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

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
June 30, 2018 and 2017

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

TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION	
Letter of Transmittal	i-v
GFOA Certificate of Achievement for Excellence in Financial Reporting for the 2017 CAFR	vi
Organizational Chart	vii
Roster of Officials and Others	viii
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Statements of Net Position	13-14
Statements of Revenues, Expenses and Changes in Net Position	15-16
Statements of Cash Flows	17-18
Notes to the Financial Statements	19-33
Supplementary Information	
Schedule of Net Position by Activity	34-35
Schedule of Revenues, Expenses, and Changes in Net Position by Activity	36-37
Schedule of Revenues, Expenses, and Changes in Net Position – Budget to Actual by Activity	38-61
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component – Last Ten Fiscal Years	62
Changes in Net Position – Last Ten Fiscal Years	63
Properties Managed – Last Ten Fiscal Years	64-65
Capital Projects Completed – Last Five Fiscal Years	66
Telecommunication Services – Last Ten Fiscal Years	67
Demographic and Economic Statistics – Last Ten Calendar Years	68
Principal Employers – Current Calendar Year and Nine Years Ago	69
Number of Employees by Activity – Last Ten Fiscal Years	70
INTERNAL CONTROL AND COMPLIANCE SECTION	
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*	71-72

INTRODUCTORY SECTION

City County Building
400 Main Street, Suite M-22
Knoxville, Tennessee 37902
Phone: (865) 215-2121
Fax: (865) 215-2662
www.ktnpba.org

Jayne Burritt, Administrator/CEO

Board of Directors

Scott Davis, Chair
Chuck Severance, Vice Chair
Hubert Smith, Secretary
Shane Jackson, Treasurer

Heather Anderson
Winston Frazier
Jennifer Holder
Jason Legg
Daniel Brown
Keena Strickland
Billy Stokes

October 31, 2018

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 Comprehensive Annual Financial Report (CAFR) is published to fulfill these requirements for the fiscal years ended June 30, 2018 and 2017.

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 Comprehensive Annual Financial Report

The CAFR is presented in four sections: Introductory, Financial, Statistical and Internal Control and Compliance. The Introductory Section includes this Letter of Transmittal, 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, 2018 and 2017. 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 2019.

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 1,112 wholesale establishments, 1,606 retail establishments, and 8,247 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. Around 11.338 million people visited the National Park in 2017, a .2% increase over 2016.

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. This contributes to a low unemployment rate, which was 3.5 % in Knox County at July 31, 2018. This compares favorably to the national unemployment rate of 4.1% and the state rate of 4.0%.

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 fifth highest per capita sales tax rate in the state, at roughly 203.29% of the state average. In fiscal years 2018 and 2017, respectively, sales tax collections on a countywide basis were $844,110,844 and $822,338,022. This represents an increase of 3%.

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 $34,854,046 and $17,808,200 respectively in which PBA is involved.

Projects	Total Budget	FY 2019 *	FY 2020 to FY 2023
City Projects:			
City ADA Improvements	$ 1,300,000	$ 1,300,000	$ 0
City County Building Development Services – City Portion	600,000	600,000	0
City County Building 5th Floor Renovations	29,000	29,000	0
Demo by Neglect – Washington Ave Ph II	12,520	12,520	0
Ed Cothren Pool Resurfacing	100,000	100,000	0
Fulton High School Tennis Courts Resurfacing	30,000	30,000	0
Harriet Tubman Park Clubhouse/Playground	450,000	450,000	0
Harriet Tubman Tennis Courts Repairs	30,000	30,000	0
Knoxville Civic Auditorium & Coliseum	10,000,000	10,000,000	0
Knoxville Convention & Exhibition Center	2,165,000	2,165,000	0
Public Works Complex – Ph III	681,349	681,349	0
Public Works Complex – Ph IV	762,451	762,451	0
State Street Garage Additions (2 decks)	11,000,000	11,000,000	0
Suttree Landing Pavilion & Shoreline	1,550,000	1,550,000	0
Transit Center Deck Repairs	129,626	129,626	0
Volunteer Landing Dock & Replacements	500,000	500,000	0
World's Fair Park Amphitheater & Sunsphere	2,500,000	2,500,000	0
World's Fair Park Performance Lawn & Stage	3,000,000	3,000,000	0
Total City Projects	34,854,046	34,854,046	0
County Projects:			
City County Building District Attorney Office Reconfiguration	28,000	28,000	0
City County Building – Jury Room & Restroom Renovations	164,000	164,000	0
City County Building Development Services - MPC	460,000	451,000	9,000
Farragut Strang Senior Center Relocation & Renovation	2,000,000	2,000,000	0
Health Department Fitness Center - Main	150,000	150,000	0
IC King Park Expansion	707,000	707,000	0
Knox County Programming *(Initial Estimate-Scope pending)*	12,000,000	6,000,000	6,000,000
Knox-Blount Greenway (TDOT)	1,451,000	1,000,000	451,000
South Doyle BMX Track	848,200	848,200	0
Total County Projects	17,808,200	11,348,200	6,460,000
Total All Projects	$ 52,662,246	$ 46,202,246	$ 6,460,000

