

**THE PUBLIC BUILDING AUTHORITY
OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE
Knoxville, Tennessee**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
June 30, 2021 and 2020**

**PREPARED BY:
FINANCE DEPARTMENT**

**ROBYN SMITH, CPA
DIRECTOR OF FINANCE**

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

**JUNE 30, 2021 AND 2020
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INTRODUCTORY SECTION



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Jayne Burritt, Administrator/CEO

Board of Directors

Chuck Severance, Chair
Steve Maddox, Vice Chair
Hubert Smith, Secretary
Shane Jackson, Treasurer

Heather Anderson
Scott Davis
Rob Glass
Jason Legg
Daniel Brown
Ann Marie Tugwell
Jon Clark

November 8, 2021

Board of Directors of
The Public Building Authority of the County
of Knox and City of Knoxville, Tennessee
Knoxville, Tennessee

State law and the Comptroller of the Treasury, State of Tennessee, requires that every political subdivision of municipal corporation publish within six months of the close of each fiscal year-end, a complete set of audited financial statements. This Annual Comprehensive Financial Report (ACFR) is published to fulfill these requirements for the fiscal years ended June 30, 2021 and 2020.

Internal Controls

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this 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 from material misstatement.

The Annual Comprehensive Financial Report

The Annual Report is presented in four sections: Introductory, Financial, Statistical and Internal Control and Compliance. The Introductory Section includes this Letter of Transmittal, the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, a Roster of Officials and Others, and our Organizational Chart. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Notes to Financial Statements, and Supplementary Information. The Statistical Section provides selected unaudited financial information.

Independent Audit

Mauldin & Jenkins, LLC has issued an unmodified ("clean") opinion on PBA's financial statements for the fiscal years ended June 30, 2021 and 2020. As stated in the independent auditor's report, the audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A)

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of MD&A. The Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. PBA's MD&A can be found immediately following the Independent Auditor's Report.

Profile of The PBA

The Public Building Authority of the County of Knox and the City of Knoxville, Tennessee (PBA) is a joint venture between the County of Knox (The County) and the City of Knoxville (The City) and was created under the authority of the State of Tennessee, Tennessee Code Annotated (TCA), Sections 12-10-101 to 12-10-124. The PBA was incorporated on August 6, 1971. Under various agreements, the PBA manages and operates certain public buildings that house the governments of the City, the County, and certain other related governmental organizations. Public parking facilities are also included under this PBA umbrella of management. These activities include security, custodial, maintenance, and grounds services and are coordinated within the Property Management Department.

The PBA develops public properties for the City and the County at their direction. These activities include construction management as the owner's representative and are coordinated within the Property Development Department.

Additionally, the PBA provides management and maintenance for telecommunications systems and services of the City, County, and Board of Education.

The PBA is considered a political subdivision or municipal corporation of the State of Tennessee. The PBA is a special purpose financial reporting entity and has no component units. It is governed by an eleven member Board of Directors (the Board), of which six are appointed by the County and five by the City, for six-year terms. The Board hires an Administrator/CEO who is responsible for the management of the PBA.

Budgeting

Following review by the Board, budgets are submitted annually to the City and County and other related governmental clients for approval. Budgets are separated between the operating activities of Property Management, Property Development, and Telecommunication Services mirroring the delineation in operating agreements with the City and the County. Further, within Property Management, budgets are prepared on a property-by-property basis in compliance with the associated operating agreements.

Each budget is fully costed, containing both the direct and indirect costs of providing services. An operating reserve has been funded, at an amount agreed upon with each client as appropriate, within each budget through the end of fiscal year 2022.

Local Economy

Knox County is the third most populated county in the State of Tennessee. The City of Knoxville is the County seat. Knoxville is located on the Tennessee River near the geographic center of East Tennessee. Because of its central location in the eastern United States, the Knoxville area serves thousands of industrial and commercial customers in a concentrated eight-state area. It is within 500 miles of approximately one-half of the population of the United States. The County for many years has been known as one of the South's leading wholesale markets. Located within the County are 1,081 wholesale establishments, 1,705 retail establishments, and 8,775 service establishments.

Tourism also plays a vital role in the economic development of the area. Knox County is the principal Gateway to the Great Smoky Mountains National Park, located 40 miles to the southeast. There are over 500,000 acres that make up the nation's most visited National Park, extending over the States of Tennessee and North Carolina. More than 12 million people visited the National Park in 2020, a 3.75% decrease over 2019.

The presence of the University of Tennessee and the Tennessee Valley Authority in Knoxville lends stability to the area, making the local economy less cyclical than either the national or state economy. As the pandemic continued in 2021, Knox County's unemployment rate was 4.5% at June 30, 2021. This compares favorably to the national unemployment rate of 6.1% and the state rate of 5.6%.

The overall economic health of the Knoxville/Knox County area continues to improve. The City of Knoxville serves as the economic hub of the entire upper East Tennessee area, and its trade sector is one of the strongest in the state. Knox County has the sixth highest per capita sales tax rate in the state, at roughly 182.78% of the state average. In fiscal years 2021 and 2020, respectively, sales tax collections on a countywide basis were \$1,027,224,783 and \$905,275,848. This represents an increase of 13.5%.

Long-Term Financial Planning

The PBA's costs are covered by fees charged to the City and County and certain other rated governmental organizations for management and development of public properties. Both the City and the County have long-term capital plans allocating significant resources totaling \$21,145,611 and \$35,882,417 respectively in which PBA is involved.

Projects	Total Budget	FY 2022 *	FY 2023 to FY 2026
<u>City Projects:</u>			
City Parks ADA Improvements	\$ 1,700,000	\$ 1,700,000	\$ -
City of Knoxville Dog Park	250,000	175,000	75,000
Harriet Tubman Tennis Court Shelters	60,000	60,000	-
Inskip Pool Resurfacing	170,000	170,000	-
Knoxville Civic Auditorium & Coliseum (KCAC)	10,755,000	10,755,000	-
KCAC – Electrical Vault Assessments	100,000	100,000	-
KCAC – HVAC Chiller Replacement	400,000	400,000	-
KCAC – Garage B Repairs	200,000	200,000	-
KCAC – Garage C Ventilation	1,000,000	750,000	250,000
KPD K9 Facility	2,173,160	39,980	2,133,180
Lonsdale Park Improvements	500,000	217,149	282,851
Milton Roberts Rec Center Repairs	500,000	500,000	-
Public Works Complex – Remediation & Traffic Engineering Building	762,451	762,451	-
World's Fair Park Amphitheater & Sunsphere	2,500,000	2,500,000	-
Young Williams/Zoo Knoxville – Livestock Holding (50/50)	75,000	75,000	-
Total City Projects	<u>21,145,611</u>	<u>18,404,580</u>	<u>2,741,031</u>
<u>County Projects:</u>			
East Tower & Fritts Lot – Additions and Renovations (KC)	15,735,000	14,235,000	1,500,000
East Tower & Fritts Lot – Additions and Renovations (UT)	9,067,645	8,317,645	750,000
Knox-Blount Greenway (TDOT)	1,344,772	1,344,772	-
Summer Place Complex Improvements – Garage	215,000	215,000	-
Summer Place Complex Improvements – HVAC	4,000,000	4,000,000	-
Summer Place Complex Improvements – KCS Tenant	2,845,000	2,845,000	-
West Knox Senior Center Relocation & Renovation	2,600,000	2,600,000	-
Young Williams/Zoo Knoxville – Livestock Holding (50/50)	75,000	75,000	-
Total County Projects	<u>35,882,417</u>	<u>33,632,417</u>	<u>2,250,000</u>
Total All Projects	<u>\$ 57,028,028</u>	<u>\$ 52,036,997</u>	<u>\$ 4,991,031</u>

*FY 2022 allocations may include amounts from prior years.

As projects are completed and opened for public use, the PBA often assumes the role of property manager. Senior centers are good examples where PBA transitions from development manager to property manager as the capital projects are completed and put in service.

Major Initiatives

The last eighteen months have been difficult to navigate as this is new territory for our organization. We continue to deal with the ripple effect of the COVID pandemic. Every single one of our departments has felt the impact of the pandemic. Our Property Development and Property Management departments must deal with supply constraints daily due to increased demand and limited supply for construction and maintenance supplies and services. The cost of supplies and services have increased beyond our original estimates which affects our budget. The increased lead time for materials has caused a major issue in completing projects within the original timeline. Our other departments, Security, Custodial and Parking, have felt the impact of the labor shortage in our area. The competition for employees has increased our labor costs for existing and future employees. This employee shortage also affects our service providers and their ability to service our properties at contracted rates.

PBA's major initiative will be strategic planning for the next year. We must factor in the current market conditions when budgeting for all expenses, especially our labor costs. The PBA will be adding 318,000 square feet to our managed properties this fiscal year and we continue to meet with stakeholders to discuss adding properties or additional services for our currently managed properties. Our aim is always to deliver quality service at the best price for our clients. As the local job market has changed drastically in the last year, our focus now will be to take care of our employees so that they in turn can take care of our clients. We recognize the importance of our employees as they are the face of our organization, which allows us to continue to grow.

Relevant Financial Policies

The Public Building Authority works closely with our clients to develop a balanced budget that incorporates projections for moderate growth based on their overall financial plan. Part of the annual budget process includes assisting our clients with capital recommendations for properties that we manage or have been asked to manage. The clients' overall financial policies will affect the PBA's direction as our budgets reflect our clients' ongoing financial plans.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the PBA for its annual comprehensive financial report for the fiscal year ended June 30, 2019. The June 30, 2020 annual comprehensive financial report has been submitted to GFOA for review, but due to the current pandemic, there have been nationwide delays in the review and award process. We expect to receive the certificate for the June 30, 2020 report. The fiscal year ended June 30, 2019 was the sixteenth consecutive year that the PBA has received this prestigious award. In order to be awarded a Certificate of Achievement, an organization 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 Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the annual report is a result of combined efforts of the Finance Department staff. Those involved have our sincere appreciation for the individual and collective contributions made in preparation of the report. Thank you very much for your professional dedication.

Recognition and appreciation are also extended to the Board for its continued guidance of the operations of the PBA in a financially responsible and progressive manner.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

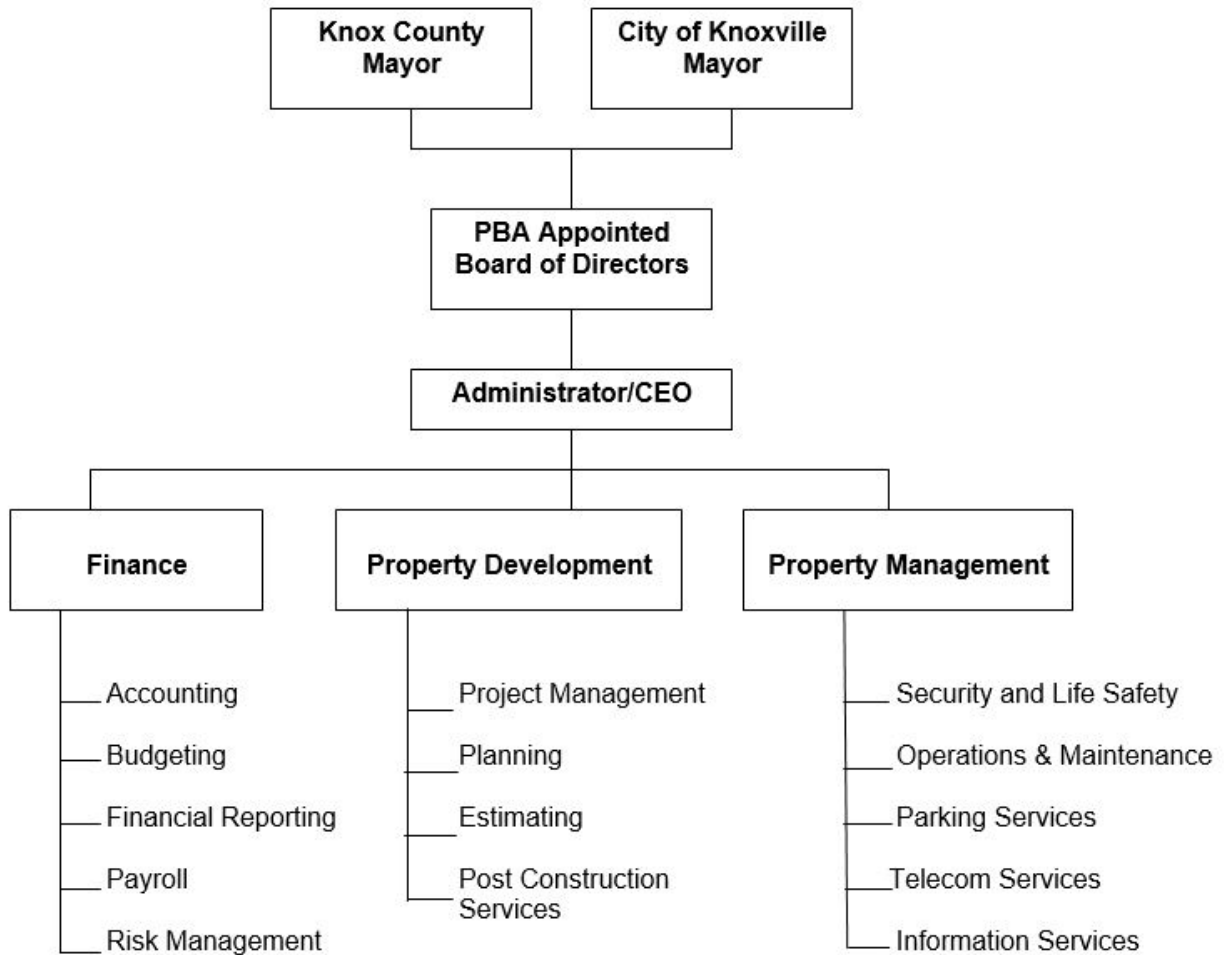
**Public Building Authority
of the County of Knox and the City of Knoxville
Tennessee**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

The Public Building Authority of the County of Knox and the City of Knoxville, Tennessee

Organizational Chart June 30, 2021



**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

ROSTER OF OFFICIALS AND OTHERS

June 30, 2021

Board of Directors	Expiration of Term
Chuck Severance, Chair	2027
Steve Maddox, Vice-Chair	2025
Hubert Smith, Secretary	2023
Shane Jackson, Treasurer	2023
Heather Anderson	2027
Daniel Brown	2024
Jon Clark	2025
Rob Glass	2027
Jason Legg	2023
Scott Davis	2025
Ann Marie Tugwell	2027

Management

Jayne Burritt, Administrator/CEO

Robyn Smith, Director of Finance

Kristin Grove, Director of Property Development

David Lively, Director of Facilities Operations and Engineering

Alex Fusaro, Director of Life Safety and Security

Independent Auditor

Mauldin & Jenkins
Certified Public Accountants
Chattanooga, Tennessee

Legal Counsel

W. Morris Kizer
Gentry, Tipton & McLemore, P.C.
Knoxville, Tennessee

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Public Building Authority of the County
of Knox and the City of Knoxville, Tennessee
Knoxville, Tennessee

Report on the Audit of the Financial Statements

We have audited the financial statements of the **Public Building Authority of the County of Knox and the City of Knoxville, Tennessee**, ("PBA"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise PBA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PBA as of June 30, 2021 and June 30, 2020, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise PBA's basic financial statements. The schedule of net position by activity, the schedule of revenues, expenses, and changes in net position by activity, the schedule of revenues, expenses, and changes in net position – budget to actual by activity (the "supplementary information"), 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. Additionally, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, on our consideration of PBA'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 our 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 PBA'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 System's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee
November 8, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents management's analysis of the PBA's financial condition and results of operations for the years ending June 30, 2021, 2020 and 2019. This information should be read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights:

- Total assets at June 30, 2021, 2020 and 2019 were \$17,753,508, \$12,783,425, and \$16,703,388, and exceeded liabilities (net position) by \$10,507,806, \$9,131,176 and \$8,639,040, respectively. Of the total net position, \$5,240,934, \$3,973,829, and \$3,356,522 was unrestricted and was available to support short-term operations for the years ending June 30, 2021, 2020 and 2019, respectively.
- Operating revenues were \$19,002,798, \$18,955,867, and \$18,208,882 for the years ending June 30, 2021, 2020, and 2019, representing an increase of .25%, 4.10%, and 2.90% from prior years.
- During 2021, there was an increase of \$109,525 in net position investment in capital assets and an increase in unrestricted net position of \$1,267,105 which combined for the overall increase in net position of \$1,376,630.
- Operating expenses before depreciation increased by \$341,050 and decreased by \$(162,868) during 2021 and 2020, representing a 2.0% increase and (.9)% decrease from 2020 and 2019, respectively.
- Operating income for 2021 was \$670,890 representing a decrease of \$(295,177) from 2020. The change in net position, before capital contributions, decreased by \$(115,506) from 2020.
- The ratios of operating income to total operating revenues were 3.5% for 2021, 5.1% for 2020 and .5% for 2019.
- Capital asset replacement reserve contributions were \$2,300,000 for 2021, \$1,300,000 for 2020 and \$2,190,579 for 2019.
- Capital contributions returned were \$1,500,368 for 2021, \$1,759,262 for 2020 and \$2,610,733 for 2019, a decrease of \$(258,894) and a decrease of \$(851,471) when compared to 2020 and 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF THE ANNUAL FINANCIAL STATEMENTS

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's review and analysis of PBA's financial condition and performance. Summary financial statement data, key financial and operational indicators used in PBA's budget, and other management tools were used for this analysis.

