679	2,081
Other Governments & Citizen Groups	7,153	18,449	14,143	(4,306)
Interest Earned	452,473	724,327	329,345	(394,982)
Payments from Primary Government	2,652,000	2,082,000	1,932,000	(150,000)
Total Revenues	\$ 477,058,765	\$ 497,997,410	\$ 510,811,920	\$ 12,814,510

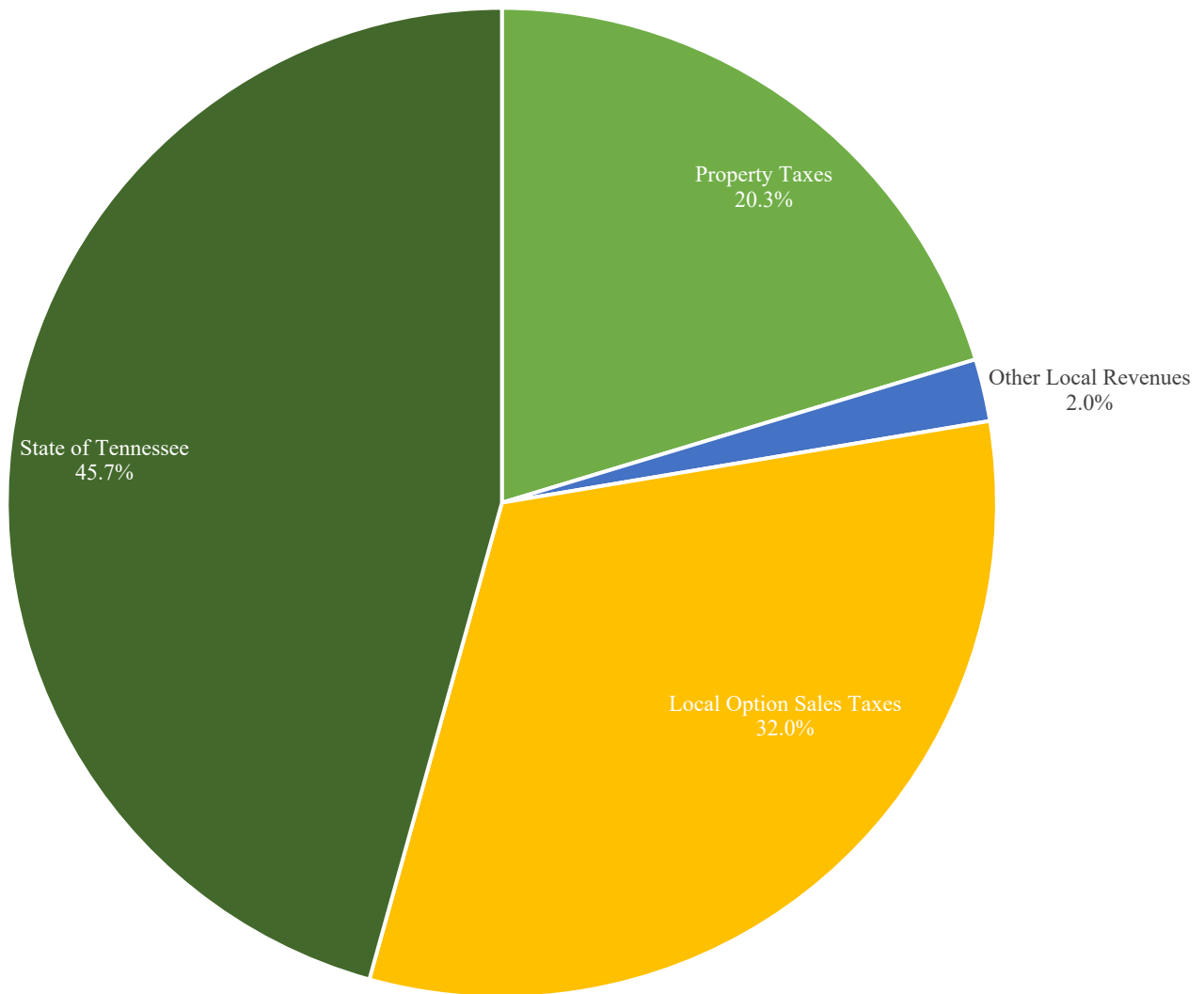
Note: School's revenues have increased over the last three years

