



Knox County Tennessee

Popular Annual Financial Report

For The
Fiscal Year Ended
JUNE 30, 2011





OFFICE OF COUNTY MAYOR TIM BURCHETT

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

Introduction from Knox County Mayor and Interim Director of Finance

Citizens of Knox County:

We are pleased to present the Popular Annual Financial Report for the fiscal year ended June 30, 2011. We hope that you will find this report easily understandable and useful. Our intent is that by providing the citizens of Knox County with this brief synopsis of the County's operations that we can help you to be even better informed. This is part of our ongoing efforts to provide you with the open, transparent government that you deserve.

We hope that you will find this report interesting and informative. Please feel free to share with us any questions, concerns or recommendations that you may have. We welcome your input and look forward to continuing to make this report to you an annual tradition.

A handwritten signature in blue ink, appearing to read "Tim Burchett", with a long, sweeping horizontal line extending to the right.

Tim Burchett
Knox County Mayor

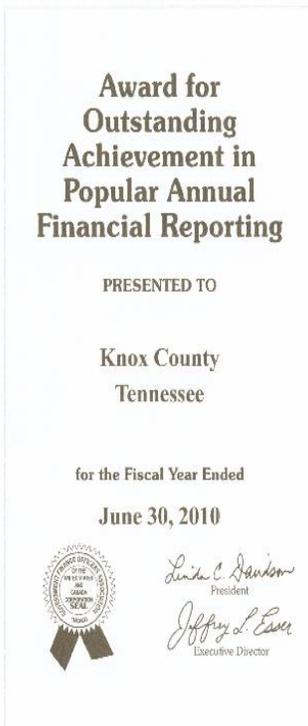
A handwritten signature in blue ink, appearing to read "Chris Caldwell", with a stylized, cursive script.

Chris Caldwell
Knox County Interim Director of Finance
865-215-2350
chris.caldwell@knoxcounty.org

Introduction to the Popular Annual Financial Report

The purpose of this Popular Annual Financial Report (PAFR) is to serve as an easy-to-read synopsis of Knox County's financial information. On an annual basis, the County prepares a Comprehensive Annual Financial Report (CAFR), which contains detailed financial information about the finances of the County. That report contains detailed information required to be reported by generally accepted accounting principles and it conforms to the requirements for CAFR contents as prescribed by the Government Finance Officers Association (GFOA). We encourage you to read the CAFR, which contains detailed and audited financial statements, notes, schedules and other information. (The CAFR may be found on the County's web site at [Annual Reports - Finance - Knox County Tennessee](#)). This PAFR contains information that has been summarized from the CAFR, and is intended to be a supplement to, rather than a replacement for, the CAFR. As a brief, non-technical summary of financial information, this report does not conform to accounting principles generally accepted in the United States of America (GAAP). The report focuses on the governmental activities of the County and of the Knox County Board of Education, which are funded largely by County taxpayers.

This report is presented in a format that is intended to be easy to understand, without excessive levels of details and technical accounting jargon. Our intent is that the non-financial reader may more easily understand the County's financial activities.



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to Knox County for the fiscal year ended June 30, 2010, the first year that Knox County prepared and submitted its PAFR. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a PAFR, whose contents conform to program standards for creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Report requirements, and we are submitting it to GFOA.

Knoxville area is home to many medium-sized manufacturing and distribution operations as well as customer service centers.

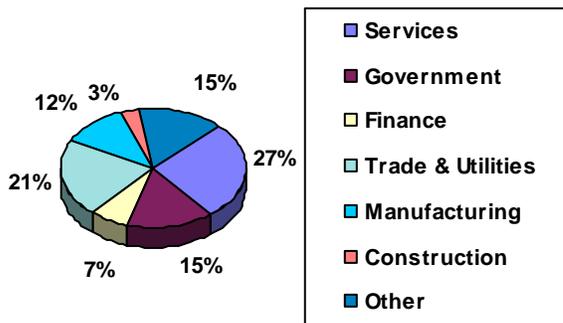
State Economic Perspective

Tennessee is a traditionally business-friendly, low-tax state. Tennessee’s fate hinges on the path taken by the global and national economies in the quarters ahead.

According to the analysis reported in the *2011 Tennessee Business and Economic Report* of Tennessee’s economic outlook for spring 2011, published by the University of Tennessee (<http://cber.bus.utk.edu/tefs/spr11.pdf>), a number of largely positive signals from the state economy have been observed. Personal income rebounded by 3.8 percent in 2010, and is expected to grow by 4 percent for 2011. Taxable sales are projected to increase by 4.8 percent in 2011. Although Tennessee’s unemployment rate had drifted upward since achieving a record low rate of 4.5 percent in the first quarter of 2007, there are signs that job growth is finally beginning to occur and that the state economy should experience a period of modest economic expansion into 2013. The state unemployment rate, which was 9.7 percent in 2010, is expected to fall to 9.4 percent in 2011, and experience a further reduction to 8.7 percent in 2012.