The financial statements report information about the PBA using full accrual accounting methods as utilized by similar business-type activities in the private sector.

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements. The statement of net position presents the financial position of the PBA on a full accrual basis of accounting. While the statement of net position provides information about the nature and amount of resources and obligations at year-end, the statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the 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 the related cash flows. This statement also provides certain information about the PBA's recovery of its costs.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or the depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the PBA's accounting policies, contracts, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Supplementary information includes a schedule of net position and schedule of revenues, expenses and changes in net position by projects. Also, included is a separate schedule of revenues, expenses and changes in net position – budget to actual by project.

SUMMARY OF ORGANIZATION AND BUSINESS

The PBA is a joint venture between the County of Knox and the City of Knoxville, Tennessee and was created under the authority of the State of Tennessee, Tennessee Code Annotated (TCA), Sections 12-10-101 to 12-10-124. The PBA was incorporated on August 16, 1971. PBA began operations through an operating agreement signed by Knox County and the City of Knoxville on July 1, 1975. The purpose of the PBA is to "acquire, design, construct, operate, and manage public buildings and facilities."

The PBA is governed by 11 Board of Directors (the Board) of which six are appointed by the County and five by the City. Board members serve a six year term. The Board hires an Administrator/Chief Executive Officer (CEO) who is responsible for the management of the PBA.

The PBA's capital assets consist of building improvements, site improvements, machinery and equipment, office equipment and vehicles.

The PBA has no taxing authority. The PBA's revenues are derived from rental income, management fees, net parking revenues, and miscellaneous charges. Rental income and management fees are annually negotiated with the County and City and certain other related governmental organizations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS

The following comparative condensed financial statements and other selected information provides key financial data and indicators for management, monitoring, and planning.

Condensed Statements of Net Position
(In Thousands of Dollars)
June 30, 2021 and 2020 and 2019

	2021	2020	2019
ASSETS			
Current Assets	\$ 12,487	\$ 7,626	\$ 11,421
Net Capital Assets	<u>5,267</u>	<u>5,157</u>	<u>5,282</u>
 TOTAL ASSETS	 <u>\$ 17,754</u>	 <u>\$ 12,783</u>	 <u>\$ 16,703</u>
 LIABILITIES			
Current Liabilities	\$ 7,014	\$ 3,347	\$ 7,892
Non-Current Liabilities	<u>232</u>	<u>305</u>	<u>172</u>
 TOTAL LIABILITIES	 <u>7,246</u>	 <u>3,652</u>	 <u>8,064</u>
 NET POSITION			
Investment in Capital Assets	5,267	5,157	5,282
Unrestricted	<u>5,241</u>	<u>3,974</u>	<u>3,357</u>
 TOTAL NET POSITION	 <u>10,508</u>	 <u>9,131</u>	 <u>8,639</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 17,754</u>	 <u>\$ 12,783</u>	 <u>\$ 16,703</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Condensed Statements of Revenues, Expenses,
and Changes in Net Position
(In Thousands of Dollars) For the Fiscal Years Ended June 30, 2021 and 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Rentals – Net	\$ 5,334	\$ 4,991	\$ 4,837
Management Fees	10,568	10,125	9,289
Parking	<u>3,101</u>	<u>3,840</u>	<u>4,083</u>
Total Operating Revenues	<u>19,003</u>	<u>18,956</u>	<u>18,209</u>
Operating Expenses			
Salaries and Benefits	8,794	8,808	8,528
Office	166	113	137
Education and Training	23	17	15
Purchased Services and Supplies	2,030	1,668	1,760
Operating Contracts	3,279	3,193	2,768
Utilities	2,044	2,222	2,326
Communications	94	149	106
Insurance	312	288	283
Professional Fees	116	80	64
Depreciation	767	766	737
Maintenance Facility	106	114	110
Other	<u>601</u>	<u>572</u>	<u>1,290</u>
Total Operating Expenses	<u>18,332</u>	<u>17,990</u>	<u>18,124</u>
Operating Income	<u>671</u>	<u>966</u>	<u>85</u>
Non-Operating Revenues (Expenses)			
Interest Income	-	90	47
Bank Charges	(94)	(105)	(100)
Capital Asset Retirement	-	-	(17)
Capital Contributions Returned	<u>(1,500)</u>	<u>(1,759)</u>	<u>(2,611)</u>
Total Non-Operating Revenues (Expenses) – Net	<u>(1,594)</u>	<u>(1,774)</u>	<u>(2,681)</u>
Decrease in Net Position Before Capital Contributions	<u>(923)</u>	<u>(808)</u>	<u>(2,596)</u>

(Continued)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

	2021	2020	2019
Capital Contributions			
Capital Contributions	2,300	1,300	2,191
Increase (Decrease) in Net Position	1,377	492	(405)
Net Position, Beginning of Year	9,131	8,639	9,044
Net Position, End of Year	\$ 10,508	\$ 9,131	\$ 8,639

OTHER SELECTED INFORMATION

	2021	2020	2019
Space (in Square Feet) Under Management	1,976,449	1,664,782	1,652,177
Number of Parking Spaces Under Management	8,605	8,163	8,248
Parks – Number of Acres Under Management	32	32	32
Employees at Year-End:			
Facilities Management	70	73	73
Safety and Security	64	63	66
Property Development	4	4	5
Telecommunications	13	12	12
Administrative	11	11	10
Total	162	163	166
	2021	2020	2019
Average Number of Employees	165	164	160
Per Average Employee:			
Operating Revenues	\$ 115,168	\$ 115,585	\$ 113,806
Operating Expenses	\$ 111,102	\$ 109,694	\$ 113,275
Ratio of Operating Revenues to:			
Operating Expenses	104%	105%	100%
Operating Expenses – Net of Depreciation	108%	110%	105%
Total Assets	107%	148%	109%
Net Position	181%	208%	211%

FINANCIAL CONDITION

The PBA's financial condition remained strong at year-end with adequate liquid assets and a reasonable level of unrestricted net position. The current financial condition, staff capabilities, operating plans and upgrade plans to meet future City and County requirements are well balanced and under control.

Net position increased (decreased) by \$1,376,630, \$492,136 and \$(405,211) for the years ending June 30, 2021, 2020 and 2019, respectively. At the request of the City of Knoxville, PBA returned capital asset replacement reserves at June 30, 2019, resulting in a decrease in net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

RESULTS OF OPERATIONS

Capital Contributions (Deductions)

The PBA collects operating and capital asset replacement reserve contributions from the County and City for future capital asset improvements and replacements. Capital contributions are annually budgeted with the County and City.

Operating and capital asset replacement reserve contributions were \$2,300,000 and \$1,300,000 for 2021 and 2020, respectively. The contributions consist of the following:

<u>June 30, 2021</u>	<u>Capital Reserves</u>
County:	
City County Building	\$ 1,426,000
Telecommunications	<u>200,000</u>
Total County	1,626,000
City:	
City County Building	574,000
City Parks	-
KAT Facilities	-
Telecommunications	<u>100,000</u>
Total City	<u>674,000</u>
Others	<u>-</u>
Total	\$ <u>2,300,000</u>
<u>June 30, 2020</u>	<u>Capital Reserves</u>
County:	
City County Building	\$ 713,000
Telecommunications	<u>200,000</u>
Total County	913,000
City:	
City County Building	287,000
City Parks	-
KAT Facilities	-
Telecommunications	<u>100,000</u>
Total City	<u>387,000</u>
Others	<u>-</u>
Total	\$ <u>1,300,000</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

RESULTS OF OPERATIONS (Continued)

Capital Contributions (Deductions) (Continued)

Reserves returned to the City and County during 2021 totaled \$1,427,232, which represented a refund of operating results above the calculated desired reserve. Additionally, operating results of \$22,613 were refunded to the Emergency Communications District, \$10,821 to the Development Corporation Board, \$23,034 to Knoxville Community Development Corporation, and \$16,668 to the Industrial Development Board, also representing operating reserves above the calculated needed reserve.

Reserves returned to the City and County during 2020 totaled \$1,656,944 which represented a refund of operating results above the calculated desired reserve. Additionally, operating results of \$7,228 were refunded to the Emergency Communications District, \$4,212 to the Development Corporation Board, \$33,304 to Knox County Schools and an \$11,400 operating reserve returned to Knox County Schools, \$4,816 to Knoxville Utilities Board, \$26,470 to Knoxville Community Development Corporation, and \$14,888 to the Industrial Development Board, also representing operating reserves above the calculated needed reserve.

Operating Expenses

Operating expenses during 2021, 2020, and 2019 increased/(decreased) by \$342,108, \$(134,278) and \$1,654,992 or 1.9%, (.7)%, and 10.0%, respectively. This was a result of major increases (decreases) such as:

	2021	2020	2019
Salaries and Benefits	\$ (14,254)	\$ 279,591	\$ 600,779
Purchased Services and Supplies	362,522	(92,202)	270,186
Operating Contracts	86,157	425,316	256,981
Utilities	(178,756)	(103,441)	121,598
Other - Net	86,439	(643,542)	405,448
Total	\$ 342,108	\$ (134,278)	\$ 1,654,992

Depreciation expense was \$766,668, \$765,611, and \$737,020 in 2021, 2020 and 2019, respectively.

Capital Assets

During 2021, 2020, and 2019, PBA increased/(decreased) producing capital assets cost by \$115,541, \$640,440 and \$855,602, respectively. These (decreases)/increases consist of the following:

	2021	2020	2019
Construction in Progress	\$ 284,387	\$ -	\$ -
Building Improvements	255,173	524,948	621,628
Machinery and Equipment	(479,173)	44,718	225,956
Data Processing Equipment and Software	44,798	12,213	10,940
Vehicles	10,356	58,561	(2,922)
Total	\$ 115,541	\$ 640,440	\$ 855,602

The PBA's capital asset activity for 2021 and 2020 is described in Note 6 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS AND NEXT FISCAL YEAR

- There is an overall 5.1% increase in budgeted salaries for fiscal year 2022 consisting of merit increases and pandemic recovery.
- Insurance expenses are budgeted to increase by 9.1%.
- Utilities expenses are expected to remain at same level for fiscal year 2022 as budgeted in prior year.
- There is a 9.4% and 16.0% projected increase in operating expense budgets related to the City and County, respectively. The County increase is due to a full year budget for the TVA Tower property.
- County property budgets increased due to a full year of new properties – Election Commission and TVA Tower in fiscal year 2022.
- Operating contracts budget increase of 3.8% in the County is offset by a decrease of 14.2% in the City budgets, leaving an overall budget decrease of 2.1% for fiscal year 2022.
- Fiscal year 2022 Budget is summarized as follows:

Revenues	\$	23,597,317
Expenses		<u>23,226,261</u>
Change in Net Position	\$	<u>371,056</u>

FINAL COMMENTS

The PBA is committed to providing the County and City cost effective and efficient public property development and management. The PBA is constantly examining its work practices to find more efficient and productive property development and management.

CONTACTING THE PBA

This financial report is designed to provide our customers, creditors, and regulatory agencies with a general overview of the PBA's finances. If you have any questions about this report or need additional information, you may contact the PBA at:

Robyn Smith, CPA
PBA Director of Finance
Andrew Johnson Building, Suite 710
912 South Gay Street
Knoxville, TN 37902
865-215-4630

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,653,544	\$ 5,785,172
Receivables:		
Other Receivables	51,579	13,018
Due from City and County	4,670,726	1,711,382
Due from Other Governmental Agencies	6,858	14,382
Inventory	6,995	8,968
Prepaid Items	<u>96,934</u>	<u>93,156</u>
Total Current Assets	<u>12,486,636</u>	<u>7,626,078</u>
CAPITAL ASSETS		
Property and Equipment	13,468,059	13,636,905
Less: Accumulated Depreciation	(8,586,590)	(8,580,574)
Land	101,016	101,016
Construction in Progress	<u>284,387</u>	<u>-</u>
Net Capital Assets	<u>5,266,872</u>	<u>5,157,347</u>
TOTAL ASSETS	\$ <u>17,753,508</u>	\$ <u>12,783,425</u>

(Continued)

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

LIABILITIES AND NET POSITION

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 5,368,956	\$ 2,074,955
Due to City and County	1,111,762	859,827
Due to Other Governmental Agencies	55,190	84,033
Unearned Revenues	20,346	2,850
Customer Deposits	23,399	17,454
Compensated Absences Payable, Current Portion	<u>433,931</u>	<u>308,018</u>
Total Current Liabilities	<u>7,013,584</u>	<u>3,347,137</u>
NON-CURRENT LIABILITIES		
Compensated Absences Payable	<u>232,118</u>	<u>305,112</u>
Total Non-Current Liabilities	<u>232,118</u>	<u>305,112</u>
Total Liabilities	<u>7,245,702</u>	<u>3,652,249</u>
NET POSITION		
Investment in capital assets	5,266,872	5,157,347
Unrestricted	<u>5,240,934</u>	<u>3,973,829</u>
Total Net Position	<u>10,507,806</u>	<u>9,131,176</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 17,753,508</u>	<u>\$ 12,783,425</u>

The accompanying notes are an integral part of these financial statements

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Rental Income from City and County	\$ 4,903,117	\$ 4,802,279
Management Fees from City and County	10,311,674	9,835,721
Management Fees from Other Governmental Agencies	255,857	289,476
Other Rental Income – Net	431,385	188,499
Parking Revenues	<u>3,100,765</u>	<u>3,839,892</u>
Total Operating Revenues	<u>19,002,798</u>	<u>18,955,867</u>
OPERATING EXPENSES		
Salaries and Benefits	8,793,721	8,807,975
Office	165,614	112,751
Education and Training	23,466	17,023
Purchased Services and Supplies	2,030,255	1,667,733
Operating Contracts	3,279,082	3,192,925
Utilities	2,043,689	2,222,445
Communications	94,202	148,860
Insurance	312,686	287,901
Professional Fees	115,673	80,072
Depreciation	766,668	765,611
Maintenance Facility	105,591	113,950
Other	<u>601,261</u>	<u>572,554</u>
Total Operating Expenses	<u>18,331,908</u>	<u>17,989,800</u>
OPERATING INCOME	\$ <u>670,890</u>	\$ <u>966,067</u>

(Continued)

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	\$ 161	\$ 90,197
Bank Charges	(94,053)	(104,866)
Capital Returned to City and County	(1,427,232)	(1,656,944)
Capital Returned to Other Governmental Agencies	(73,136)	(102,318)
Capital Asset Retirements	<u>-</u>	<u>-</u>
Total Non-Operating Revenues (Expenses) - Net	<u>(1,594,260)</u>	<u>(1,773,931)</u>
DECREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>(923,370)</u>	<u>(807,864)</u>
CAPITAL CONTRIBUTIONS		
Cash:		
Capital Contributions from the City and County	<u>2,300,000</u>	<u>1,300,000</u>
INCREASE IN NET POSITION	1,376,630	492,136
NET POSITION, BEGINNING OF YEAR	<u>9,131,176</u>	<u>8,639,040</u>
NET POSITION, END OF YEAR	\$ <u>10,507,806</u>	\$ <u>9,131,176</u>

The accompanying notes are an integral part of these financial statements

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from City and County	\$ 12,255,447	\$ 17,478,741
Receipts from Other Governmental Agencies	263,381	303,032
Receipts from Other Customers	3,499,513	4,011,366
Payments to Employees	(8,740,800)	(8,729,310)
Payments to Suppliers	<u>(5,461,827)</u>	<u>(11,857,457)</u>
Net Cash Provided by Operating Activities	<u>1,815,714</u>	<u>1,206,372</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributed by City and County	2,300,000	1,300,000
Capital Returned to City and County	(1,193,244)	(2,726,528)
Capital Returned to Other Governmental Agencies	(84,013)	(46,711)
Capital Asset Additions	<u>(876,193)</u>	<u>(640,440)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>146,550</u>	<u>(2,113,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Deposits	161	90,197
Bank Charges	<u>(94,053)</u>	<u>(104,866)</u>
Net Cash Used in Investing Activities	<u>(93,892)</u>	<u>(14,669)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,868,372</u>	<u>(921,976)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,785,172</u>	<u>6,707,148</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>7,653,544</u>	\$ <u>5,785,172</u>

(Continued)

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

STATEMENTS OF CASH FLOWS (Continued)

For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING INCOME TO:		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 670,890	\$ 966,067
Depreciation	766,668	765,611
Changes in:		
Accounts Receivable	(38,561)	12,067
Due from City and County	(2,959,344)	2,840,740
Due from Other Governmental Agencies	7,524	13,557
Prepaid Items	(3,778)	3,149
Inventory	1,974	3,304
Accounts Payable and Accrued Liabilities	3,294,001	(3,446,827)
Customer Deposits	5,925	(29,092)
Compensated Absences Payable	52,919	78,665
Unearned Revenues	<u>17,496</u>	<u>(869)</u>
Net Cash Provided by Operating Activities	\$ <u>1,815,714</u>	\$ <u>1,206,372</u>

The accompanying notes are an integral part of these financial statements

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 - ORGANIZATION

The Public Building Authority of the County of Knox and the City of Knoxville, Tennessee (PBA) was incorporated as a joint venture between the City of Knoxville (the City) and the County of Knox (the County) pursuant to provisions of the Public Building Authority Act, Tennessee Code Annotated (TCA), Sections 12-10-101 to 12-10-124 (the Act). The PBA is considered a political subdivision or municipal corporation, of the State of Tennessee. The PBA is considered to be a special purpose financial reporting entity and has no component units. The PBA has entered into lease transactions with the City and the County for the purchase, construction, refurbishment, maintenance, and operation of certain public building complexes to house the governments of the City and the County and to provide off-street parking facilities in connection with certain projects, as provided by the Act. Additionally, the PBA has entered into certain other operating and property development contracts with the City, County, or other governmental agencies to provide specified services related to projects as discussed in the following notes.