EXPENDITURES - GENERAL FUND

Category	2018	2019	2020	19/20 Variance
Personal Services	\$ 310,483,454	\$ 316,257,731	\$ 328,241,913	\$ 11,984,182
Employee Benefits	83,656,709	88,969,412	93,091,698	4,122,286
Contracted Services	28,887,094	30,432,151	31,149,169	717,018
Supplies & Materials	24,164,506	29,791,076	28,003,070	(1,788,006)
Other Charges	14,215,183	15,147,771	14,631,470	(516,301)
Capital Outlay	870,643	1,248,501	1,188,577	(59,924)
Payments to Primary Government	13,774,686	13,297,034	11,072,668	(2,224,366)
Total Expenditures	\$ 476,052,275	\$ 495,143,676	\$ 507,378,565	\$ 12,234,889

SCHOOL'S GENERAL FUND

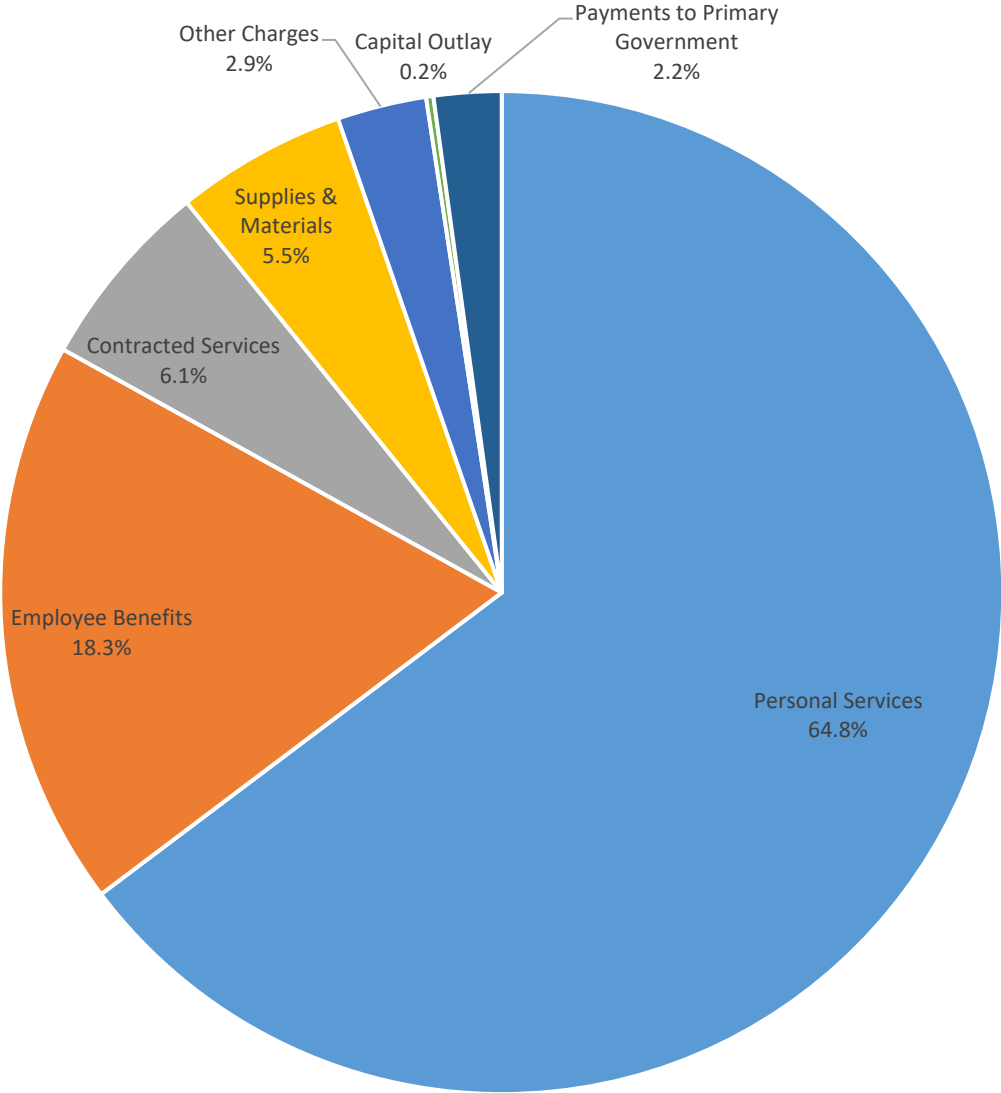
WHERE THE MONEY COMES FROM



General Purpose School Fund: This fund is used to account for general operations of the Board of Education. Major funding is provided through local tax levies and state education funds. The 'Other Local Revenues' section consists of the wheel tax, other local tax, licenses and permits, charges for current services, federal government, other governments and citizen groups, interest earned, and payments from the primary government. The General Purpose School Fund has also increased by more than \$13.3 million. The increase in budget reflects the Mayor's commitment to ensure that adequate funding is provided for these essential functions.

SCHOOL'S GENERAL FUND

WHERE THE MONEY GOES

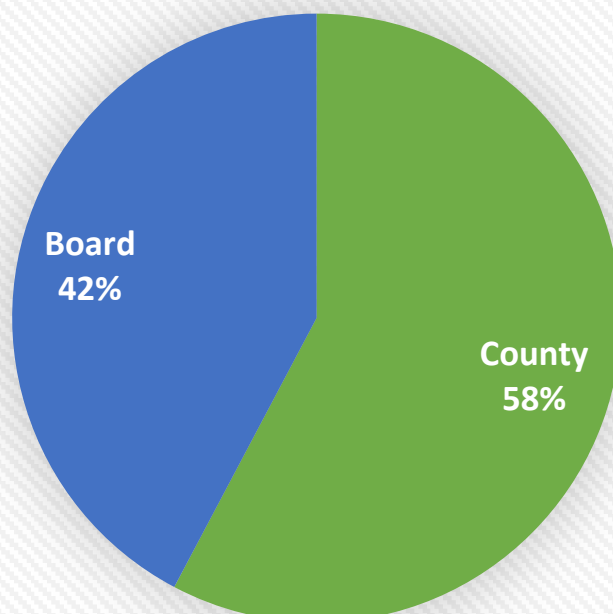