Employment Information

NON-AGRICULTURAL EMPLOYMENT

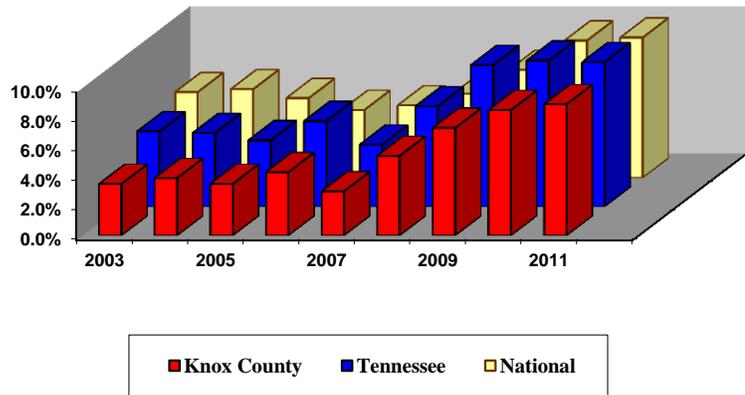


Knox County has demonstrated a very healthy diversity in employment. Services and trade are the two largest employment sectors in the County metropolitan area, followed by Government.

Economic Data

Historically, Knox County's unemployment rate has been low relative to the state and national rates. This relationship has held, although rates have increased in this current recession. For the month of June 2011, the seasonally unadjusted unemployment rates for the County, state and nation stood at 8.0%, 10.2% and 9.2%, respectively. The County's rate is the lowest among the state's major metropolitan areas.

UNEMPLOYMENT DATA



Overview of Knox County Finances

The following information is derived from the County's Statement of Net Assets and Statement of Activities for the year ended June 30, 2011, with comparative information shown for the year ended June 30, 2010. The Statement of Net Assets shows information about assets (what we have) and liabilities (what we owe). The difference, net assets, represents one way to measure the County's financial condition. The information shown below contains information related to the "governmental activities" of the County and the Board of Education. Governmental activities are normally supported largely by taxes and revenues from other governments (primarily the State), and consist of the functions that may be thought of as the core County functions, including education, public safety, parks and recreation, libraries, engineering and public works, as well as general government and debt service. The amounts shown do not include balances related to the Three Ridges Golf Course Fund or the Knox County Emergency Communications District, which are business-type activities that are financed primarily from user fees and charges. The balances related to the Knox County Railroad Authority, a minor component unit of the County, are also excluded. The excluded balances for each of the three entities are not significant, totaling approximately 1.3% of total assets and less than 1% of total expenses reported in the CAFR.

The County and the Board have various balances and transactions between the two entities that are reflected in the financial statements reported in the CAFR. All of the significant amounts have been eliminated from the combined amounts discussed in this report.

Revenues (Where the Money Comes From)

Revenues for the County's and Board's governmental activities are derived primarily from local taxes (mostly property taxes and sales taxes) and revenues received from the State of Tennessee. The largest of these other sources is the revenue from the Basic Education Program, which is used 100% for education purposes. In 2010 the County and Board had experienced reductions compared to 2009, due to the economic recession. 2011 has seen significant improvements in these categories. Property tax collections increased, primarily due to more aggressive collection efforts. Sales taxes also increased, largely as a result of the collection of certain revenues that had been credited to another local government in error in previous years. Other revenues also increased due to various other factors, resulting in an overall increase in total revenues from 2010 of nearly \$46 million. Table 1, shown below, contains a recap of the revenues for 2011 and 2010.

Major revenue sources include the following:

Property Taxes are levied on property located in the County, and assessed to property owners based on an established percentage of estimated fair market value of the property. These taxes are allocated to general government purposes, education, and debt service. For 2011, the allocation of property taxes was as follows:

County General Fund:	41.1%
Schools General Fund:	45.8%
Debt Service Fund:	13.1%

Sales taxes are collected based on sales of goods and services in the County.

Lodging taxes are collected from operators of hotels and motels on their guests. These revenues are used to promote tourism and related economic activity in the County.

Business taxes consist of the annual amount imposed on each business, plus the gross receipts tax that is collected on sales. These taxes are used for general government purposes.

Wheel taxes are collected from each motor vehicle registration.

Charges for services include licenses, permits, fines and forfeitures, and various other user fees.

Operating grants and contributions primarily consists of amounts received from the federal and state governments for various programs.