The PBA is governed by 11 Board of Directors (the Board), of which six are appointed by the County and five by the City. Board members serve a six year term.

The Board hires an Administrator/Chief Executive Officer (CEO) who is responsible for the management of PBA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation - The financial statements of the PBA have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

All activities of the PBA are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The PBA makes a distinction between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with its principal ongoing operations. The principal operating revenues of the PBA are charges to the City, County or other governmental entities for operating, maintaining and developing publicly-owned facilities. Operating expenses consist of salaries, benefits, utilities, and operating contracts for maintenance, insurance and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the PBA is determined by its measurement focus. The transactions of the PBA are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into investment in capital assets and unrestricted components.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting - The PBA adopts flexible annual operating and capital budgets for each property location or project. Budgets are adopted on a basis consistent with generally accepted accounting principles. The current operating budget details PBA's plans to earn and expend funds for charges incurred for operation, maintenance, certain interest and general functions, and other charges for the fiscal year. The capital budget details the plan to receive and expend cash contributions from the City and County for capital improvements.

The budgets are approved by the Board, and as required by various lease or management contracts, are submitted annually to the City and County for approval.

All unexpended and unencumbered appropriations in the operating budget remaining at the end of the fiscal year lapse. No appropriation for a capital project in the capital budget lapses until the purpose for which the appropriation was made has been accomplished or abandoned.

Management submits proposed budgets to the Board prior to the March meeting. The budgets are adopted by resolution prior to July 1. Transfers within the approved budgets, including use of the capital asset replacement reserves (designated net position), are authorized by the Administrator/CEO and subject to the review of the Board. Any use of an operating reserve is reported to the City or County, as appropriate.

The PBA's direct and indirect costs of providing service are considered operating costs. By agreement with the City and the County, operating reserves for property management activities are being established at 8% of the subsequent year's operating budget. For properties managed, life-cycle based capital asset replacement schedules are prepared and presented to the City and County. The County provides for scheduled costs within its Capital Improvement Plan.

The net increase (decrease) in net position is considered unrestricted and, by agreement with the City and County, is designated as part of the operating and capital asset replacement reserves.

Reimbursable Projects - Reimbursable projects primarily consist of various City and County owned capital projects in which the PBA is acting as the City or County's project manager or agent. The construction costs are reimbursed by the City and County and are excluded from PBA's operating revenues, expenses, and net position.

Cash and Cash Equivalents - Cash and cash equivalents, for purposes of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit, interest in State Treasurer's Pool, certificates of deposit, daily sweep repurchase accounts, and debt security investments with a maturity at purchase of three months or less.

The carrying amount of cash equivalents and deposits approximates market value.

Receivables and Revenues - Operating revenues consist of net rentals, management fees and parking revenues.

City and County operating lease revenues are billed on a quarterly basis. Rental revenues for other properties are billed monthly. Rental revenues are recognized as earned over the appropriate time period.

Management fees for various City and County operating and property development contracts are billed quarterly or monthly as determined by the contract. Revenues are recognized as earned over the appropriate time period or construction phase.

Parking revenues are recorded as gross proceeds to reflect the in-house management of parking facilities. Parking revenues are recorded monthly.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables are stated at the amount management expects to collect from outstanding balances. The PBA considers receivables to be fully collectible; accordingly, no allowance for uncollectible receivables is recorded. Receivable balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to operating revenues.

Inventories and Prepaid Items - Inventories consist of telecommunications supplies which are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors for maintenance agreements and insurance premiums reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets - Capital assets are defined by the PBA as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Property, plant and equipment in service and construction in progress are recorded at cost, if purchased or constructed. Under GASB-S72:79, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at estimated acquisition value. Assets acquired through contributions from the County, City, or other customers are capitalized at their acquisition value, if available, or at engineers' estimated acquisition value or cost to construct at the date of the contribution.

Maintenance and repairs, which do not significantly extend the life or increase the value of property, plant and equipment, are expensed as incurred.

Interest is not capitalized on project costs funded by contributed capital from the City and County. Interest costs of tax-exempt borrowings are capitalized net of related investment earnings on the proceeds. Depreciation is not recorded until the assets are actually put into use.

Capital assets are depreciated on the straight-line method. Depreciation is calculated using the following estimated useful lives:

	<u>Years</u>
Site Improvements	5-20
Buildings and Improvements	7-45
Machinery and Equipment	5-10
Data Processing Equipment and Software	5
Vehicles	5-7

The City County Building (CCB) and Andrew Johnson Building/Dwight Kessel Metropolitan Parking Garage (AJ/DKMPG) are not recorded on PBA's statement of net position. These facilities were previously "sold" to the City and County under a direct financing capital lease. According to GAAP, this type of transaction is an "in-substance" sale by the PBA to the City and County. Currently, title to the CCB remains with the PBA; however, since the City and County can exercise an option for the transfer of ownership, the agreements constitute a capitalized lease transaction.

Compensated Absences Payable - Accumulated annual leave eligible to be paid to employees at termination or retirement is recorded as an expense and liability as the benefits are earned by the employee. PBA has assumed a first-in, first-out method of using accumulated compensated time and the related liability has been recorded as a current and long-term liability in the financial statements. Effective July 1, 2013, retiring full time employees may be eligible to receive a payment for unused accumulated sick leave at a rate of \$100 per day of accumulated sick leave up to a maximum of \$10,000. If an employee is terminated, sick leave is forfeited.

Capital Asset Replacement Reserve Contributions - The City and County provide capital asset replacement reserve contributions and are recognized in the statement of revenues, expenses, and changes in net position when earned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position - Net position comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position are classified in the following two components: investment in capital assets and unrestricted net position. Investment in capital assets, consists of all capital assets, net of accumulated depreciation and related outstanding debt. Unrestricted consists of net results of the PBA's operating activities. PBA had designated part of its unrestricted net position for capital replacement, which is described in Note 8.

When both restricted and unrestricted resources are available for use, it is the PBA's policy to use restricted resources first, then unrestricted resources as they are needed.

Reclassifications - Certain amounts presented in the prior year have been reclassified to be consistent with the current year's presentation. The reclassification did not affect the prior year's results of operations.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

NOTE 3 - RENTAL AGREEMENTS WITH THE COUNTY AND CITY

Andrew Johnson Building/Dwight Kessel Metropolitan Parking Garage (AJ/DKMPG) - On December 1, 1991, the PBA entered into a capital and operating lease with the County of Knox which expired on June 30, 2011. Thereafter, the lease shall continue from year to year until the governing body of the County shall elect to terminate the contract at the end of a fiscal year. Under the terms of the agreement (as amended on September 1, 1992 and September 1, 1996) the County leased an office building, off-street parking facility, the land and related equipment thereon in return for rentals in amounts necessary to meet the debt-service requirements of the related bond issue, but due to the redemption of the related debt in 2001, the County is no longer required to submit the debt service rentals. According to the original lease agreement, Section 12.8, p.31, upon full payment of the debt, the County, at its option, may direct the PBA to transfer title of the properties to the County. During 2005, the County exercised its option, and requested that the PBA transfer title to the County. Other rental commitments continuing under this lease agreement are equal to the related aggregate of (a) sums equal to the annual estimated expenses for the operation and maintenance of the project as budgeted by the PBA, (b) amounts equal to the unpaid telephone service, (c) sums equal to the annual estimated administrative expenses of the project as budgeted by the PBA, and (d) amounts necessary to pay taxes or assessments levied or made against the PBA as they become due. After the original lease term, the lease shall continue from year to year until the County shall elect to terminate the lease at the end of a fiscal year.

City County Building (CCB) - The PBA constructed and leases the public building complex, the land and the related equipment thereon to the County and City under a 25 year capital and operating lease which expired on June 30, 2001, and is now being extended on an annual basis. According to the original operating agreement between the PBA and the County and City, dated July 1, 1975, Article VIII, in the event of termination of the lease and after all expenses and obligations of the PBA have been met, the City and County shall direct the PBA to whom and in what manner, title to the City County Building is to be transferred and may direct disposition of any excess funds remaining. Rentals committed under the lease agreement are equal to the related aggregate of (a) amounts necessary, together with other available funds of PBA, to pay the annual estimated expenses for the operation and maintenance of the project as budgeted by the PBA, (b) amounts equal to the unpaid telephone service, (c) amounts necessary, together with other available funds of the PBA, to pay the annual estimated administrative expenses of the project as budgeted by the PBA, and (d) amounts sufficient to pay taxes or assessments levied or made against the PBA as they become due. The 2021 and 2020 rents are apportioned 71.3% to the County and 28.7% to the City.

NOTE 4 - OPERATING CONTRACTS

The PBA has entered into various operating contracts with the County and the City as described below:

County Property Development and Operations

The PBA and the County entered into a contract in May 1995 subsequently amended in July 1997 and June 2004, for planning, construction, and property management services for various County owned properties. Under the terms of the contract, the County reimburses the PBA for all direct and indirect costs and expenses incurred related to these services. The PBA is required to submit an annual budget for each project and/or location to the County Mayor and Commission for approval. This contract or any project can be terminated upon 180 days written notice by either party.

The following County owned properties are currently being managed by PBA:

- Andrew Johnson Building/Dwight Kessel Metropolitan Parking Garage
- Election Commission
- Family Investment Center
- Forensic Center
- Health Department Facilities
- Juvenile Justice Center
- Knox Central
- Knox County Libraries
- Knox County Public Works Complex
- Old Court House
- Public Defender
- Senior Citizen Centers
- TVA Tower/Summer Place Parking Garage
- Young Williams AWC
- West Knox Senior Center

City Operating Contracts

City Parking Facilities - The PBA and the City entered into an operating contract on August 11, 2005, as amended, for management services for the Market Square Parking Garage, the State Street Parking Garage, the Main Avenue Parking Garage, the Jackson Avenue Parking Lot, the CBID parking lots, and the Riverwalk Parking Garage. Under the terms of the agreement, the City shall reimburse the PBA for all costs and expenses. This contract may be terminated upon 30 days written notice by either party.

Downtown Cinema - The PBA, the City, and the Industrial Development Board of the City of Knoxville for the Downtown Cinema, Inc. (the IDB) entered into a tri-party operating contract on March 28, 2007, for property management services of the Downtown Cinema. Under terms of the contract, the PBA will perform the IDB's repair and maintenance obligations under the terms of their lease with Regal Cinemas. The PBA is required to submit an annual budget to the City and the IDB for approval. The contract expired June 30, 2021. The contract may be terminated upon 60 days written notice by any party.

Knoxville Area Transit Center/Magnolia Facility – The PBA and the City entered into operating contracts on July 15, 2010 to provide property management, maintenance, landscaping, security and custodial services for the Knoxville Area Transit Center and was amended on July 1, 2011 to add the Knoxville Area Transit Magnolia Facility. Under the terms of the agreement, the City shall reimburse the PBA for all costs and expenses. Although the contract expired on July 14, 2020, PBA has continued to provide monthly services while the expired contract is being amended and extended.

Knoxville Police Department - The PBA and the City entered into operating contracts on July 19, 2005 to provide access control management for the Knoxville Police Department (KPD) and was amended on January 21, 2011 to add the Moses Training Facility. Under the agreement, the PBA will purchase, install, manage, and maintain an access control system for the KPD and training facility and the City shall reimburse the PBA for all costs and expenses. The contract expires on June 30, 2025.

NOTE 4 - OPERATING CONTRACTS (continued)

City Operating Contracts (continued)

Locust Street Parking Garage - The PBA entered into a contract with the City on December 1, 2000 whereby the PBA will design, develop, operate and maintain a parking facility with 645 spaces and related retail space. Under the terms of the agreement, the City shall reimburse the PBA for all costs and expenses. This contract may be terminated upon 30 days written notice by either party.

Volunteer Landing Public Park - The PBA entered into a contract with the City on September 7, 2001 to maintain the Volunteer Landing Public Park and related facilities. Under the terms of this contract, the City will reimburse the PBA for all costs and expenses. The contract will expire on June 30, 2022. This contract may be terminated upon 30 days written notice by either party.

World's Fair Park and Second Creek Greenway - The PBA entered into a contract with the City on July 1, 2001 to manage and maintain the World's Fair Park. This contract was amended on July 1, 2008, to add the Second Creek Greenway. Under the terms of the contract the PBA will provide general and scheduling services, property management and road maintenance. The City will reimburse the PBA for all costs and expenses incurred related to this project. This contract may be terminated upon 30 days written notice by either party.

Public Works Complex - The PBA entered into a contract with the City on January 15, 2017. Under the agreement, the PBA will provide property management, building maintenance and custodial services. This contract will expire December 6, 2022.

On Street Parking Enforcement - The PBA entered into a contract with the City on June 30, 2016 for management services. Under the terms of this contract, the City will reimburse the PBA for costs and expenses relating to the enforcement of parking violations at the following locations: Gay Street, Cumberland Ave., and the CBID. This contract may be terminated upon 30 days written notice by either party.

City Development Contracts

The PBA and the City entered into a contract in February 2005 for planning and construction services for various City owned properties. Under the terms of the contract, the City reimburses the PBA for all direct and indirect costs and expenses incurred related to these services. The PBA is required to submit a project budget to the City Mayor and Council for approval. This contract (180 days) or any project (30 days) can be terminated upon written notice by either party.

City/County Emergency Communications District (District)

The PBA and the District entered into an operating contract on October 1, 2003 for property management services for the District's communications center. Under the terms of the contract, the District reimburses the PBA for all direct and indirect costs and expenses related to property management. The PBA is required to submit an annual budget to the District's Board of Directors for approval. The contract may be terminated upon 30 days written notice by either party.

Fairview Technology Center

The PBA and the Development Corporation of Knox County, Inc. entered into an operating contract on July 1, 2004 for property management services of the Fairview Technology Center. Under terms of the contract, the Development Corporation will reimburse the PBA for all direct and indirect costs related to property management. The PBA is required to submit an annual budget to the Development Corporation's Board of Directors for approval. This contract can be terminated upon 180 days written notice by either party.

NOTE 4 - OPERATING CONTRACTS (continued)

City/County Telecommunications

The PBA and the City and County entered into an operating contract on October 30, 2003 for the management of telecommunications services and equipment. Under terms of the contract, the City and County will reimburse the PBA for all direct and indirect costs related to telecommunications. The PBA is required to submit an annual budget to City Council and County Commission for approval. This contract can be terminated upon 90 days written notice by any party.

Knox County Board of Education Telecommunications

The PBA and the County and Board of Education entered into a tri-party operating contract on December 15, 2003 for the management of telecommunications services and equipment. Under terms of the contract, the County will reimburse the PBA for all direct and indirect costs related to telecommunications. The PBA is required to submit an annual budget to the County for approval. This contract ended on June 30, 2020, and was not renewed in 2021.

NOTE 5 - DEPOSITS AND INVESTMENTS

Credit Risk – Deposits - Various state statutes restrict the types of deposits available to the PBA. Deposits are limited to bank demand deposits, certificates of deposits, governmental overnight repurchase accounts, and the State Local Government Investment Pool (SLGIP).

Custodial Credit Risk – Deposits - TCA, Section 9-4-105, requires the PBA to secure deposits by having banks pledge governmental securities as collateral. The state statute requires collateral whose market value is equal to 105% of the deposit, less the amount protected by the Federal Deposit Insurance Corporation (FDIC). In lieu of pledged collateral, the bank may participate in the bank collateral pool as administered by the Tennessee State Treasurer. Banks that participate in the bank collateral pool may use one of three different security pledge levels (90, 100 or 105%) depending on the specific bank holding the deposit. Participating banks determine the aggregate balance of their public fund accounts for the PBA. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency.

Cash and Cash Equivalents - In lieu of a daily sweep overnight repurchase account, the PBA utilizes a special money rate checking account for public funds. All funds, less a required reserve of 10%, automatically earn interest at the rate of the 91 Day Treasury Bill rate minus 15 basis points for 2021 and minus 15 basis points for 2020. The effective rate of interest on all collected funds was 0% at year-end 2021 and .10% at year-end 2020. All funds are available on demand.

The PBA's cash and cash equivalents at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Petty Cash	\$ 2,250	\$ 2,150
Demand Deposits	<u>7,651,294</u>	<u>5,783,022</u>
Total	<u>\$ 7,653,544</u>	<u>\$ 5,785,172</u>

The demand deposits were covered by the state bank collateral pool as described above.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk – Investments - Various state statutes restrict the type of investments available to the PBA. Investments are limited to bank certificates of deposits, direct obligations of the State of Tennessee and U.S. Government, Federal Agency securities, Tennessee Municipal bonds and the SLGIP. It is PBA's policy to limit investments in securities issued by United States agencies to the highest rating by two nationally recognized ratings organizations, Standard and Poor's, and Moody's Investor Services.

Custodial Credit Risk – Investments - The PBA's investment policy requires that debt securities be registered in the PBA's name. All safekeeping receipts for investment instruments are held in accounts in the PBA's name and all securities are registered in the PBA's name.