***FY 2019 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 PBA has undergone a recent period of growth and expansion in almost every department. Property Management continues to take on more properties as we continue to expand in custodial, maintenance and security. Custodial is an area that we decided to bring in-house for smaller properties and the parking garages. Maintenance has focused on assisting our clients with HVAC upgrades and on-going maintenance. Security continues to upgrade cameras with a major renovation of the communication center to expand the number of cameras being monitored. Property Management will be assessing our properties and focusing on our processes to offer the best service.

The PBA Property Development department continues to work alongside our clients to assist with future project needs. They have some unique projects coming up that will showcase their attention to detail. The projects vary in size from $12,000 to $12,000,000 – sometimes the smaller projects are more challenging that the larger ones.

With the expansion of State Street Garage, PBA Parking will be working with Property Development to move parkers to accommodate construction. Parking needs continue to grow in downtown Knoxville making it a challenge to help workers and residences find parking.

The Finance department plans to streamline processes to make purchasing less cumbersome. The major focus will be on implementing a new online purchase order system. The new system will incorporate our procurement guidelines to assist our employees with purchases for their departments and projects.

With any growth, there are some growing pains. Management continues to focus on working as a team and building a strong foundation for our employees. Our employees really are the backbone of our organization. They are out there working with our clients and represent our future. They are the reasons that we continue to grow at an incredible pace.

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 comprehensive annual financial report for the fiscal years ended June 30, 2017 and 2016. This was the fourteenth 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 comprehensive annual 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 this CAFR results from the combined efforts of the staff of the Finance Department. 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.