State shared revenues include revenues collected by the state (the Hall income tax on certain types of investment income, liquor and beer taxes, and other similar amounts), a portion of which is remitted to local governments.

Basic Education Program revenue is received from the state, which determines the amount to be received by each school system based on a formula.

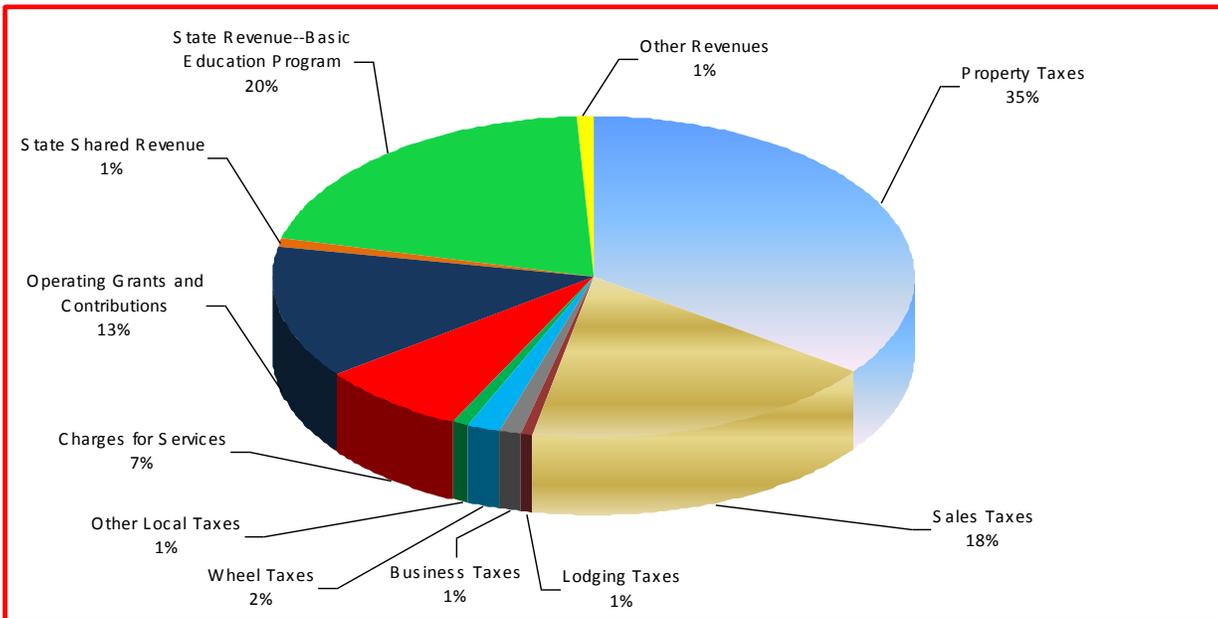
Other revenues include interest and various miscellaneous sources.

Table 1: Knox County Revenues

	Year Ended June 30:		2011 % of total	Change from 2010 to 2011:	
	2011	2010		Amount	% Change
Taxes:					
Property Taxes	\$ 254,510,420	\$ 241,392,831	35%	\$ 13,117,589	5.4%
Sales Taxes	130,406,330	124,478,243	18%	5,928,087	4.8%
Lodging Taxes	5,152,412	4,830,079	1%	322,333	6.7%
Business Taxes	7,347,327	6,332,408	1%	1,014,919	16.0%
Wheel Taxes	12,462,604	11,966,128	2%	496,476	4.1%
Other Local Taxes	5,627,676	5,734,783	1%	(107,107)	-1.9%
Total Taxes	415,506,769	394,734,472		20,772,297	
Program Revenues:					
Charges for Services	53,773,377	51,595,096	7%	2,178,281	4.2%
Operating Grants and Contributions	99,931,308	91,541,128	13%	8,390,180	9.2%
Total Program Revenues	153,704,685	143,136,224		10,568,461	
Other Revenues:					
State Shared Revenue	6,864,127	7,441,094	1%	(576,967)	-7.8%
State Revenue--Basic Education Program	145,735,671	139,899,700	20%	5,835,971	4.2%
Other Revenues	14,289,644	5,089,808	1%	9,199,836	180.8%
Total Other Revenues	166,889,442	152,430,602		14,458,840	9.5%
Total Revenues	\$ 736,100,896	\$ 690,301,298	100%	\$ 45,799,598	6.6%

(Note: 2011 revenues consist of revenues reported for the Knox County governmental activities (\$281,542,949), plus revenues reported for the Board's governmental activities (\$535,252,827), less eliminations for payments reported from the County to the Board (\$54,748,832) and payments from the Board to the County (\$25,946,048). See pages 20 and 63 of the 2011 CAFR.)