Concentration of Credit Risk – Investments - The PBA's investment policy permits 100% of its investment portfolio to be invested in U.S. Government obligations. At no time will the portfolio be comprised of more than 55% of Federal Agency securities. The PBA does not require diversification among authorized investment institutions and considers its approved bank as the approved investment institution.

Interest Rate Risk – Investments - Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the investment until maturity. If the yield of the investment portfolio can be improved by selling an investment prior to maturity, management has the authority to do so.

In accordance with its investment policy, the PBA manages its exposure to declines in fair values by limiting the maturity of individual investments to two years or less.

Investment Income - Investment income, which consists of interest income, was \$161 and \$90,197 for 2021 and 2020, respectively. Bank charges are shown separately and were \$94,053 and \$104,866 for 2021 and 2020, respectively.

NOTE 6 - CAPITAL ASSETS

Capital asset activity during the year ended June 30, 2021 was as follows:

	Balances July 1, 2020	Additions	Disposals	Transfers	Balances June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 101,016	\$ -	\$ -	\$ -	\$ 101,016
Construction in Progress	-	284,387	-	-	284,387
Subtotal	101,016	284,387	-	-	385,403
Capital Assets Being Depreciated:					
Site Improvements	69,255	-	-	-	69,255
Buildings & Improvements	10,004,451	451,129	(195,956)	-	10,259,624
Machinery & Equipment	2,880,242	85,523	(564,696)	-	2,401,069
Data Processing Equipment & Software	199,292	44,798	-	-	244,090
Vehicles	483,665	10,356	-	-	494,021
Subtotal	13,636,905	591,806	(760,652)	-	13,468,059
Less: Accumulated Depreciation:					
Site Improvements	(69,255)	-	-	-	(69,255)
Building Improvements	(5,587,353)	(532,893)	195,956	-	(5,924,290)
Machinery & Equipment	(2,368,510)	(194,528)	564,696	-	(1,998,342)
Data Processing Equipment & Software	(168,375)	(12,565)	-	-	(180,940)
Vehicles	(387,081)	(26,682)	-	-	(413,763)
Subtotal	(8,580,574)	(766,668)	760,652	-	(8,586,590)
Total Capital Assets Being Depreciated – Net	5,056,331	(174,862)	-	-	4,881,469
Total Capital Assets - Net	\$ 5,157,347	\$ 109,525	\$ -	\$ -	\$ 5,266,872

NOTE 6 - CAPITAL ASSETS (continued)

Capital asset activity during the year ended June 30, 2020 was as follows:

	Balances July 1, 2019	Additions	Disposals	Transfers	Balances June 30, 2020
Capital Assets, Not Being Depreciated:					
Land	\$ 101,016	\$ -	\$ -	\$ -	\$ 101,016
Subtotal	101,016	-	-	-	101,016
Capital Assets Being Depreciated:					
Site Improvements	69,255	-	-	-	69,255
Buildings & Improvements	9,479,503	524,948	-	-	10,004,451
Machinery & Equipment	2,835,525	44,717	-	-	2,880,242
Data Processing Equipment & Software	187,079	12,213	-	-	199,292
Vehicles	425,103	58,562	-	-	483,665
Subtotal	12,996,465	640,440	-	-	13,636,905
Less: Accumulated Depreciation:					
Site Improvements	(66,858)	(2,397)	-	-	(69,255)
Building Improvements	(5,074,940)	(512,413)	-	-	(5,587,353)
Machinery & Equipment	(2,155,212)	(213,298)	-	-	(2,368,510)
Data Processing Equipment & Software	(161,458)	(6,917)	-	-	(168,375)
Vehicles	(356,495)	(30,586)	-	-	(387,081)
Subtotal	(7,814,963)	(765,611)	-	-	(8,580,574)
Total Capital Assets Being Depreciated – Net	5,181,502	(125,171)	-	-	5,056,331
Total Capital Assets - Net	\$ 5,282,518	\$ (125,171)	\$ -	\$ -	\$ 5,157,347

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation expense was charged as follows:

	<u>2021</u>	<u>2020</u>
City County Building	\$ 639,091	\$ 637,687
Knox Central	1,007	2,003
Other	11,730	11,762
Telecom	<u>114,840</u>	<u>114,159</u>
Total	<u>\$ 766,668</u>	<u>\$ 765,611</u>

NOTE 7 - COMPENSATED ABSENCES PAYABLE

Compensated absences activity during the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Balance, Beginning of Year	\$ 613,130	\$ 534,464
Earned	452,374	347,165
Used	<u>399,455</u>	<u>268,499</u>
Balance, End of Year	<u>\$ 666,049</u>	<u>\$ 613,130</u>
Current Portion	\$ 433,931	\$ 308,018
Non-Current Portion	<u>232,118</u>	<u>305,112</u>
Total	<u>\$ 666,049</u>	<u>\$ 613,130</u>

NOTE 8 - NET POSITION

Net position represents the difference between assets and liabilities. The net position at June 30, 2021 and 2020 were as follows:

	2021	2020
Investment in Capital Assets:		
Net Capital Assets	\$ 5,266,872	\$ 5,157,347
Unrestricted:		
Designated for Operating Reserve	1,301,153	1,182,153
Designated for Capital Asset Replacement	3,939,781	2,791,676
	<u>5,240,934</u>	<u>3,973,829</u>
Total	\$ <u>10,507,806</u>	\$ <u>9,131,176</u>

Since the PBA is a joint venture between the City and the County, the net position represents the equity ownership of the City, County and others. The joint venture equity in the PBA at June 30, 2021 and 2020 is as follows:

	2021	2020
City	\$ 3,293,637	\$ 2,847,023
County	7,200,059	6,270,043
Others:		
Development Corp. of Knox County	4,610	4,610
Emergency Communications District	<u>9,500</u>	<u>9,500</u>
Total	\$ <u>10,507,806</u>	\$ <u>9,131,176</u>

NOTE 9 – OPERATING REVENUES

Operating revenues earned during the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Rental Income from City and County	\$ <u>4,903,117</u>	\$ <u>4,802,279</u>
Other Rental Income:		
Gross Revenues	<u>431,385</u>	<u>188,499</u>
Other Rental Income – Net	<u>431,385</u>	<u>188,499</u>
Management Fees from the City and County	<u>10,311,674</u>	<u>9,835,721</u>
Management Fees from Other Governmental Agencies	<u>255,857</u>	<u>289,476</u>
Parking Revenues	<u>3,100,765</u>	<u>3,839,892</u>
Total	\$ <u>19,002,798</u>	\$ <u>18,955,867</u>

NOTE 10 – CAPITAL CONTRIBUTIONS AND DEDUCTIONS

During the year ended June 30, 2021, capital contributions and deductions were as follows:

	<u>City</u>	<u>County</u>	<u>Others</u>	<u>Total</u>
Capital Contributions				
Capital Asset Replacement Reserves	\$ 674,000	\$ 1,626,000	\$ -	\$ 2,300,000
Capital Deductions				
Capital Contributions Returned	<u>(663,006)</u>	<u>(764,226)</u>	<u>(73,136)</u>	<u>(1,500,368)</u>
 Total – Net	 <u>\$ 10,994</u>	 <u>\$ 861,774</u>	 <u>\$ (73,136)</u>	 <u>\$ 799,632</u>

During the year ended June 30, 2020, capital contributions and deductions were as follows:

	<u>City</u>	<u>County</u>	<u>Others</u>	<u>Total</u>
Capital Contributions				
Capital Asset Replacement Reserves	\$ 387,000	\$ 913,000	\$ -	\$ 1,300,000
Capital Deductions				
Capital Contributions Returned	<u>(1,289,621)</u>	<u>(367,323)</u>	<u>(102,318)</u>	<u>(1,759,262)</u>
 Total – Net	 <u>\$ (902,621)</u>	 <u>\$ 545,677</u>	 <u>\$ (102,318)</u>	 <u>\$ (459,262)</u>

During the year ended June 30, 2021, the PBA returned to the City, the County, the Emergency Communications District, the Development Corporation Board, the Knoxville Community Development Corporation Board, and the Industrial Development Board operating funds in excess of those agreed upon to be held in separate operating reserves; \$663,006 was returned to the City, \$764,226 was returned to the County, \$22,613 was returned to the Emergency Communications District, \$10,821 was returned to the Development Corporation Board, \$23,034 was returned to Knoxville Community Development Corporation and \$16,668 was returned to the Industrial Development Board.

During the year ended June 30, 2020, the PBA returned to the City, the County, the Emergency Communications District, Knox County Schools, the Development Corporation Board, the Knoxville Community Development Corporation Board, and the Industrial Development Board operating funds in excess of those agreed upon to be held in separate operating reserves; \$1,289,621 was returned to the City, \$367,323 was returned to the County, \$7,228 was returned to the Emergency Communications District, \$44,704 was returned to Knox County Schools, \$4,212 was returned to the Development Corporation Board, \$4,816 was returned to Knoxville Utilities Board, \$26,470 was returned to Knoxville Community Development Corporation and \$14,888 was returned to the Industrial Development Board. These funds represented the results of operations, except for an \$11,400 operating reserve included in the total returned to Knox County Schools.

NOTE 11 – RISK MANAGEMENT

The PBA is exposed to various risks of losses related to torts; theft or damage to, and destruction of assets; injuries to employees; and natural disasters. The PBA carries commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 12 – RELATED PARTY TRANSACTIONS AND ECONOMIC CONCENTRATION

PBA's two joint venture "owners," Knox County and the City of Knoxville, had the following activity during 2021 and 2020:

June 30, 2021	City	County	Total
Due From, End of Year	\$ 179,070	\$ 4,491,656	\$ 4,670,726
Due To, End of Year	347,536	764,226	1,111,762
Rental Income	1,407,195	3,495,922	4,903,117
Management Fees	5,000,181	5,311,493	10,311,674
Parking Revenues	2,446,983	653,782	3,100,765
June 30, 2020	City	County	Total
Due From, End of Year	\$ 894,282	\$ 817,100	\$ 1,711,382
Due To, End of Year	492,504	367,323	859,827
Rental Income	1,378,254	3,424,025	4,802,279
Management Fees	5,179,229	4,656,492	9,835,721
Parking Revenues	3,075,230	764,662	3,839,892

During the years ended June 30, 2021 and 2020, approximately 47% and 51% of operating revenues, respectively, were from the City. During the years ended June 30, 2021 and 2020, approximately 50% and 47% of operating revenues, respectively, were from the County.

NOTE 13 - RETIREMENT PLANS

Overview

As described in the Operating Agreement, Article IV, dated July 1, 1975, the PBA employees have been designated as "County employees" for the purpose of participating in the County's retirement plans.

The County has two retirement plans available to the PBA employees:

1. The *County Defined Contribution Retirement (DC) Asset Accumulation Plan* is a defined contribution plan established by Knox County under Sections 401(a)(9) and 457 of the Internal Revenue Code. The Plan covers substantially all full-time employees of PBA, who are regularly scheduled to work 18.5 hours or more per week. 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 the *County DB* retirement plan are required to participate.
2. The *County Defined Contribution (DC) Medical Retirement Plan*, a voluntary defined contribution plan (an asset accumulation plan), was established by the County on July 1, 1998, 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.

All Plan provisions and contribution requirements are established and may be amended by the Knox County Retirement Board. The plans are administered by USI Consulting Group.

NOTE 13 - RETIREMENT PLANS (continued)

The financial statements of the County's retirement plans are reported within Knox County's Annual Report for the year ended June 30, 2021. The annual report may be obtained by writing or contacting the Knox County Finance Department at:

Knox County Finance Department
400 Main Avenue
City County Building, Suite 630
Knoxville, Tennessee 37902
865-215-2350
www.knoxcounty.org

Asset Accumulation Retirement 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 requires all participants to contribute a minimum of 6% of compensation and the employer matching contribution is 6%. Participants are always 100% vested in their contributions and become 100% vested in the PBA's matching contributions after completing 5 years of credited service.

Normal retirement age is 65 and early retirement is age 55, both with completion of five years of service. Participants may receive retirement benefit payments in fixed payments, lump-sum or have an option to purchase an annuity from a life insurance company.

During the years ended June 30, 2021 and 2020, PBA employees made contributions of \$400,833 and \$391,356, respectively. During 2021 and 2020, PBA made matching employer contributions of \$400,833 and \$391,356, respectively.

In addition to the 401(a) Plan, the Knox County Asset Accumulation Program incorporated a 457(b) Plan in the Defined Contribution 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.

During the years ended June 30, 2021 and 2020, PBA employees made voluntary contributions of \$143,917 and \$117,152, respectively. During 2021 and 2020, PBA made matching employer contributions of \$67,040 and \$64,612, respectively.

County Defined Contribution (DC) Medical Expense Retirement Plan

The County DC Medical Retirement Plan (the Plan) is an optional retiree medical savings plan available to full-time PBA employees who are participants in the County's DB or DC pension plans.

Participants who make voluntary after-tax contributions are eligible for a percent match contribution from the Knox County Retirement and Pension Board based on the percent approved by the Board for the year in question.

The minimum participant annual contribution for the years ended June 30, 2021 and 2020 is \$208. The County DC Plan will make matching contributions of 50% of the participant's, up to a maximum of \$208. During 2021 and 2020, the Retirement and Pension Board contributions were \$3,048 and \$2,964, respectively.

Participants are always 100% vested in voluntary and matching contributions. During 2021 and 2020, PBA employees made voluntary contributions of \$6,254 and \$6,222, respectively.

**SUPPLEMENTARY
INFORMATION**

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF NET POSITION BY ACTIVITY
June 30, 2021**

Property Management - City Properties								
	Parking Facilities	Police Department	Parks	Transit Facilities	Downtown Cinema	On Street Parking	Public Works Complex	Total City Properties
Assets:								
Current Assets								
Cash and Cash Equivalents	\$ 331,897	\$ 2,534	\$ 373,056	\$ 149,561	\$ 55,301	\$ 71,570	\$ 41,068	\$ 979,725
Receivables:								
Other Receivables	24,991	-	50	-	-	-	-	25,041
Due from County	-	-	-	-	-	-	-	-
Due from City	29,850	-	24,870	-	-	-	-	54,720
Due from Other Governmental Agencies	-	-	-	-	-	-	-	-
Due from Other Departments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Total Current Assets	386,738	2,534	397,976	149,561	55,301	71,570	41,068	1,059,486
Capital Assets								
Land	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Building Improvements	-	-	-	-	-	-	-	-
Site Improvements	-	-	-	-	-	-	-	-
Data Processing Equipment and Software	-	-	-	-	-	-	-	-
Machinery and Equipment	500	-	74,825	-	-	-	-	75,325
Vehicles	-	-	185,691	-	-	-	-	185,691
Total Capital Assets	500	-	260,516	-	-	-	-	261,016
Less: Accumulated Depreciation	(500)	-	(260,516)	-	-	-	-	(261,016)
Net Capital Assets	-	-	-	-	-	-	-	-
Total Assets	386,738	2,534	397,976	149,561	55,301	71,570	41,068	1,059,486
Liabilities:								
Current Liabilities								
Accounts Payable and Accrued Liabilities	48,956	63	136,843	31,641	786	4,332	2,899	228,924
Due to City	-	-	-	-	-	-	-	-
Due to County	-	-	-	-	-	-	-	-
Due to Other Governmental Agencies	-	-	-	-	-	-	-	-
Due to (from) Other Departments	249,707	2,279	123,575	79,178	48,438	49,468	30,832	529,647
Unearned Revenues	20,179	-	-	-	-	-	-	20,179
Customer Deposits	2,500	-	16,952	-	3,947	-	-	23,399
Compensated Absences Payable	42,606	125	78,575	25,240	1,388	11,577	4,780	167,655
Total Current Liabilities	363,948	2,467	355,945	136,059	54,559	65,377	38,511	969,804
Non-Current Liabilities								
Compensated Absences Payable	22,790	67	42,031	13,502	742	6,193	2,557	89,682
Total Non-Current Liabilities	22,790	67	42,031	13,502	742	6,193	2,557	89,682
Total Liabilities	386,738	2,534	397,976	149,561	55,301	71,570	41,068	1,059,486
Net Position								
Investment in Capital Assets	-	-	-	-	-	-	-	-
Unrestricted:								
Designated for Operating Reserve	-	-	-	-	-	-	-	-
Designated for Capital Asset Replacement Reserve	-	-	-	-	-	-	-	-
Total Net Position	-	-	-	-	-	-	-	-
Total Liabilities and Net Position	\$ 386,738	\$ 2,534	\$ 397,976	\$ 149,561	\$ 55,301	\$ 71,570	\$ 41,068	\$ 1,059,486