DEBT

Knox County’s total bonded debt increased by \$6,750,719 or 1.1% during the current fiscal year. This was due to principal bond payments that were less than debt issuances, as shown in the table below. The current year increase in bonded debt was due to planned bond issuances. Future scheduled principal payments on bonds exceed planned bond issuances. They will keep the County on track to maintain the Mayor’s commitment to lowering the overall bonded debt levels of the County.

Bonded Debt Balance for 2020	County	Board	Total
Beginning Balance	\$ 378,820,458	\$260,650,341	\$639,470,799
Principal Paid	(46,622,024)	(39,367,257)	(85,989,281)
Proceeds from Debt Issuances	40,957,143	51,782,857	92,740,000
Ending Balance - Bonds	\$ 373,155,577	\$273,065,941	\$646,221,518

Bonded Debt Balance for 2020





PROPERTY TAX

Knox’s County greatest revenue stream is from property taxes. The amount of property tax collected is established by the Property Assessor, followed by the County Commission approval based on the needs of the budget. The tax rate for 2020 was \$2.12 for every \$100 of assessed value. For every property tax dollar collected, 89 cents was used to support Knox County’s general fund, 80 cents was allocated to the general-purpose school fund and 43 cents toward the debt service fund.

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





**KNOX COUNTY
FINANCE DEPARTMENT**

www.knoxcounty.org