Knox County Revenues 2011



Expenses (Where the Money Goes)

Table 2 shows the uses of the County's and Board's resources in governmental activities. The expenses are categorized by function, or where the money is spent. The functions include:

Finance and Administration includes services provided by County Commission, Mayor, Internal Audit, Election Commission, Codes Administration, Finance, Purchasing, Human Resources, Property Assessor, Information Technology, and others.

Administration of Justice includes various courts, Attorney General, Public Defender, Probation/Pre-trial Release, and others.

Public Safety includes Sheriff, Correctional Facilities, Juvenile Services, Fire Prevention, and others.

Public Health and Welfare includes operations and activities of County Health Department and solid waste and recycling activities.

Social and Cultural Activities includes parks and recreation, libraries, senior centers, and others.

Other General Government includes agricultural extension services, veterans' services, audit services, insurance, and miscellaneous other services.

Engineering and Public Works includes various activities necessary to maintain roads and highways in the county.

Education includes the activities of the Knox County Board of Education, which operates the Knox County Schools. Expenses include amounts for instructional and support services for the school system, which primarily serves County students in elementary school through high school age groups.

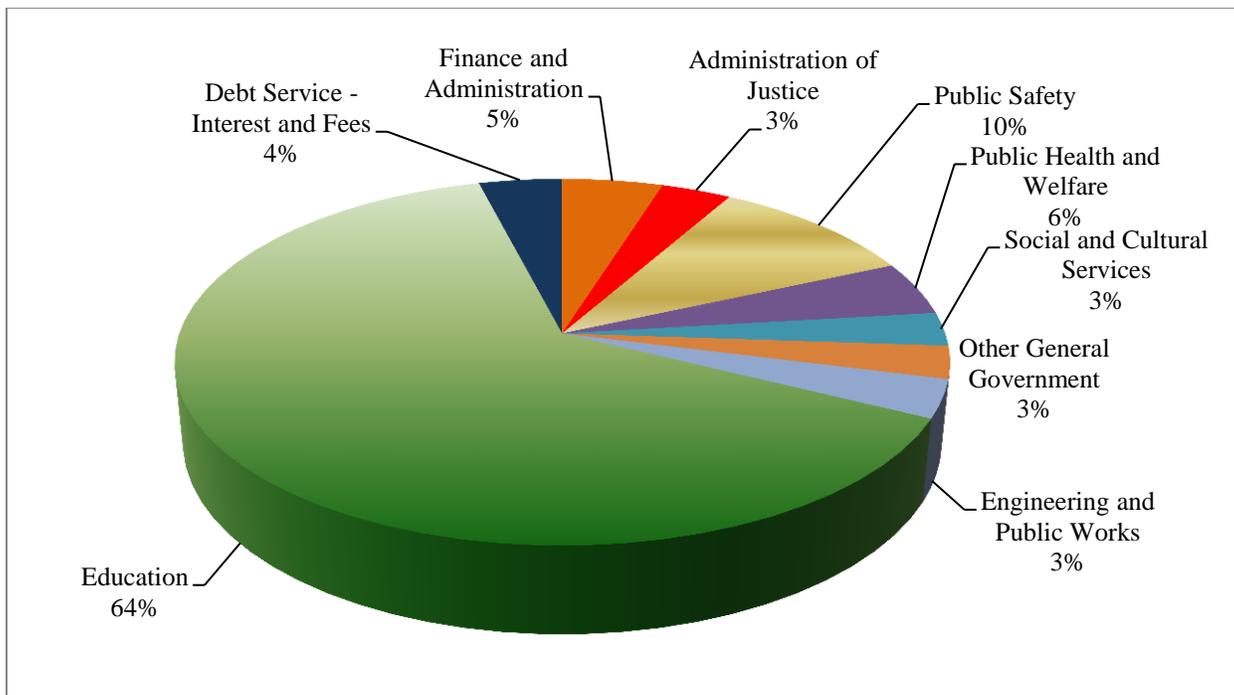
Debt Service – Interest and Fees includes interest on the County's long-term obligations along with fees and expenses related to those obligations.

Table 2: Knox County Expenses

	Year Ended June 30:		2011 % of total	Change from 2010 to 2011:	
	2011	2010		Increase (Decrease) Amount	% Change
Expenses--Governmental activities:					
Finance and Administration	\$ 35,025,924	\$ 35,504,141	5%	\$ (478,217)	-1.3%
Administration of Justice	24,277,040	22,383,386	3%	1,893,654	8.5%
Public Safety	72,461,674	74,436,026	10%	(1,974,352)	-2.7%
Public Health and Welfare	33,987,874	38,623,222	5%	(4,635,348)	-12.0%
Social and Cultural Services	21,140,636	21,594,069	3%	(453,433)	-2.1%
Other General Government	20,632,988	17,307,539	3%	3,325,449	19.2%
Engineering and Public Works	24,045,860	24,009,373	3%	36,487	0.2%
Education	456,045,794	453,998,119	64%	2,047,675	0.5%
Debt Service - Interest and Fees	28,885,417	25,524,229	4%	3,361,188	13.2%
Total governmental activities	\$ 716,503,207	\$ 713,380,104	100%	\$ 3,123,103	0.4%