Property Management - County Properties

Andrew Johnson Building/ Dwight Kessel Metropolitan Parking Garage	Family Investment Center	Health Department	Forensic Center	Juvenile Justice Center	Knox Central	Knox County Public Works	Libraries	Old Court House/Elect Commission	Public Defender	Senior Centers	Young Williams AWC	TVA Tower Summer Place Garage	West Knox Senior Center	Total County Properties
\$ (8,816)	\$ 30,908	\$ 112,744	\$ 55,217	\$ 164,965	\$ 58,664	\$ 35,420	\$ 50,256	\$ 57,569	\$ 23,855	\$ 19,423	\$ 43,109	\$ 367,251	\$ 107,155	\$ 1,117,720
-	-	-	-	-	-	-	-	-	-	-	-	2,900	-	2,900
-	-	-	-	-	980	-	-	50,185	-	1,593	-	-	9,862	62,620
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>(8,816)</u>	<u>30,908</u>	<u>112,744</u>	<u>55,217</u>	<u>164,965</u>	<u>59,644</u>	<u>35,420</u>	<u>50,256</u>	<u>107,754</u>	<u>23,855</u>	<u>21,016</u>	<u>43,109</u>	<u>370,151</u>	<u>117,017</u>	<u>1,183,240</u>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19,620	-	-	-	-	-	-	-	-	-	-	-	-	-	19,620
1,000	-	5,028	-	-	6,656	-	-	-	-	-	-	-	-	12,684
-	-	-	-	41,000	10,000	-	-	10,200	-	-	-	-	-	61,200
20,620	-	5,028	-	41,000	16,656	-	-	10,200	-	-	-	-	-	93,504
(20,620)	-	(5,028)	-	(41,000)	(16,656)	-	-	(10,200)	-	-	-	-	-	(93,504)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>(8,816)</u>	<u>30,908</u>	<u>112,744</u>	<u>55,217</u>	<u>164,965</u>	<u>59,644</u>	<u>35,420</u>	<u>50,256</u>	<u>107,754</u>	<u>23,855</u>	<u>21,016</u>	<u>43,109</u>	<u>370,151</u>	<u>117,017</u>	<u>1,183,240</u>
5,524	2,035	15,131	7,003	26,524	4,931	1,190	697	46,317	1,300	3,703	600	26,079	5,338	146,372
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(37,172)	24,422	88,109	41,307	106,475	48,744	28,631	45,659	26,099	21,173	9,264	40,489	326,307	105,325	874,832
-	-	-	-	-	-	-	-	-	-	-	-	167	-	167
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14,875	2,900	6,192	4,500	20,826	3,889	3,648	2,541	23,023	900	5,244	1,316	11,465	4,140	105,459
<u>(16,773)</u>	<u>29,357</u>	<u>109,432</u>	<u>52,810</u>	<u>153,825</u>	<u>57,564</u>	<u>33,469</u>	<u>48,897</u>	<u>95,439</u>	<u>23,373</u>	<u>18,211</u>	<u>42,405</u>	<u>364,018</u>	<u>114,803</u>	<u>1,126,830</u>
7,957	1,551	3,312	2,407	11,140	2,080	1,951	1,359	12,315	482	2,805	704	6,133	2,214	56,410
7,957	1,551	3,312	2,407	11,140	2,080	1,951	1,359	12,315	482	2,805	704	6,133	2,214	56,410
<u>(8,816)</u>	<u>30,908</u>	<u>112,744</u>	<u>55,217</u>	<u>164,965</u>	<u>59,644</u>	<u>35,420</u>	<u>50,256</u>	<u>107,754</u>	<u>23,855</u>	<u>21,016</u>	<u>43,109</u>	<u>370,151</u>	<u>117,017</u>	<u>1,183,240</u>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ (8,816)</u>	<u>\$ 30,908</u>	<u>\$ 112,744</u>	<u>\$ 55,217</u>	<u>\$ 164,965</u>	<u>\$ 59,644</u>	<u>\$ 35,420</u>	<u>\$ 50,256</u>	<u>\$ 107,754</u>	<u>\$ 23,855</u>	<u>\$ 21,016</u>	<u>\$ 43,109</u>	<u>\$ 370,151</u>	<u>\$ 117,017</u>	<u>\$ 1,183,240</u>

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**
SCHEDULE OF NET POSITION BY ACTIVITY (Continued)
June 30, 2021

	Property Management - Other							
	City County Building	Emergency Communi- cations District	Fairview Technology Center	Total Property Management	Property Development	Telecom Services	Corporate	Total
Assets:								
Current Assets								
Cash and Cash Equivalents	\$ 4,293,476	\$ 38,852	\$ 19,410	\$ 6,449,183	\$ 89,012	\$ 845,042	\$ 270,307	\$ 7,653,544
Receivables:								
Other Receivables	-	-	-	27,941	-	-	23,638	51,579
Due from County	-	-	-	62,620	-	6,309	4,422,727	4,491,656
Due from City	-	-	-	54,720	-	6,655	117,695	179,070
Due from Other Governmental Agencies	-	-	-	-	-	-	6,858	6,858
Due from Other Departments	-	-	-	-	-	-	1,618,000	1,618,000
Inventory	-	-	-	-	-	6,995	-	6,995
Prepaid Items	-	-	-	-	-	-	96,934	96,934
Total Current Assets	4,293,476	38,852	19,410	6,594,464	89,012	865,001	6,556,159	14,104,636
Capital Assets								
Land	-	-	-	-	-	-	101,016	101,016
Buildings	-	-	-	-	-	-	528,264	528,264
Building Improvements	9,718,559	-	-	9,718,559	-	-	12,801	9,731,360
Site Improvements	69,255	-	-	69,255	-	-	-	69,255
Data Processing Equipment and Software	188,921	-	-	208,541	-	18,751	16,798	244,090
Machinery and Equipment	866,043	-	-	954,052	-	1,447,017	-	2,401,069
Vehicles	195,998	-	-	442,889	-	51,132	-	494,021
Total Capital Assets	11,038,776	-	-	11,393,296	-	1,516,900	658,879	13,569,075
Less: Accumulated Depreciation	(6,714,437)	-	-	(7,068,957)	-	(1,329,558)	(188,075)	(8,586,590)
Construction in Process	284,387	-	-	284,387	-	-	-	284,387
Net Capital Assets	4,608,726	-	-	4,608,726	-	187,342	470,804	5,266,872
Total Assets	8,902,202	38,852	19,410	11,203,190	89,012	1,052,343	7,026,963	19,371,508
Liabilities:								
Current Liabilities								
Accounts Payable and Accrued Liabilities	450,869	2,258	1,104	829,527	5,058	38,164	4,496,207	5,368,956
Due to City	-	-	-	-	-	-	347,536	347,536
Due to County	-	-	-	-	-	-	764,226	764,226
Due to Other Governmental Agencies	-	-	-	-	-	-	55,190	55,190
Due to (from) Other Departments	98,827	24,608	11,812	1,539,726	55,292	22,982	-	1,618,000
Unearned Revenues	-	-	-	20,346	-	-	-	20,346
Customer Deposits	-	-	-	23,399	-	-	-	23,399
Compensated Absences Payable	99,817	1,620	1,227	375,778	18,673	39,480	-	433,931
Total Current Liabilities	649,513	28,486	14,143	2,788,776	79,023	100,626	5,663,159	8,631,584
Non-Current Liabilities								
Compensated Absences Payable	53,394	866	657	201,009	9,989	21,120	-	232,118
Total Non-Current Liabilities	53,394	866	657	201,009	9,989	21,120	-	232,118
Total Liabilities	702,907	29,352	14,800	2,989,785	89,012	121,746	5,663,159	8,863,702
Net Position								
Investment in Capital Assets	4,608,726	-	-	4,608,726	-	187,342	470,804	5,266,872
Unrestricted:								
Designated for Operating Reserve	394,043	9,500	4,610	408,153	-	-	893,000	1,301,153
Designated for Capital Asset Replacement Reserve	3,196,526	-	-	3,196,526	-	743,255	-	3,939,781
Total Net Position	8,199,295	9,500	4,610	8,213,405	-	930,597	1,363,804	10,507,806
Total Liabilities and Net Position	\$ 8,902,202	\$ 38,852	\$ 19,410	\$ 11,203,190	\$ 89,012	\$ 1,052,343	\$ 7,026,963	\$ 19,371,508

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION BY ACTIVITY
For the Fiscal Year Ended June 30, 2021**

	Property Management - City Properties							
	Parking Facilities	Police Department	Parks	Transit Facilities	Downtown Cinema	On Street Parking	Public Works Complex	Total City Properties
Operating Revenues:								
Rental Income from City and County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management Fees from City and County	-	4,539	2,440,903	1,036,105	35,429	493,075	296,514	4,306,565
Management Fees from Other Governmental Agencies	-	-	-	-	40,282	-	-	40,282
Rental and Event Revenues	30,690	-	89,919	-	47,755	-	-	168,364
Parking Revenues	2,431,504	-	10,080	-	-	-	-	2,441,584
Total Operating Revenues	2,462,194	4,539	2,540,902	1,036,105	123,466	493,075	296,514	6,956,795
Operating Expenses:								
Direct:								
<u>Property Management</u>								
Management	753,424	85	173,449	14,869	2,313	2,228	6,128	959,993
Safety and Services	205,173	1,929	479,179	312,786	7,345	411,993	33,297	1,530,539
Operations and Maintenance	607,521	-	1,594,708	542,688	56,052	-	206,453	3,089,133
<u>Other Management Services</u>								
Property Development	-	-	-	-	-	-	-	-
Telecom Services	-	-	-	-	-	-	-	-
Total Direct Operating Expenses	1,566,118	2,014	2,247,336	870,343	65,710	414,221	245,878	5,579,665
Indirect:								
Corporate Administration	52,557	103	66,649	28,348	3,518	13,608	8,127	178,808
Finance	77,696	153	98,422	41,820	5,203	20,050	12,020	264,037
MIS	33,390	66	42,439	18,086	2,233	8,704	5,158	113,865
Total Indirect Operating Expenses	163,643	322	207,510	88,254	10,954	42,362	25,305	556,710
Total Operating Expenses	1,729,761	2,336	2,454,846	958,597	76,664	456,583	271,183	6,136,375
Operating Income (Loss)	732,433	2,203	86,056	77,508	46,802	36,492	25,331	820,420
Non-Operating Revenues (Expenses):								
Interest Income	8	-	15	8	1	3	2	37
Bank Charges	(62,944)	(7)	(2,799)	(820)	(116)	(343)	(220)	(67,250)
Capital Returned to City, County and Other Governmental Agencies	(669,497)	(2,196)	(83,272)	(76,696)	(46,687)	(36,152)	(25,113)	(753,207)
Total Non-Operating Revenues (Expenses) - Net	(732,433)	(2,203)	(86,056)	(77,508)	(46,802)	(36,492)	(25,331)	(820,420)
Increase (Decrease) in Net Position Before Capital Contributions	-	-	-	-	-	-	-	-
Capital Contributions								
Cash:								
Capital Asset Replacement Reserves from City and County	-	-	-	-	-	-	-	-
Total Capital Contributions	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	-	-	-	-	-	-	-	-
Net Position, Beginning of Year	-	-	-	-	-	-	-	-
Net Position, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Property Management - County Properties														
Andrew Johnson Building/ Dwight Kessel Metropolitan Parking Garage	Family Investment Center	Health Department	Forensic Center	Juvenile Justice Center	Knox Central	Knox County Public Works	Libraries	Old Court House/Elect Commission	Public Defender	Senior Centers	Young Williams AWC	TVA Tower Summer Place Garage	West Knox Senior Center	Total County Properties
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	136,366	333,902	262,996	766,194	258,424	228,273	435,753	737,402	68,812	221,509	67,013	572,187	222,489	4,311,320
-	-	-	-	-	-	-	-	-	-	-	-	-	37,248	37,248
-	-	9,061	-	-	-	-	-	-	-	-	-	253,960	-	263,021
594,260	-	-	-	-	-	-	-	-	-	-	-	46,110	-	640,370
594,260	136,366	342,963	262,996	766,194	258,424	228,273	435,753	737,402	68,812	221,509	67,013	872,257	259,737	5,251,959
131,315	3,144	6,374	5,583	10,588	5,847	4,809	20,485	57,484	1,562	9,115	982	57,463	5,845	320,596
135,508	17,070	35,210	16,162	209,068	21,403	1,338	-	261,093	-	13,748	-	196,085	3,725	910,410
318,014	82,531	189,891	181,878	389,332	164,581	177,819	337,984	348,754	41,090	174,918	20,620	232,298	120,582	2,780,292
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
584,837	102,745	231,475	203,623	608,988	191,831	183,966	358,469	667,331	42,652	197,781	21,602	485,846	130,152	4,011,298
17,761	3,748	9,415	7,215	21,127	6,212	6,277	12,134	19,207	1,908	5,893	1,862	18,117	9,250	140,126
25,752	5,530	13,923	10,656	31,252	9,164	9,290	17,932	28,409	2,818	8,614	2,754	27,267	13,923	207,284
11,732	2,392	5,977	4,592	13,404	3,964	3,978	7,713	12,188	1,214	3,832	1,183	11,079	5,656	88,904
55,245	11,670	29,315	22,463	65,783	19,340	19,545	37,779	59,804	5,940	18,339	5,799	56,463	28,829	436,314
640,082	114,415	260,790	226,086	674,771	211,171	203,511	396,248	727,135	48,592	216,120	27,401	542,309	158,981	4,447,612
(45,822)	21,951	82,173	36,910	91,423	47,253	24,762	39,505	10,267	20,220	5,389	39,612	329,948	100,756	804,347
1	1	2	1	2	1	1	-	2	1	-	1	1	1	15
(5,639)	(93)	(282)	(198)	(432)	(185)	(129)	(170)	(370)	(75)	(89)	(100)	(1,724)	(269)	(9,755)
51,460	(21,859)	(81,893)	(36,713)	(90,993)	(48,076)	(24,634)	(39,335)	(9,899)	(20,146)	(5,300)	(39,513)	(328,225)	(100,488)	(795,614)
45,822	(21,951)	(82,173)	(36,910)	(91,423)	(48,260)	(24,762)	(39,505)	(10,267)	(20,220)	(5,389)	(39,612)	(329,948)	(100,756)	(805,354)
-	-	-	-	-	(1,007)	-	-	-	-	-	-	-	-	(1,007)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(1,007)	-	-	-	-	-	-	-	-	(1,007)
-	-	-	-	-	1,007	-	-	-	-	-	-	-	-	1,007
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Property Management - Other							
	City County Building	Emergency Communic. District	Fairview Technology Center	Total Property Management	Property Development	Telecom Services	Corporate	Total
Operating Revenues:								
Rental Income from City and County	\$ 4,903,117	\$ -	\$ -	\$ 4,903,117	\$ -	\$ -	\$ -	\$ 4,903,117
Management Fees from City and County	-	-	-	8,617,885	551,677	1,142,112	-	10,311,674
Management Fees from Other								
Governmental Agencies	-	117,829	60,498	255,857	-	-	-	255,857
Rental and Event Revenues	-	-	-	431,385	-	-	-	431,385
Parking Revenues	18,811	-	-	3,100,765	-	-	-	3,100,765
Total Operating Revenues	4,921,928	117,829	60,498	17,309,009	551,677	1,142,112	-	19,002,798
Operating Expenses:								
Direct								
<u>Property Management</u>								
Management	854,208	1,486	769	2,137,052	-	-	11,731	2,148,783
Safety and Services	833,789	5,633	5,061	3,285,432	-	-	-	3,285,432
Operations and Maintenance	3,706,245	77,828	38,615	9,692,113	-	-	-	9,692,113
<u>Other Management Services</u>								
Property Development	-	-	-	-	440,190	-	-	440,190
Telecom Services	-	-	-	-	-	1,157,371	-	1,157,371
Total Direct Operating Expenses	5,394,242	84,947	44,445	15,114,597	440,190	1,157,371	11,731	16,723,889
Indirect:								
Corporate Administration	135,590	3,260	1,658	459,442	23,260	33,748	-	516,450
Finance	200,512	4,821	2,455	679,109	34,338	49,867	-	763,314
MIS	86,083	2,069	1,052	291,973	14,820	21,462	-	328,255
Total Indirect Operating Expenses	422,185	10,150	5,165	1,430,524	72,418	105,077	-	1,608,019
Total Operating Expenses	5,816,427	95,097	49,610	16,545,121	512,608	1,262,448	11,731	18,331,908
Operating Income (Loss)	(894,499)	22,732	10,888	763,888	39,069	(120,336)	(11,731)	670,890
Non-Operating Revenues (Expenses):								
Interest Income	90	1	-	143	3	15	-	161
Bank Charges	(13,974)	(120)	(66)	(91,165)	(382)	(2,506)	-	(94,053)
Capital Returned to City, County and Other Governmental Agencies	-	(22,613)	(10,822)	(1,582,256)	(38,690)	1,578	119,000	(1,500,368)
Total Non-Operating Revenues (Expenses) - Net	(13,884)	(22,732)	(10,888)	(1,673,278)	(39,069)	(913)	119,000	(1,594,260)
Increase (Decrease) in Net Position Before Capital Contributions	(908,383)	-	-	(909,390)	-	(121,249)	107,269	(923,370)
Capital Contributions (Deductions)								
Cash:								
Capital Asset Replacement Reserves from City and County	2,000,000	-	-	2,000,000	-	300,000	-	2,300,000
Total Capital Contributions	2,000,000	-	-	2,000,000	-	300,000	-	2,300,000
Increase (Decrease) in Net Position	1,091,617	-	-	1,090,610	-	178,751	107,269	1,376,630
Net Position, Beginning of Year	7,107,678	9,500	4,610	7,122,795	-	751,846	1,256,535	9,131,176
Net Position, End of Year	\$ 8,199,295	\$ 9,500	\$ 4,610	\$ 8,213,405	\$ -	\$ 930,597	\$ 1,363,804	\$ 10,507,806

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY
For the Fiscal Year Ended June 30, 2021**

	City Parking Facilities		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Parking Revenue	\$ 3,181,180	\$ 2,431,504	\$ (749,676)
Tenant Rental Income	36,828	30,690	(6,138)
Total Operating Revenues	3,218,008	2,462,194	(755,814)
Operating Expenses			
Direct:			
Salaries and Wages	764,651	703,572	61,079
Employee Benefits	286,745	230,976	55,769
Office Expenses	18,650	7,907	10,743
Education and Training	8,900	1,688	7,212
Operating Expenses	174,800	118,664	56,136
Operating Contracts	407,385	265,369	142,016
Utilities	223,200	192,301	30,899
Communications	27,700	22,641	5,059
Insurance	13,967	14,259	(292)
Professional Services	3,100	209	2,891
Maintenance Facility	10,431	8,532	1,899
Depreciation Expense	-	-	-
Total Direct Operating Expenses	1,939,529	1,566,118	373,411
Total Indirect Operating Expenses	162,564	163,643	(1,079)
Total Operating Expenses	2,102,093	1,729,761	372,332
Operating Income (Loss)	1,115,915	732,433	(383,482)
Non-Operating Revenues (Expenses)			
Interest Income	6,325	8	(6,317)
Bank Charges	(71,135)	(62,944)	8,191
Transfer of Operating Reserves	(1,051,105)	(669,497)	381,608
Capital Asset Retirement	-	-	-
Net Non-Operating Revenues (Expenses)	(1,115,915)	(732,433)	383,482
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	The Knoxville Police Department		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	\$ 4,539	\$ 4,539	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	1,297	1,241	56
Employee Benefits	479	398	81
Office Expenses	500	-	500
Education and Training	250	-	250
Operating Expenses	1,500	259	1,241
Communications	50	31	19
Insurance	19	26	(7)
Professional Services	85	59	26
Total Direct Operating Expenses	4,180	2,014	2,166
Total Indirect Operating Expenses	393	322	71
Total Operating Expenses	4,573	2,336	2,237
Operating Income (Loss)	(34)	2,203	2,237
Non-Operating Revenues (Expenses)			
Interest Income	42	-	(42)
Bank Charges	(8)	(7)	1
Transfer of Operating Reserves	-	(2,196)	(2,196)
Net Non-Operating Revenues (Expenses)	34	(2,203)	(2,237)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	City Parks		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	\$ 2,704,902	\$ 2,440,903	\$ (263,999)
Parking Revenues	50,600	10,080	(40,520)
Rental and Event Income	107,231	89,919	(17,312)
Total Operating Revenues	<u>2,862,733</u>	<u>2,540,902</u>	<u>(321,831)</u>
Operating Expenses			
Direct:			
Salaries and Wages	910,892	837,104	73,788
Employee Benefits	337,030	279,951	57,079
Office Expenses	19,710	10,016	9,694
Education and Training	3,500	232	3,268
Operating Expenses	459,795	539,514	(79,719)
Operating Contracts	208,279	142,970	65,309
Utilities	558,750	313,026	245,724
Communications	16,100	12,403	3,697
Insurance	25,182	23,707	1,475
Professional Services	3,000	4,421	(1,421)
Maintenance Facility	27,648	19,386	8,262
Capital Purchases	58,000	64,606	(6,606)
Total Direct Operating Expenses	<u>2,627,886</u>	<u>2,247,336</u>	<u>380,550</u>
Total Indirect Operating Expenses	<u>238,641</u>	<u>207,510</u>	<u>31,131</u>
Total Operating Expenses	<u>2,866,527</u>	<u>2,454,846</u>	<u>411,681</u>
Operating Income (Loss)	<u>(3,794)</u>	<u>86,056</u>	<u>89,850</u>
Non-Operating Revenue (Expenses)			
Interest Income	6,112	15	(6,097)
Bank Charges	(2,318)	(2,799)	(481)
Transfer of Reserves	-	(83,272)	(83,272)
Net Non-Operating Revenues (Expenses)	<u>3,794</u>	<u>(86,056)</u>	<u>(89,850)</u>
Increase (Decrease) in Net Position	\$ <u>-</u>	-	\$ <u>-</u>
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ <u>-</u>	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Knoxville Area Transit Facilities		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	\$ 1,036,105	\$ 1,036,105	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	342,753	302,125	40,628
Employee Benefits	128,533	99,017	29,516
Office Expenses	7,250	2,140	5,110
Education and Training	3,500	44	3,456
Operating Expenses	114,750	123,355	(8,605)
Operating Contracts	227,804	222,738	5,066
Utilities	96,726	97,016	(290)
Communications	12,800	10,305	2,495
Insurance	6,105	6,244	(139)
Professional Services	500	411	89
Maintenance Facility	8,504	6,948	1,556
Total Direct Operating Expenses	949,225	870,343	78,882
Total Indirect Operating Expenses	88,306	88,254	52
Total Operating Expenses	1,037,531	958,597	78,934
Operating Income (Loss)	(1,426)	77,508	78,934
Non-Operating Revenues (Expenses)			
Interest Income	2,516	8	(2,508)
Bank Charges	(1,090)	(820)	270
Transfer of Operating Reserves	-	(76,696)	(76,696)
Net Non-Operating Revenues (Expenses)	1,426	(77,508)	(78,934)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Downtown Cinema		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Rental and Event Revenues	\$ 52,096	\$ 47,755	\$ (4,341)
Management Fees from City	35,429	35,429	-
Management Fees from Other Governmental Agencies	40,282	40,282	-
Total Operating Revenues	127,807	123,466	(4,341)
Operating Expenses			
Direct:			
Salaries and Wages	13,358	7,806	5,552
Employee Benefits	4,942	2,529	2,413
Office Expenses	150	43	107
Operating Expenses	41,300	6,571	34,729
Operating Contracts	51,977	45,281	6,696
Utilities	2,000	1,104	896
Communications	800	497	303
Insurance	642	648	(6)
Professional Services	500	59	441
Maintenance Facility	1,438	1,172	266
Total Direct Operating Expenses	117,107	65,710	51,397
Total Indirect Operating Expenses	10,858	10,954	(96)
Total Operating Expenses	127,965	76,664	51,301
Operating Income (Loss)	(158)	46,802	46,960
Non-Operating Revenues (Expenses)			
Interest Income	246	1	(245)
Bank Charges	(88)	(116)	(28)
Transfer of Operating Reserves	-	(46,687)	(46,687)
Net Non-Operating Revenues (Expenses)	158	(46,802)	(46,960)
Increase (Decrease) in Net Position	\$ <u>-</u>	-	\$ <u>-</u>
Net Position, Beginning of Year		<u>-</u>	
Net Position, End of Year		\$ <u><u>-</u></u>	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	On Street Parking		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	\$ 493,075	\$ 493,075	\$ -
Total Operating Revenues	493,075	493,075	-
Operating Expenses			
Direct:			
Salaries and Wages	306,443	294,368	12,075
Employee Benefits	114,916	97,876	17,040
Office Expenses	2,000	172	1,828
Operating Expenses	21,000	17,966	3,034
Communications	5,600	1,611	3,989
Insurance	2,155	2,228	(73)
Total Direct Operating Expenses	452,114	414,221	37,893
Total Indirect Operating Expenses	42,441	42,362	79
Total Operating Expenses	494,555	456,583	37,972
Operating Income (Loss)	(1,480)	36,492	37,972
Non-Operating Revenues (Expenses)			
Interest Income	1,866	3	(1,863)
Bank Charges	(386)	(343)	43
Transfer of Operating Reserves	-	(36,152)	(36,152)
Net Non-Operating Revenues (Expenses)	1,480	(36,492)	(37,972)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Public Works Complex		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	\$ 296,514	\$ 296,514	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	70,261	77,526	(7,265)
Employee Benefits	26,348	25,299	1,049
Office Expenses	1,500	2,827	(1,327)
Operating Expenses	33,700	37,571	(3,871)
Operating Contracts	132,248	98,020	34,228
Communications	2,180	375	1,805
Insurance	1,418	1,451	(33)
Professional Services	500	-	500
Maintenance Facility	3,439	2,809	630
Total Direct Operating Expenses	271,594	245,878	25,716
Total Indirect Operating Expenses	25,172	25,305	(133)
Total Operating Expenses	296,766	271,183	25,583
Operating Income (Loss)	(252)	25,331	25,583
Non-Operating Revenues (Expenses)			
Interest Income	428	2	(426)
Bank Charges	(176)	(220)	(44)
Transfer of Operating Reserves	-	(25,113)	(25,113)
Net Non-Operating Revenues (Expenses)	252	(25,331)	(25,583)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Riverwalk Parking Garage		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	\$ 217,352	\$ -	\$ (217,352)
Operating Expenses			
Direct:			
Salaries and Wages	76,965	80,200	(3,235)
Employee Benefits	28,861	26,662	2,199
Office Expenses	2,000	461	1,539
Operating Expenses	40,000	13,528	26,472
Operating Contracts	38,783	38,032	751
Utilities	3,500	5,962	(2,462)
Communications	5,250	497	4,753
Insurance	1,353	1,373	(20)
Professional Services	500	-	500
Maintenance Facility	1,628	1,330	298
Total Direct Operating Expenses	198,840	168,045	30,795
Total Indirect Operating Expenses	18,512	18,360	152
Total Operating Expenses	217,352	186,405	30,947
Operating Income (Loss)	-	(186,405)	(186,405)
Non-Operating Revenues (Expenses)			
Interest Income	50	-	(50)
Bank Charges	(50)	(1)	49
Transfer of Operating Reserves	-	186,406	186,406
Net Non-Operating Revenues (Expenses)	-	186,405	186,405
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)**

For the Fiscal Year Ended June 30, 2021

	Andrew Johnson Building/Dwight Kessel Metropolitan Parking Garage		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Parking Revenues	\$ 718,200	\$ 594,260	\$ (123,940)
Total Operating Revenues	718,200	594,260	(123,940)
Operating Expenses			
Direct: Andrew Johnson Building			
Salaries and Wages	117,470	137,727	(20,257)
Employee Benefits	44,051	46,464	(2,413)
Office Expenses	2,700	2,455	245
Education and Training	500	287	213
Operating Expenses	38,992	39,343	(351)
Operating Contracts	160,142	160,670	(528)
Communications	3,125	2,005	1,120
Insurance	2,622	2,695	(73)
Professional Services	1,000	-	1,000
Maintenance Facility	4,376	3,580	796
Total Direct Operating Expenses - Andrew Johnson Building	374,978	395,226	(20,248)
Direct: Dwight Kessel Metropolitan Parking Garage			
Salaries and Wages	113,192	95,136	18,056
Employee Benefits	42,447	31,374	11,073
Office Expenses	2,750	1,225	1,525
Education and Training	2,600	311	2,289
Operating Expenses	41,107	12,232	28,875
Operating Contracts	39,482	39,192	290
Communications	4,100	2,819	1,281
Insurance	2,486	2,539	(53)
Professional Services	500	-	500
Maintenance Facility	5,852	4,783	1,069
Total Direct Operating Expenses - DKMPG	254,516	189,611	64,905
Total Indirect Operating Expenses	58,131	55,245	2,886
Total Operating Expenses	687,625	640,082	47,543
Operating Income (Loss)	30,575	(45,822)	(76,397)
Non-Operating Revenues (Expenses)			
Interest Income	1,402	1	(1,401)
Bank Charges	(6,065)	(5,639)	426
Transfer of Operating Reserves	(25,912)	51,460	77,372
Net Non-Operating Revenues (Expenses)	(30,575)	45,822	76,397
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Family Investment Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	\$ 136,366	\$ 136,366	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	39,835	33,898	5,937
Employee Benefits	14,938	11,084	3,854
Office Expenses	500	36	464
Education and Training	500	-	500
Operating Expenses	19,500	12,839	6,661
Operating Contracts	45,593	41,305	4,288
Communications	1,800	1,739	61
Insurance	750	777	(27)
Professional Services	500	-	500
Maintenance Facility	1,306	1,067	239
Total Direct Operating Expenses	125,222	102,745	22,477
Total Indirect Operating Expenses	11,632	11,670	(38)
Total Operating Expenses	136,854	114,415	22,439
Operating Income (Loss)	(488)	21,951	22,439
Non-Operating Revenues (Expenses)			
Interest Income	616	1	(615)
Bank Charges	(128)	(93)	35
Transfer of Operating Reserves	-	(21,859)	(21,859)
Net Non-Operating Revenues (Expenses)	488	(21,951)	(22,439)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Health Department		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Rental Income	\$ 9,061	\$ 9,061	\$ -
Management Fees from the County	333,902	333,902	-
Total Operating Revenues	342,963	342,963	-
Operating Expenses			
Direct:			
Salaries and Wages	119,686	73,667	46,019
Employee Benefits	44,882	25,791	19,091
Office Expenses	4,200	75	4,125
Education and Training	2,000	-	2,000
Operating Expenses	68,500	69,089	(589)
Operating Contracts	64,566	54,052	10,514
Communications	4,500	4,192	308
Insurance	1,656	1,684	(28)
Professional Services	500	-	500
Maintenance Facility	3,573	2,925	648
Total Direct Operating Expenses	314,063	231,475	82,588
Total Indirect Operating Expenses	29,146	29,315	(169)
Total Operating Expenses	343,209	260,790	82,419
Operating Income (Loss)	(246)	82,173	82,419
Non-Operating Revenues (Expenses)			
Interest Income	518	1	(517)
Bank Charges	(272)	(281)	(9)
Transfer of Operating Reserves	-	(81,893)	(81,893)
Net Non-Operating Revenues (Expenses)	246	(82,173)	(82,419)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY(Continued)
For the Fiscal Year Ended June 30, 2021**

	Juvenile Justice Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	\$ 766,194	\$ 766,194	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	287,341	249,696	37,645
Employee Benefits	107,752	80,737	27,015
Office Expenses	2,500	704	1,796
Education and Training	1,250	22	1,228
Operating Expenses	91,500	103,308	(11,808)
Operating Contracts	193,844	163,790	30,054
Communications	6,700	1,384	5,316
Insurance	4,238	4,353	(115)
Professional Services	500	-	500
Maintenance Facility	6,108	4,994	1,114
Depreciation Expense	-	-	-
Total Direct Operating Expenses	701,733	608,988	92,745
Total Indirect Operating Expenses	65,299	65,783	(484)
Total Operating Expenses	767,032	674,771	92,261
Operating Income (Loss)	(838)	91,423	92,261
Non-Operating Revenues (Expenses)			
Interest Income	1,414	2	(1,412)
Bank Charges	(576)	(432)	144
Transfer of Operating Reserves	-	(90,993)	(90,993)
Net Non-Operating Revenues (Expenses)	838	(91,423)	(92,261)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Forensic Center		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Management Fees from the County	\$ 262,996	\$ 262,996	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	64,983	63,375	1,608
Employee Benefits	24,368	21,031	3,337
Office Expenses	3,000	129	2,871
Education and Training	1,000	-	1,000
Operating Expenses	72,000	55,656	16,344
Operating Contracts	68,495	58,784	9,711
Communications	2,300	243	2,057
Insurance	2,083	2,124	(41)
Maintenance Facility	2,790	2,281	509
Total Direct Operating Expenses	241,019	203,623	37,396
Total Indirect Operating Expenses	22,363	22,463	(100)
Total Operating Expenses	263,382	226,086	37,296
Operating Income (Loss)	(386)	36,910	37,296
Non-Operating Revenues (Expenses)			
Interest Income	656	1	(655)
Bank Charges	(270)	(198)	72
Transfer of Operating Reserves	-	(36,713)	(36,713)
Net Non-Operating Revenues (Expenses)	386	(36,910)	(37,296)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Knox Central		Variance
	Budget	Actual	Positive (Negative)
Operating Revenues			
Management Fees from the County	\$ 258,424	\$ 258,424	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	63,435	53,283	10,152
Employee Benefits	23,788	18,898	4,890
Office Expenses	7,650	4,646	3,004
Education and Training	1,000	-	1,000
Operating Expenses	46,350	43,634	2,716
Operating Contracts	56,298	60,252	(3,954)
Communications	5,500	5,701	(201)
Insurance	2,097	2,150	(53)
Professional Services	500	-	500
Maintenance Facility	2,769	2,260	509
Capital Purchases	30,000	-	30,000
Depreciation Expenses	-	1,007	(1,007)
Total Direct Operating Expenses	239,387	191,831	47,556
Total Indirect Operating Expenses	19,395	19,340	55
Total Operating Expenses	258,782	211,171	47,611
Operating Income (Loss)	(358)	47,253	47,611
Non-Operating Revenues (Expenses)			
Interest Income	598	1	(597)
Bank Charges	(240)	(185)	55
Transfer of Operating Reserves	-	(48,076)	(48,076)
Net Non-Operating Revenues (Expenses)	358	(48,260)	(48,618)
Increase (Decrease) in Net Position	\$ -	(1,007)	\$ (1,007)
Net Position, Beginning of Year		1,007	
NetPosition, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Knox County Public Works Complex		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from the County	\$ 228,273	\$ 228,273	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	70,319	60,350	9,969
Employee Benefits	26,370	19,959	6,411
Office Expenses	2,000	18	1,982
Education Expense	-	44	(44)
Operating Expenses	70,000	50,223	19,777
Operating Contracts	36,245	48,675	(12,430)
Communications	-	1,529	(1,529)
Insurance	1,072	1,088	(16)
Professional Services	500	-	500
Maintenance Facility	2,546	2,080	466
Total Direct Operating Expenses	209,052	183,966	25,086
Total Indirect Operating Expenses	19,385	19,545	(160)
Total Operating Expenses	228,437	203,511	24,926
Operating Income (Loss)	(164)	24,762	24,926
Non-Operating Revenues (Expenses)			
Interest Income	446	1	(445)
Bank Charges	(282)	(129)	153
Transfer of Operating Reserves	-	(24,634)	(24,634)
Net Non-Operating Revenues (Expenses)	164	(24,762)	(24,926)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Libraries		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Management Fees from the County	\$ 435,753	\$ 435,753	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	37,208	37,655	(447)
Employee Benefits	13,953	12,442	1,511
Office Expenses	1,000	41	959
Operating Expenses	10,000	1,239	8,761
Operating Contracts	330,000	300,755	29,245
Communications	150	71	79
Insurance	2,212	2,254	(42)
Maintenance Facility	4,913	4,012	901
Total Direct Operating Expenses	399,436	358,469	40,967
Total Indirect Operating Expenses	37,495	37,779	(284)
Total Operating Expenses	436,931	396,248	40,683
Operating Income (Loss)	(1,178)	39,505	40,683
Non-Operating Revenues (Expenses)			
Interest Income	1,482	-	(1,482)
Bank Charges	(304)	(170)	134
Transfer of Operating Reserves	-	(39,335)	(39,335)
Net Non-Operating Revenues (Expenses)	1,178	(39,505)	(40,683)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Old Court House/Election Commission		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	\$ 693,806	\$ 737,402	\$ 43,596
Operating Expenses			
Direct:			
Salaries and Wages	296,008	289,265	6,743
Employee Benefits	112,483	95,420	17,063
Office Expenses	2,350	704	1,646
Education and Training	1,000	265	735
Operating Expenses	72,200	86,783	(14,583)
Operating Contracts	130,919	134,733	(3,814)
Communications	11,100	5,470	5,630
Insurance	4,632	4,741	(109)
Professional Services	500	46,117	(45,617)
Maintenance Facility	4,685	3,833	852
Total Direct Operating Expenses	635,877	667,331	(31,454)
Total Indirect Operating Expenses	59,251	59,804	(553)
Total Operating Expenses	695,128	727,135	(32,007)
Operating Income (Loss)	(1,322)	10,267	11,589
Non-Operating Revenue (Expenses)			
Interest Income	1,914	2	(1,912)
Bank Charges	(592)	(370)	222
Transfer of Operating Reserves	-	(9,899)	(9,899)
Net Non-Operating Revenue (Expenses)	1,322	(10,267)	(11,589)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Public Defender		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	\$ 68,812	\$ 68,812	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	11,681	10,459	1,222
Employee Benefits	4,380	3,526	854
Office Expenses	250	3	247
Education and Training	500	-	500
Operating Expenses	45,000	26,717	18,283
Communications	500	903	(403)
Insurance	368	389	(21)
Maintenance Facility	804	655	149
Total Direct Operating Expenses	63,483	42,652	20,831
Total Indirect Operating Expenses	5,883	5,940	(57)
Total Operating Expenses	69,366	48,592	20,774
Operating Income (Loss)	(554)	20,220	20,774
Non-Operating Revenues (Expenses)			
Interest Income	688	1	(687)
Bank Charges	(134)	(75)	59
Transfer of Operating Reserves	-	(20,146)	(20,146)
Net Non-Operating Revenues (Expenses)	554	(20,220)	(20,774)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Senior Centers		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Management Fees from County	\$ 221,509	\$ 221,509	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	64,589	68,022	(3,433)
Employee Benefits	24,222	25,695	(1,473)
Office Expenses	450	58	392
Education and Training	750	-	750
Operating Expenses	33,200	36,417	(3,217)
Operating Contracts	74,939	64,256	10,683
Communications	1,160	235	925
Insurance	1,126	1,166	(40)
Professional Services	75	-	75
Maintenance Facility	2,362	1,932	430
Total Direct Operating Expenses	202,873	197,781	5,092
Total Indirect Operating Expenses	18,822	18,339	483
Total Operating Expenses	221,695	216,120	5,575
Operating Income (Loss)	(186)	5,389	5,575
Non-Operating Revenues (Expenses)			
Interest Income	304	-	(304)
Bank Charges	(118)	(89)	29
Transfer of Operating Reserves	-	(5,300)	(5,300)
Net Non-Operating Revenues (Expenses)	186	(5,389)	(5,575)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)**