(Note: 2011 expenses consist of expenses reported for governmental activities for the County (\$315,206,245) and the Board (\$481,991,842), less eliminations for payments from the County to the Board (\$54,748,832) and payments from the Board to the County (\$25,946,048). See pages 20 and 63 of the 2011 CAFR. In addition, certain expenses for 2010 have been reclassified to conform to the 2011 classifications.)

Knox County Expenses 2011



Assets, Liabilities and Net Assets

Table 3 below shows the condensed statement of net assets for the County’s and Board of Education’s combined governmental activities as of June 30, 2011 and 2010. Current and other assets consist primarily of cash, investments and amounts receivable from others at year end. The majority of the increase from 2010 to 2011 is due to the increase in amounts on hand at June 30, 2011 for various restricted purposes, primarily proceeds from debt restricted for the acquisition of capital assets. The majority (nearly two-thirds)

of total assets consists of capital assets, which include long-lived assets such as land, buildings, machinery and equipment, and infrastructure (roads, streetlights, and other similar immovable assets).

Many of the capital assets, which have long useful lives, are acquired by use of the proceeds from issuing long-term obligations. Long-term obligations consist of bonds and notes payable and (in 2010) capital lease obligations. All County long-term obligations are general obligation debt, meaning that they are backed by the full faith and credit of the County. All County long-term obligations have been issued for capital purposes (with the single exception of bonds issued to fund the obligations of the Uniformed Officers Pension Plan), and no debt proceeds are used for current operating purposes. Because the Board of Education is restricted by law from issuing its own debt, the County issues debt on behalf of the Board, which then acquires the capital assets.

Long-term liabilities increased by nearly \$5 million. The increase resulted primarily from additional bonds issued to acquire capital assets in accordance with the County’s approved Capital Improvement Plan, less payments made on debt. Other liabilities increased by \$16 million, primarily due to increases in the amounts of unearned revenue attributable to taxes levied for the subsequent fiscal year, plus increases in accounts payable.

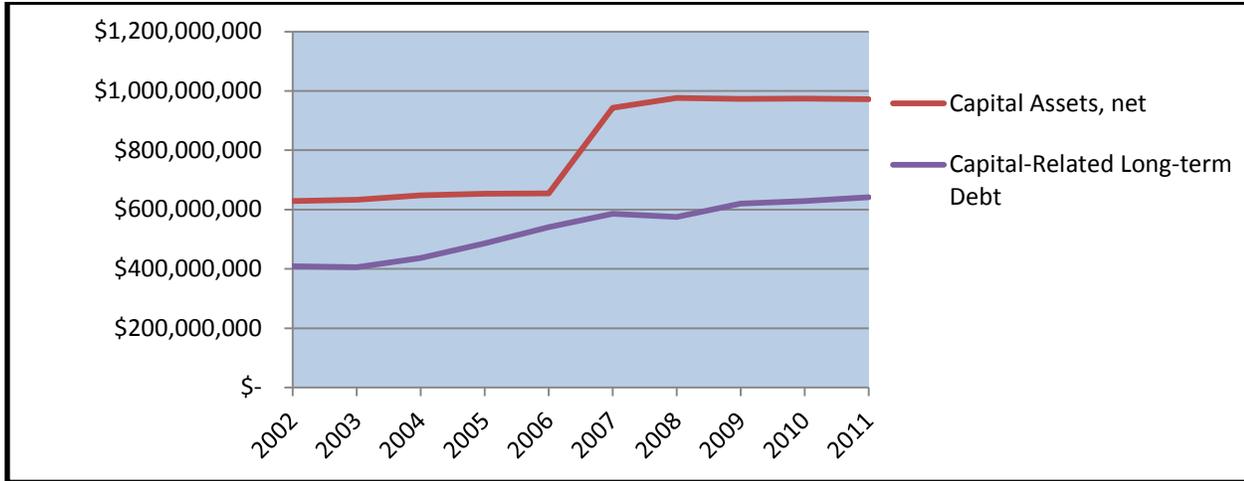
Total net assets increased by nearly \$20 million in 2011. This resulted primarily from the aforementioned increase in local property taxes and sales taxes.