For the Fiscal Year Ended June 30, 2021

	TVA Tower Summer Place Garage		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from the County	\$ 1,111,171	\$ 572,187	\$ (538,984)
Parking Revenues	139,500	46,110	(93,390)
Rental Income	-	253,960	253,960
Total Operating Revenues	<u>1,250,671</u>	<u>872,257</u>	<u>(378,414)</u>
Operating Expenses			
Direct: TVA Tower			
Salaries and Wages	30,365	-	30,365
Employee Benefits	11,387	-	11,387
Office Expenses	5,400	4,626	774
Education and Training	550	-	550
Operating Expenses	57,800	4,219	53,581
Operating Contracts	370,392	-	370,392
Communications	7,650	682	6,968
Insurance	1,310	-	1,310
Professional Services	2,140	-	2,140
Maintenance Facility	6,335	-	6,335
Total Direct Operating Expenses - TVA Tower	<u>493,329</u>	<u>9,527</u>	<u>483,802</u>
Direct: Summer Place Parking Garage			
Salaries and Wages	135,144	157,628	(22,484)
Employee Benefits	50,679	48,762	1,917
Office Expenses	1,700	1,864	(164)
Education and Training	600	756	(156)
Operating Expenses	170,500	108,263	62,237
Operating Contracts	197,410	37,604	159,806
Communications	1,635	215	1,420
Insurance	3,700	3,783	(83)
Professional Services	2,150	16,168	(14,018)
Maintenance Facility	7,331	5,998	1,333
Capital Purchases	88,000	95,278	(7,278)
Total Direct Operating Expenses - SPPG	<u>658,849</u>	<u>476,319</u>	<u>182,530</u>
Total Indirect Operating Expenses	<u>98,613</u>	<u>56,463</u>	<u>42,150</u>
Total Operating Expenses	<u>1,250,791</u>	<u>542,309</u>	<u>708,482</u>
Operating Income (Loss)	<u>(120)</u>	<u>329,948</u>	<u>330,068</u>
Non-Operating Revenues (Expenses)			
Interest Income	260	1	(259)
Bank Charges	(140)	(1,724)	(1,584)
Transfer of Operating Reserves	-	(328,225)	(328,225)
Net Non-Operating Revenues (Expenses)	<u>120</u>	<u>(329,948)</u>	<u>(330,068)</u>
Increase (Decrease) in Net Position	\$ <u>-</u>	\$ -	\$ <u>-</u>
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ <u>-</u>	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Young Williams Animal Welfare Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	\$ 67,013	\$ 67,013	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	18,045	8,521	9,524
Employee Benefits	6,857	2,774	4,083
Office Expenses	250	22	228
Operating Expenses	35,000	9,256	25,744
Communications	250	48	202
Insurance	338	337	1
Maintenance Facility	786	644	142
Total Direct Operating Expenses	61,526	21,602	39,924
Total Indirect Operating Expenses	5,701	5,799	(98)
Total Operating Expenses	67,227	27,401	39,826
Operating Income (Loss)	(214)	39,612	39,826
Non-Operating Revenues (Expenses)			
Interest Income	338	1	(337)
Bank Charges	(124)	(100)	24
Transfer of Operating Reserves	-	(39,513)	(39,513)
Net Non-Operating Revenues (Expenses)	214	(39,612)	(39,826)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	West Knox Senior Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	\$ 222,489	\$ 222,489	\$ -
Management Fees Other Government Agencies	96,346	37,248	(59,098)
Total Operating Revenues	318,835	259,737	(59,098)
Operating Expenses			
Direct:			
Salaries and Wages	74,071	37,888	36,183
Employee Benefits	27,777	11,224	16,553
Office Expenses	150	-	150
Operating Expenses	140,250	50,555	89,695
Operating Contracts	40,866	25,085	15,781
Communications	4,500	1,350	3,150
Insurance	1,000	1,036	(36)
Professional Services	-	364	(364)
Maintenance Facility	3,249	2,650	599
Total Direct Operating Expenses	291,863	130,152	161,711
Total Indirect Operating Expenses	27,092	28,829	(1,737)
Total Operating Expenses	318,955	158,981	159,974
Operating Income	(120)	100,756	100,876
Non-Operating Revenues (Expenses)			
Interest Income	260	1	(259)
Bank Charges	(140)	(269)	(129)
Transfer of Operating Reserves	-	(100,488)	(100,488)
Net Non-Operating Expenses	120	(100,756)	(100,876)
Increase (Decrease) in Net Position	\$ -	\$ -	\$ -
Net Position, Beginning of Year		-	
Net Position, End of Year		\$ -	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	City County Building		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Rental Income from City and County	\$ 4,903,117	\$ 4,903,117	\$ -
Parking Revenues	68,400	18,811	(49,589)
Total Operating Revenues	4,971,517	4,921,928	(49,589)
Operating Expenses			
Direct:			
Salaries and Wages	1,114,037	1,129,075	(15,038)
Employee Benefits	417,764	410,362	7,402
Office Expenses	30,250	27,771	2,479
Education and Training	15,000	6,506	8,494
Operating Expenses	367,800	401,447	(33,647)
Operating Contracts	748,554	715,808	32,746
Utilities	1,603,287	1,434,280	169,007
Communications	12,865	12,881	(16)
Insurance	153,169	156,872	(3,703)
Professional Services	1,500	4,348	(2,848)
Maintenance Facility	25,487	20,833	4,654
Capital Purchases	2,084,000	434,968	1,649,032
Depreciation Expense	-	639,091	(639,091)
Total Direct Operating Expenses	6,573,713	5,394,242	1,179,471
Total Indirect Operating Expenses	419,058	422,185	(3,127)
Total Operating Expenses	6,992,771	5,816,427	1,176,344
Operating Income (Loss)	(2,021,254)	(894,499)	1,126,755
Non-Operating Revenues (Expenses)			
Interest Income	35,634	90	(35,544)
Bank Charges	(14,380)	(13,974)	406
Net Non-Operating Revenues (Expenses)	21,254	(13,884)	(35,138)
Increase (Decrease) in Net Position Before Capital Contributions	<u>(2,000,000)</u>	<u>(908,383)</u>	<u>1,091,617</u>
Capital Contributions			
Capital Asset Replacement Reserve Contributions from City and County	2,000,000	2,000,000	-
Increase (Decrease) in Net Position	<u>\$ -</u>	<u>1,091,617</u>	<u>\$ 1,091,617</u>
Net Position, Beginning of Year		<u>7,107,678</u>	
Net Position, End of Year		<u>\$ 8,199,295</u>	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Emergency Communications District		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from Other Governmental Agencies	\$ 117,829	\$ 117,829	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	27,487	19,950	7,537
Employee Benefits	10,308	6,609	3,699
Office Expenses	100	17	83
Education and Training	500	-	500
Operating Expenses	22,750	18,352	4,398
Operating Contracts	45,236	38,700	6,536
Communications	225	173	52
Insurance	533	544	(11)
Professional Services	250	-	250
Maintenance Facility	736	602	134
Total Direct Operating Expenses	108,125	84,947	23,178
Total Indirect Operating Expenses	10,080	10,150	(70)
Total Operating Expenses	118,205	95,097	23,108
Operating Income (Loss)	(376)	22,732	23,108
Non-Operating Revenues (Expenses)			
Interest Income	466	1	(465)
Bank Charges	(90)	(120)	(30)
Transfer of Operating Reserves	-	(22,613)	(22,613)
Net Non-Operating Revenues (Expenses)	376	(22,732)	(23,108)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		9,500	
Net Position, End of Year		\$ 9,500	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Fairview Technology Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from Other Governmental Agencies	\$ 60,498	\$ 60,498	\$ -
Operating Expenses			
Direct:			
Salaries and Wages	22,818	16,219	6,599
Employee Benefits	8,556	5,378	3,178
Office Expenses	225	19	206
Operating Expenses	11,690	12,307	(617)
Operating Contracts	9,563	8,282	1,281
Communications	2,100	1,696	404
Insurance	263	259	4
Maintenance Facility	350	285	65
Total Direct Operating Expenses	55,565	44,445	11,120
Total Indirect Operating Expenses	5,183	5,165	18
Total Operating Expenses	60,748	49,610	11,138
Operating Income (Loss)	(250)	10,888	11,138
Non-Operating Revenues (Expenses)			
Interest Income	312	-	(312)
Bank Charges	(62)	(66)	(4)
Transfer of Operating Reserves	-	(10,822)	(10,822)
Net Non-Operating Revenues (Expenses)	250	(10,888)	(11,138)
Increase (Decrease) in Net Position	\$ -	-	\$ -
Net Position, Beginning of Year		4,610	
Net Position, End of Year		\$ 4,610	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)
For the Fiscal Year Ended June 30, 2021**

	Property Development		Variance
	Budget	Actual	Positive (Negative)
Operating Revenues			
Management Fees from City and County	\$ 551,677	\$ 551,677	\$ -
Total Operating Revenues	551,677	551,677	-
Operating Expenses			
Direct:			
Salaries and Wages	306,892	318,575	(11,683)
Employee Benefits	115,084	102,338	12,746
Office Expenses	23,000	12,442	10,558
Education and Training	13,000	274	12,726
Operating Expenses	5,000	2,106	2,894
Communications	1,600	733	867
Insurance	78	78	-
Professional Services	15,000	3,644	11,356
Total Direct Operating Expenses	479,654	440,190	39,464
Total Indirect Operating Expenses	72,178	72,418	(240)
Total Operating Expenses	551,832	512,608	39,224
Operating Income (Loss)	(155)	39,069	39,224
Non-Operating Revenues (Expenses)			
Interest Income	753	3	(750)
Bank Charges	(598)	(382)	216
Transfer of Operating Reserves	-	(38,690)	(38,690)
Net Non-Operating Revenues (Expenses)	155	(39,069)	(39,224)
Increase (Decrease) in Net Position	\$ <u>-</u>	-	\$ <u>-</u>
Net Position, Beginning of Year		<u>-</u>	
Net Position, End of Year		\$ <u><u>-</u></u>	

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET TO ACTUAL BY ACTIVITY (Continued)**

For the Fiscal Year Ended June 30, 2021

	Telecommunications Services		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City and County	\$ 1,142,112	\$ 1,142,112	\$ -
Total Operating Revenues	1,142,112	1,142,112	-
Direct Operating Expenses			
Telecom			
Salaries and Wages	409,565	421,603	(12,038)
Employee Benefits	153,937	144,580	9,357
Office Expenses	11,500	7,463	4,037
Education and Training	5,000	4,050	950
Operating Expenses	12,160	15,348	(3,188)
Operating Contracts	434,682	432,182	2,500
Communications	6,300	377	5,923
Insurance	10,274	10,519	(245)
Professional Services	2,000	-	2,000
Capital Purchases	300,000	6,409	293,591
Depreciation Expense	-	114,840	(114,840)
Telecom Operating Expenses	1,345,418	1,157,371	188,047
Total Direct Operating Expenses	1,345,418	1,157,371	188,047
Total Indirect Operating Expenses	104,542	105,077	(535)
Total Operating Expenses	1,449,960	1,262,448	187,512
Operating Income (Loss)	(307,848)	(120,336)	187,512
Non-Operating Revenues (Expenses)			
Interest Income	9,872	15	(9,857)
Bank Charges	(2,024)	(2,506)	(482)
Transfer of Operating Reserves	-	1,578	1,578
Net Non-Operating Revenues (Expenses)	7,848	(913)	(8,761)
Increase (Decrease) in Net Position Before Capital Contributions	(300,000)	(121,249)	178,751
Capital Contributions			
Capital Asset Replacement Reserve Contributions from City and County	300,000	300,000	-
Increase (Decrease) in Net Position	\$ -	178,751	\$ 178,751
Net Position, Beginning of Year		751,846	
Net Position, End of Year		\$ 930,597	

STATISTICAL SECTION

This part of PBA's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about PBA's overall financial health.

Contents

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the PBA's financial performance and well-being have changed over time..... 66-67

Revenue Capacity

These schedules contain information to help the reader assess the PBA's operating revenues and customer statistics. As a joint venture between the City of Knoxville and Knox County, the PBA's revenues are materially earned from revenue derived from rental income, management fees, net parking revenues, and miscellaneous charges. Rental income and management fees are annually negotiated with the City and County and approved by the City Council and the County Commission..... 68-71

Debt Capacity

The PBA is a joint venture between the City of Knoxville and Knox County; the PBA has no taxing authority. Debt for capital projects managed for the City and the County are funded by debt issued by these two government entities. Information on the City's and County's debt capacity is contained in their individual ACFRs. N/A

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which PBA's financial activities take place approved by the City Council and the County Commission. 72-73

Operating Information

This schedule contains service data to help the reader understand how the information in the PBA's financial report relates to services provided and the activities performed. 74

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**NET POSITION BY COMPONENT
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Investment in Capital Assets</u>	<u>Unrestricted</u>	<u>Total</u>
2012	\$ 8,160,543	\$ 3,198,172	\$ 11,358,715
2013	8,832,369	3,256,753	12,089,122
2014	9,257,296	2,605,776	11,863,072
2015	7,975,147	3,269,503	11,244,650
2016	7,987,860	3,238,721	11,226,581
2017	5,442,665	3,556,461	8,999,126
2018	5,098,406	3,945,845	9,044,251
2019	5,282,518	3,356,522	8,639,040
2020	5,157,347	3,973,829	9,131,176
2021	5,266,872	5,240,934	10,507,806

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY OF KNOX AND
THE CITY OF KNOXVILLE, TENNESSEE**

**CHANGES IN NET POSITION
Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues										
Rental Income from City and County	\$ 4,903,117	\$ 4,802,279	\$ 4,626,896	\$ 4,518,188	\$ 4,328,993	\$ 4,327,759	\$ 4,215,037	\$ 4,101,739	\$ 4,013,581	\$ 3,912,814
Other Rental Income - Net	431,385	188,499	209,896	248,321	229,219	252,697	241,439	225,648	232,474	208,204
Management Fees from City and County	10,311,674	9,835,721	8,954,577	8,642,266	7,697,552	7,177,821	6,596,204	6,770,676	5,915,239	5,652,775
Management Fees from Other Governmental Agencies	255,857	289,476	334,736	332,988	312,096	313,766	305,775	163,956	189,380	161,299
Parking Revenues	3,100,765	3,839,892	4,082,777	3,961,511	3,795,842	3,083,416	2,822,562	2,886,198	2,721,805	2,848,822
Total Operating Revenues	19,002,798	18,955,867	18,208,882	17,703,274	16,363,612	15,155,459	14,281,017	14,248,217	13,072,479	12,783,914
Operating Expenses										
Salaries and Benefits	8,793,721	8,807,975	8,528,384	7,927,605	7,728,965	6,476,717	6,593,584	6,005,836	5,569,032	5,489,707
Office	165,614	112,751	136,712	119,614	141,114	146,403	105,780	120,030	105,534	93,329
Education and Training	23,466	17,023	14,705	14,765	6,306	13,360	21,507	17,241	8,723	6,703
Purchased Services and Supplies	2,030,255	1,687,733	1,759,935	1,489,749	1,540,417	1,577,232	1,287,942	1,151,072	1,157,287	1,055,814
Operating Contracts	3,279,082	3,192,925	2,767,609	2,510,628	2,057,739	1,905,427	1,695,954	1,675,598	1,608,672	1,586,372
Utilities	2,043,689	2,222,445	2,325,886	2,204,288	2,232,055	2,134,130	2,007,525	2,100,368	2,050,996	1,879,794
Communications	94,202	148,860	106,258	125,015	148,030	111,963	88,539	82,609	95,780	72,458
Insurance	312,686	287,901	283,150	308,201	310,951	309,888	308,154	298,444	269,125	236,013
Professional Fees	115,673	80,073	64,141	67,601	69,992	251,921	91,862	58,113	48,826	59,226
Depreciation	766,668	765,610	737,020	704,866	727,718	1,117,721	2,152,372	950,153	981,701	906,441
Maintenance Facility	105,591	113,950	109,715	119,686	129,310	106,568	86,222	86,008	81,728	76,560
Other	601,261	572,554	1,290,563	878,978	622,371	411,929	336,426	309,728	103,652	143,640
Total Operating Expenses	18,331,908	17,989,800	18,124,078	16,469,086	15,714,968	14,563,259	14,775,867	12,855,200	12,081,156	11,606,257
Operating Income (Loss)	670,890	966,067	84,804	1,234,188	648,644	592,200	(494,850)	1,393,017	991,323	1,177,657
Non-Operating Revenues (Expenses)										
Interest Income	161	90,197	47,380	35,683	28,043	21,844	27,528	19,038	16,271	28,448
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	(486,579)	-	-
Bank Charges	(94,053)	(104,866)	(100,339)	(89,436)	(89,499)	(62,065)	(59,585)	(17,373)	(12,232)	(8,224)
Impairment Gain - Insurance Settlement	-	-	-	-	-	-	-	-	1,039,555	-
Capital Returned to the City and County	(1,427,232)	(1,656,944)	(2,517,156)	(2,239,273)	(1,761,154)	(1,829,891)	(1,668,938)	(2,135,304)	(1,563,423)	(1,728,491)
Capital Returned to Other Governmental Agencies	(73,136)	(102,318)	(93,577)	(64,693)	(28,544)	(38,695)	(35,641)	(66,008)	(34,853)	(16,414)
Noncash:										
Capital Asset Retirements from the City and County	-	-	(16,902)	-	-	-	(19,674)	-	-	-
Total Non-Operating Revenues (Expenses) - Net	(1,594,260)	(1,773,931)	(2,680,594)	(2,357,719)	(1,851,154)	(1,908,807)	(1,756,310)	(2,689,226)	(554,682)	(1,724,681)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	(923,370)	(807,864)	(2,595,790)	(1,123,531)	(1,202,510)	(1,316,607)	(2,251,160)	(1,296,209)	436,641	(547,024)
Capital Contributions										
Capital Contributions from the City and County	2,300,000	1,300,000	2,190,579	1,168,656	1,150,000	1,298,538	1,632,738	548,501	815,424	882,465
Total Capital Contributions	2,300,000	1,300,000	2,190,579	1,168,656	1,150,000	1,298,538	1,632,738	548,501	815,424	882,465
Extraordinary Item	-	-	-	-	(2,174,945)	-	-	-	-	-
Increase (Decrease) in Net Position	1,376,630	492,136	(405,211)	45,125	(2,227,455)	(18,069)	(618,422)	(747,708)	1,252,065	335,441
Net Position, Beginning of Year	9,131,176	8,639,040	9,044,251	8,999,126	11,226,581	11,244,650	11,863,072	12,610,780	11,358,715	11,023,274
Net Position, End of Year	\$ 10,507,806	\$ 9,131,176	\$ 8,639,040	\$ 9,044,251	\$ 8,999,126	\$ 11,226,581	\$ 11,244,650	\$ 11,863,072	\$ 12,610,780	\$ 11,358,715

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**PROPERTIES MANAGED
Last Ten Fiscal Years**

Property	Space in Square Feet									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
County Owned										
Andrew Johnson Building	145,661	145,661	145,661	145,661	145,661	145,661	145,661	145,661	145,661	145,661
Fairview Technology Center	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Senior Centers (4)	38,940	38,940	38,940	38,940	38,940	38,940	33,738	33,738	33,738	33,738
Health Department (1 main facility, 3 community clinics, and air quality lab)	157,800	157,800	157,800	157,800	157,800	157,800	157,800	157,800	157,800	157,800
John Tarleton Homes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80,000
Juvenile Justice Center	104,209	104,209	104,209	104,209	104,209	104,209	104,209	104,209	104,209	104,209
Knox Central	171,000	171,000	171,000	171,000	171,000	171,000	171,000	171,000	171,000	171,000
Knox County Public Works	18,930	18,930	18,930	-	-	-	-	-	-	-
Old Court House	64,098	64,098	64,098	64,098	64,098	64,098	64,098	64,098	64,098	64,098
County Clerk Satellite Offices (5)	12,084	12,084	12,084	12,084	11,773	11,773	11,773	11,773	-	-
Family Investment Center	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500
Forensic Center	19,435	19,435	19,435	19,435	19,435	19,435	19,435	-	-	-
Public Defender's Office	23,405	23,405	23,405	23,405	23,405	23,405	-	-	-	-
Young Williams Animal Center	21,308	21,308	21,308	21,308	21,308	21,308	-	-	-	-
TVA Tower	211,667	-	-	-	-	-	-	-	-	-
Summer Place Garage Office Space	100,000	-	-	-	-	-	-	-	-	-
West Knox Senior Center	12,605	12,605	-	-	-	-	-	-	-	-
City Owned										
Volunteer Landing Park	16,331	16,331	16,331	16,331	16,331	16,331	16,331	16,331	16,331	16,331
World's Fair Park	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600	39,600
Downtown Cinema	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Public Works Complex	71,525	71,525	71,525	71,525	45,560	-	-	-	-	-
Knoxville Station Transit Center	103,717	103,717	103,717	103,717	103,717	103,717	103,717	103,717	103,717	103,717
Knoxville Area Transit - Magnolia Facility	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
PBA Owned										
City County Building	531,634	531,634	531,634	531,634	531,634	531,634	531,634	531,634	531,634	531,634
Owned by Other Governmental Agencies										
Emergency Communications District	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Totals	1,976,449	1,664,782	1,652,177	1,633,247	1,606,971	1,561,411	1,511,496	1,492,061	1,480,288	1,560,288

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**PROPERTIES MANAGED (Continued)
Last Ten Fiscal Years**

Location	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NUMBER OF PARKING SPACES										
County Owned										
Dwight Kessel Metropolitan Parking Garage	964	964	964	964	964	964	964	964	964	964
State Street Parking Lot	283	283	283	283	283	283	283	283	283	283
Summer Place Garage	704	-	-	-	-	-	-	-	-	-
City Owned										
Hill Avenue Parking Lot	16	16	16	16	16	16	16	16	16	16
Jackson Avenue Parking Lot	190	190	190	190	190	190	190	190	190	190
Locust Street Garage	645	645	645	645	645	645	645	645	645	645
Main Avenue Garage	475	475	475	475	475	475	475	475	475	475
Market Square Garage	677	677	677	677	677	677	677	677	677	700
Promenade Garage	-	262	262	262	262	277	277	277	277	277
State Street Garage	1,718	1,718	1,718	1,082	1,082	1,082	1,082	1,082	842	842
World's Fair Parking Lots	201	201	201	201	698	698	698	698	698	698
Tennessee Department of Transportation (TDOT)	469	469	469	469	469	469	469	469	469	469
Supreme Court Parking Lot	-	-	159	159	159	159	-	-	-	-
KCDC Vine Lot	74	74	-	-	-	-	-	-	-	-
CBID	535	535	535	535	-	-	-	-	-	-
Riverwalk Parking Garage	804	804	804	804	-	-	-	-	-	-
PBA Owned										
City County Building Garage	850	850	850	850	850	850	850	850	850	850
Totals	8,605	8,163	8,248	7,612	6,770	6,785	6,626	6,626	6,386	6,409
PARKS										
City Owned										
World's Fair Park:										
Number of Acres	18	18	18	18	18	18	18	18	18	18
Volunteer Landing Park:										
Number of Acres	5	5	5	5	5	5	5	5	5	5
Second Creek Greenway:										
Number of Acres	9	9	9	9	9	9	9	9	9	9
Estimated Park Visitors Annually	29,825	136,960	214,565	239,945	262,945	699,608	706,236	671,988	678,733	689,518
	A	A								

A Significant decrease in 2020 resulting from cancelled events due to Covid-19.

Source: PBA Property Management Department.

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**CAPITAL PROJECTS COMPLETED
Last Five Fiscal Years**

<u>Projects</u>	<u>Managed Budget</u>
COUNTY PROJECTS	
ADA Remediation - Bearden Elementary	\$ 500,000
ADA Remediation - Maynard Elementary	1,000,000
ADA Remediation - Powell High School	49,000
City County Building - Court Clerk Desk Renovations	75,000
City County Building - DA Office Renovations	26,231
City County Building -General Sessions Clerk Office Renovations	185,000
City County Building -Jury Room & Restroom Renovations	214,000
Halls Greenway connector Concept Plan	16,000
Health Department Fitness Center - Main	150,000
IC King Expansion	1,350,000
Jail Assessment & Feasibility Study	65,000
Knox County Programming - Relocation	396,828
Old Courthouse Exterior Renovations	237,072
South Doyle Middle School Athletic Fields	1,020,000
County Subtotal	\$ 5,284,131
CITY PROJECTS	
City County Building 5th Floor Renovations	\$ 17,000
City County Building Development Services	683,000
Convention Center Pedestrian Enhancements	2,818,658
Convention Center Warranty Repairs	711,000
Ed Cothren Pool Resurfacing	126,929
Fire Station #12 Structural Repairs	562,710
Fort Kid Slope Repair	300,000
Fort Kid Wall Assessment	14,100
Fulton High School Tennis Court Resurfacing	23,905
Harriet Tubman Park Improvements	450,000
Knoxville Convention & Exhibition Center	2,127,000
Ned McWherter Boat Ramp Repair	542,000
Promenade Walking Deck Improvements	350,000
Public Works Complex - Phases I and II	18,417,819
Public Works Complex - Phases III	681,349
Solid Waste Transfer Center	148,000
State Street Archway Art Renovations	25,000
State Street Garage Addition (2 Decks)	11,000,000
Suttree Landing Pavilion & Shoreline	2,086,000
Transit Center Deck Repairs	129,626
Volunteer Landing Dock Replacement	265,000
Volunteer Landing Master Plan	25,000
World's Fair Park Master Plan	25,000
World's Fair Performance Lawn	2,525,000
City Subtotal	\$ 44,054,096

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**TELECOMMUNICATION SERVICES
Last Ten Fiscal Years**

	2021	2020	2019	2018	Fiscal Year		2015	2014	2013	2012
					2017	2016				
CITY AND COUNTY										
Total Extensions	7,643 *	8,241	8,241	8,297	8,313	8,305	8,299	8,243	8,280	8,280
Telephone Lines	753 *	822	822	822	822	811	805	804	360	360
Cellular Telephones	52	51	80	76	109	95	140	144	127	131
Pagers	8	8	8	8	33	33	33	33	34	50
Repair Work Orders	1,404	1,492	1,741	1,436	1,477	1,387	1,002	823	716	807
SCHOOLS *										
Total Extensions	-	42	269	473	598	797	855	852	852	929
Telephone Lines	-	42	775	1,604	2,041	2,242	2,300	2,338	2,329	2,285
Repair Work Orders	-	187	369	472	662	614	591	627	562	644

* FY 21 decrease is due to Knox County choosing another communications host for some County departments.

Source: PBA Telecommunications Services Department.

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

Calendar Year	Population	Personal Income (Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate	
				County	State
2011	436,104	\$ 16,961,829	\$ 38,894	6.9%	9.2%
2012	440,725	18,149,825	41,182	6.3	8.0
2013	441,311	18,466,333	41,844	5.6	7.9
2014	448,664	19,297,297	43,011	5.7	6.6
2015	451,324	20,241,530	44,849	4.8	5.6
2016	456,132	21,121,133	46,305	4.7	5.1
2017	459,396	22,243,142	48,160	2.9	3.3
2018	464,819	23,142,739	49,738	2.8	3.3
2019	469,363	24,342,690	51,863	2.9	3.3
2020	474,470	N/A	N/A	5.0	5.6

Notes: (a) N/A = Data not available.
 (b) Only Knox County is presented.
 (c) Population – U.S. Bureau of the Census.
 (d) Income - Bureau of Economic Analysis, U.S. Department of Commerce.
 (e) Unemployment Rates - Bureau of Economic Analysis U.S. Department of Commerce.

**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**PRINCIPAL EMPLOYERS
Current Calendar Year and Nine Years Ago**

Employer (a)	Industry	2020		2011	
		Number of Employees	% of Total Knox County Workforce	Number of Employees	% of Total Knox County Workforce
Covenant Health	Health Care	11,060	4.56 %	9,494	4.08 %
Knox County Schools	Education	9,519	3.92	6,891	2.96
The University of Tennessee	Education	8,959	3.69	6,400	2.75
Walmart	Retail	6,863	2.83	4,668	2.01
University Health Systems	Health Care	5,137	2.12	3,942	1.69
K-VA-T Food Stores	Retail Grocery	4,634	1.91	3,924	1.69
State of Tennessee	Government	3,307	1.36	3,528	1.52
Tennova Healthcare	Health Care	2,900	1.20	3,857	1.66
McDonald's	Fast Food	2,874	1.18	N/A	N/A
The Kroger Co.	Retail Store	2,687	1.11	N/A	N/A
Knox County	* Government	2,266	0.93	2,998	1.29
City of Knoxville	* Government	1,582	0.65	2,811	1.21
Total		<u>61,788</u>	<u>25.46 %</u>	<u>48,513</u>	<u>20.86 %</u>

Notes: (a) Only Knox County is presented.

Source: Greater Knoxville Chamber Partnership

* - Number of Employees are from Knox County and City of Knoxville 2020 respective audit reports.

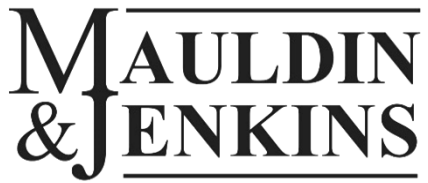
**THE PUBLIC BUILDING AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE**

**NUMBER OF EMPLOYEES BY ACTIVITY
Last Ten Fiscal Years**

Department	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Facilities Management	70	73	73	69	65	67	44	41	41	40
Safety and Security	64	63	66	58	59	53	47	51	41	40
Property Development	4	4	5	5	5	4	4	6	4	4
Telecommunications/MIS/PBX	13	12	12	11	10	11	12	11	9	9
Administrative	11	11	10	9	8	7	9	9	9	8
Total	<u>162</u>	<u>163</u>	<u>166</u>	<u>152</u>	<u>147</u>	<u>142</u>	<u>116</u>	<u>118</u>	<u>104</u>	<u>101</u>

Source: PBA Payroll Department.

**INTERNAL CONTROL
AND
COMPLIANCE SECTION**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors of
The Public Building Authority of the County
of Knox and the City of Knoxville, Tennessee
Knoxville, Tennessee**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Public Building Authority of the County of Knox and the City of Knoxville, Tennessee, ("PBA"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise PBA's basic financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PBA's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PBA's internal control. Accordingly, we do not express an opinion on the effectiveness of PBA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

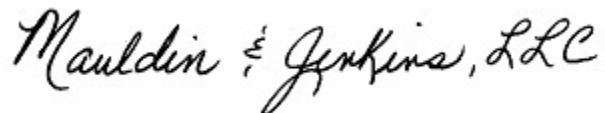
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PBA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the ampersand being particularly stylized.

Chattanooga, Tennessee
November 8, 2021