Table 3: Knox County Net Assets

	Governmental Activities, June 30:		Increase (Decrease)	
	2011	2010	Amount	% Change
Current and Other Assets	\$ 568,955,395	\$ 526,052,790	\$ 42,902,605	8.2%
Capital Assets	972,291,014	974,389,490	(2,098,476)	-0.2%
Total Assets	1,541,246,409	1,500,442,280	40,804,129	2.7%
Long-term Liabilities	727,536,838	722,609,242	4,927,596	0.7%
Other Liabilities	348,295,393	332,016,549	16,278,844	4.9%
Total Liabilities	1,075,832,231	1,054,625,791	21,206,440	2.0%
Net Assets:				
Invested in Capital Assets, net of related debt	330,769,110	354,305,999	(23,536,889)	-6.6%
Restricted	49,275,790	40,323,405	8,952,385	22.2%
Unrestricted	85,369,278	51,187,085	34,182,193	66.8%
Total Net Assets	\$ 465,414,178	\$ 445,816,489	\$ 19,597,689	4.4%

(Note: 2011 assets, liabilities, and net assets consist of amounts reported in the 2011 CAFR for the Knox County governmental activities (\$51,450,959 net assets), plus amounts reported for the Board’s governmental activities (\$413,963,963,219 net assets). Total assets for governmental activities for the County (\$953,296,862) and the Board (\$590,426,581) have been adjusted to eliminate the effects of amounts due from the Board to the County (\$1,645,115) and from the County to the Board (\$831,919). The total amount of interentity balances of \$2,477,034 has also been eliminated from the total liabilities reported for the County (\$901,845,903) plus the total liabilities reported for the Board (\$176,463,362) to derive the total liabilities amount shown above. See pages 19 and 58 of the 2011 CAFR.)

Capital Assets and Capital-Related Long-term Debt



This graph shows the relationship between the County’s and Board’s assets and the balances of the related debt that financed them. Balances are shown as of June 30 for each year shown. Capital assets are shown net of the related depreciation. Capital-related debt includes bonds, notes and capital leases. Capital asset totals exceed the debt balances because some capital assets, particularly items with shorter expected lives such as certain equipment, are acquired using other resources. Although the relationship between the asset balances and the debt balances may fluctuate (for example, typically amounts are borrowed up front to finance capital assets that are placed in service at a later date), it may be seen from this graph that amounts borrowed result in corresponding increases in the amounts of capital assets used in operations.

Budgetary Information and Fund Balance

Knox County’s budgetary process consists of two distinct phases: planning for annual operations, and planning for capital projects.

Budgeting for Annual Operations:

The funds included in the governmental activities of the County and the Board of Education are generally governed by legally adopted annual budgets. These budgets are approved by the Knox County Commission (the Board’s budget is approved in total by the Commission, and the Board controls its budget at the detail level) and result in constraints over the use of resources. As noted earlier, the major resources include local taxes (primarily property taxes and sales taxes) and shared revenues from the State of Tennessee. The County Commission adopts a property tax rate at the same time that the annual budget is adopted. Table 4 shows the budget adopted for the fiscal year ended June 30, 2011, with the adopted budget for the next fiscal year that will end June 30, 2012. The amounts shown are for the County General Fund, the Board’s separate General Fund, and the Debt Service Fund, which are the funds that receive revenues from property taxes and the largest funds that are annually budgeted. From 2011 to 2012, the County General Fund budget has decreased in total and in seven of the nine functional areas shown. The Public Safety budget increased by \$2.1 million, and the budget for Agriculture & Natural Resources increased by a small amount of \$2,350. The budgets for the school system operations and debt service increased, reflecting increases needed for student instruction and for retiring the amount of outstanding debt.

Table 4: Knox County Budgeted Funds Receiving Property Taxes

	Adopted 2010-2011	Adopted 2011-2012	Change from FY2011-FY2012	Tax Rate	
				FY11	FY12
Knox County General Fund:					
General Administration	\$ 12,218,567	\$ 11,469,197	\$ (749,370)		
Finance	13,020,932	12,961,413	(59,519)		
Administration of Justice	11,472,512	11,404,383	(68,129)		
Public Safety	68,866,041	71,038,032	2,171,991		
Public Health and Welfare	24,546,946	22,485,976	(2,060,970)		
Social/Cultural/Recreational	4,499,825	4,245,676	(254,149)		
Agricultural & Natural Resources	406,489	408,839	2,350		
Other General Government	14,860,541	14,129,664	(730,877)		
Net Operating Transfers	1,682,095	1,091,082	(591,013)		
Total County General Fund	151,573,948	149,234,262	(2,339,686)	\$0.97	\$0.97
Board of Education General Fund:					
General Purpose Schools	378,705,000	384,670,000	5,965,000	\$1.08	\$1.08
Knox County Debt Service Fund					
	66,750,000	71,750,000	5,000,000	\$0.31	\$0.31
Total	\$ 597,028,948	\$ 605,654,262	\$ 8,625,314	\$2.36	\$2.36

Knox County’s property tax rate of \$2.36 for the fiscal year ending June 30, 2012 is the lowest of the four largest counties in Tennessee. The rates for each of these counties are:

Shelby	\$4.06
Davidson	\$3.56
Hamilton	\$2.77
Knox	\$2.36

Budgeting for Capital Purposes:

As evidence of the County’s commitment to build the facilities necessary to serve the citizens of Knox County and promote economic development within the County and region, the County Commission adopted the Knox County Capital Improvement Plan. At the recommendation of the County Mayor, the five-year capital plan represents a road map of anticipated major capital projects. It does not represent appropriations and is subject to annual revisions or modifications. These individual projects will be funded primarily by proceeds from general obligation debt. Issuing long-term debt for capital purposes helps to match the usefulness of capital assets over a long time period with the related debt payments being made.

During FY 2011, the County and the Board expended significant resources in the following major construction/renovation projects in accordance with the County's Capital Plan:

General Construction/Renovation:

- General Project Management
- Various Library Upgrades
- Technology Upgrades
- Energy Management Project
- City County Improvements/Developments
- Many Parks and Greenways Improvements

Road Construction/Improvements:

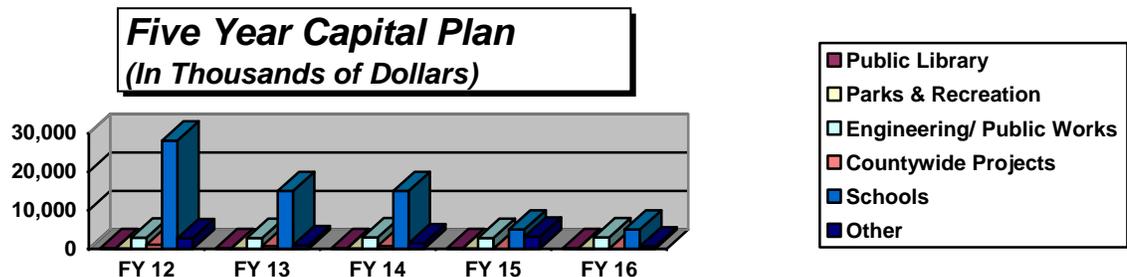
- Dry Gap Pike
- Various Stormwater Improvements
- Gallaher View Road
- General Road Improvements
- Dutchtown Road

School Construction/Renovation:

- Physical Plant Upgrades
- Energy Management Project
- Ball Camp Elementary School

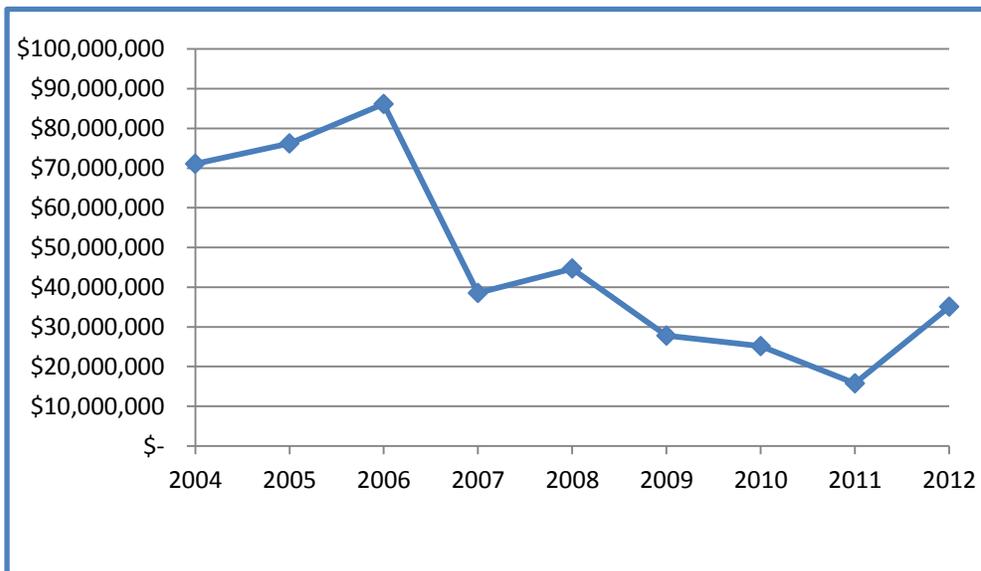
The following summarizes the capital improvement plan net of estimated allocations for project schedule variances (amounts expressed in thousands):

Project Description	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	TOTAL
Libraries	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 750
Countywide Projects	1,057	777	777	-	-	5,908
Parks & Recreation	100	100	100	100	100	500
Engineering & Public Works	2,929	2,800	3,000	2,800	2,950	14,479
Building Improvements & Other	2,700	929	1,426	3,125	625	8,805
Schools	28,100	15,000	15,000	5,000	5,000	68,100
Total – Approved Projects	\$ 35,036	\$ 19,756	\$ 20,453	\$ 11,175	\$ 8,825	\$ 99,245



As noted above, on an annual basis a capital improvement plan is prepared for the upcoming fiscal year plus the next four fiscal years as a guide to planning, scheduling and anticipating financing needs for the total five-year period. Because it is expected that future economic conditions and other circumstances will change future needs, the County does not appropriate amounts for projects beyond the immediately upcoming fiscal year. The following graph shows the amounts approved by County Commission for the immediately upcoming fiscal year included in each of the annual capital plans from fiscal years 2004 through 2012. As part of the County’s ongoing plan to hold the line on capital expenditures, thus reducing the amounts required to be borrowed to fund those expenditures, management has reduced the levels of approved capital projects over the past several years. The amounts shown for fiscal years 2005 and 2006 included funding for a new high school, built because of growth in the County. Subsequent years have decreased and the fiscal year ending June 30, 2011 included approved funding for less than \$16 million of new project expenditures. The fiscal year ending June 30, 2012 includes approved funding of \$35 million. This total includes \$17 million for a new elementary school, plus several school upgrades, for a total for school projects of \$28 million.

Knox County Capital Plans



Fund Balances:

In a government, the General Fund is used to account for activities that are not required to be accounted for in another fund due to legal requirements or sound financial management. For example, in the County separate funds are used to account for debt service activities, and both the County and the Board use separate funds to account for most federal and state grant activities. The Knox County government maintains a General Fund, and the Board of Education maintains its own General Fund, designated as the “General Purpose School” fund. Within each fund, the fund balance (assets less liabilities) is divided into a nonspendable portion, which is not available to be expended, and a “spendable” portion. “Spendable” fund balance may have portions restricted, committed, or assigned, which reflect various types of constraints on future use. The portion of general fund balance remaining after all nonspendable, restricted, committed, and assigned amounts have been deducted is considered unassigned, and represents amounts that would be available for future needs, including unforeseen risks, and that would help allow a government to maintain stable tax rates and appropriate service levels. Maintaining an appropriate level of fund balance requires striking a balance between keeping an adequate amount

available for future needs while not keeping excess amounts on hand that could be used for current operations, thus reducing the need to obtain amounts from taxpayers in amounts higher than really needed.

Table 5 shows the relationship between unassigned fund balance in both the County General Fund and the Board’s General Purpose School Fund for FY 2010 and 2011. For the County General Fund, unassigned fund balance averages nearly 30% of annual expenditures. At June 30, 2011 the unassigned fund balance amount of \$43,521,876 is 28.67% of fiscal year 2011 expenditures. Put another way, this amount represents expenditures for nearly 3.5 months. The corresponding amount for the General Purpose School Fund averages 5% to 7% of expenditures. State law allows that amounts exceeding 3% of annual budgeted operating expenditures may be appropriated for operations while the 3% should be retained in the fund. The General Purpose School Fund balance comfortably exceeds the amount to be retained.

Table 5: General Fund Balance

	<u>Unassigned Fund Balance</u>	<u>Total Expenditures</u>	<u>Unassigned Fund Balance as Percentage of Fund Expenditures</u>
Knox County General Fund:			
2010	42,041,215	149,537,519	28.11%
2011	43,521,876	151,787,439	28.67%
General Purpose School Fund			
2010	20,094,621	367,190,790	5.47%
2011	27,141,440	369,975,807	7.34%

Bond Ratings

Bond ratings are a measure of the soundness of the financial condition of a government, and higher ratings on a government’s debt result in lower borrowing costs. Knox County’s debt is rated AA+ by Standard & Poor’s and Aa1 by Moody’s. These rating are investment grade and only one step below the highest possible rating available from each rating agency. Both rating agencies view the outlook for their ratings as stable. Standard & Poor’s upgraded the County’s rating to AA+ during fiscal year 2009, and affirmed it subsequently. Moody’s upgraded the County’s rating to Aa1 during fiscal 2010. These ratings are the highest ever on County debt. The ratings agencies cited various factors that have contributed to these high ratings:

- Economically sizable and stable economic base and diverse economy
- The County’s consistent track record of conservative financial management
- Very strong financial position with a very strong general fund balance in relation to expenditures
- Overall moderate debt burden combined with manageable capital needs.

Conclusion

We appreciate your interest in the financial information of Knox County. For additional information about Knox County Government, please see the County website at <http://www.knoxcounty.org/>