Respectfully submitted,

Jayne Burritt
Administrator/CEO

Robyn Smith, CPA
Director of Finance

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

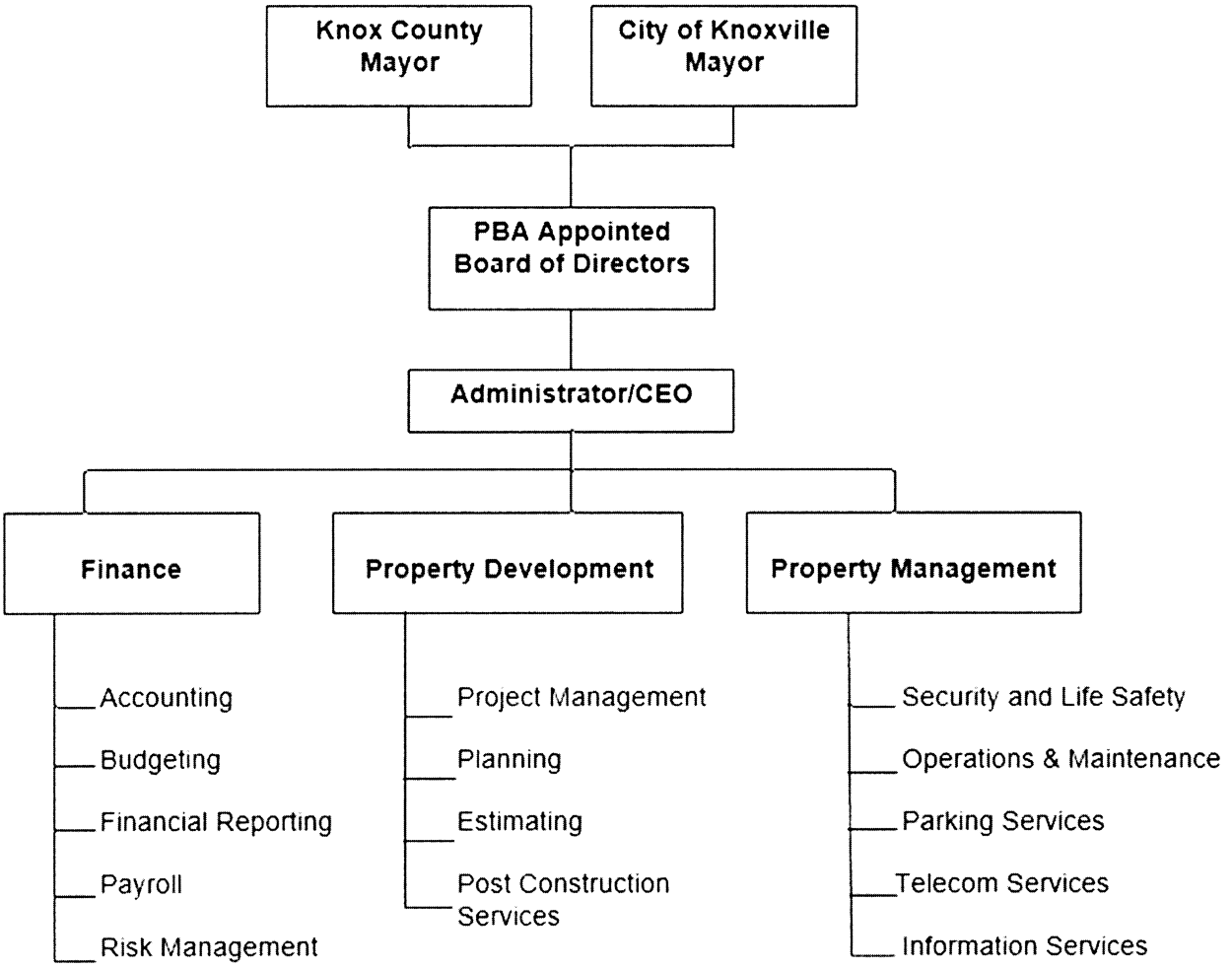
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

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

Organizational Chart
June 30, 2018



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

ROSTER OF OFFICIALS AND OTHERS

June 30, 2018

Board of Directors	Expiration of Term
Scott Davis, Chair	2023
Chuck Severance, Vice-Chair	2021
Hubert Smith, Secretary	2023
Shane Jackson, Treasurer	2023
Billy J. Stokes, Executive Committee	2019
Winston Frazier	2019
Heather Anderson	2021
Jason Legg	2023
Jennifer Holder	2021
Daniel Brown	2023
Keena Strickland	2023

Management

Jayne Burritt, Administrator/CEO

Robyn Smith, Director of Finance

Kristin Grove, Director of Property Development

David Lively, Director of Facilities Operations and Engineering

Independent Auditor

Mauldin & Jenkins
Certified Public Accountants
Chattanooga, Tennessee

Legal Counsel

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

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the 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 audits. We conducted our audits 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.

537 MARKET STREET, SUITE 300 • CHATTANOOGA, TENNESSEE 37402-1239 • 423-756-6133 • FAX 423-756-2727 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • RSM INTERNATIONAL

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the PBA as of June 30, 2018 and 2017, and the changes in financial position and cash flows 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 4-12 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 collectively comprise the PBA's basic financial statements. The supplementary information (schedule of net position by activity, schedule of revenues, expenses, and changes in net position by activity, and schedule of revenues, expenses, and changes in net position – budget to actual by activity), 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 (schedule of net position by activity, schedule of revenues, expenses, and changes in net position by activity, and schedule of revenues, expenses, and changes in net position – budget to actual by activity) are 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 (schedule of net position by activity, schedule of revenues, expenses, and changes in net position by activity, and schedule of revenues, expenses, and changes in net position – budget to actual by activity) 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 October 31, 2018, on our consideration of the 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 PBA's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee
October 31, 2018

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, 2018, 2017 and 2016. 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, 2018, 2017 and 2016 were $12,614,290, $12,353,346, and $15,879,618, and exceeded liabilities (net position) by $9,044,251, $8,999,126, and $11,226,581 respectively. Of the total net position, $3,945,845, $3,556,461, and $3,238,721 was unrestricted and was available to support short-term operations for the years ending June 30, 2018, 2017 and 2016, respectively.

- Operating revenues were $17,703,274, $16,363,612, and $15,155,459 for the years ending June 30, 2018, 2017 and 2016, representing an increase of 8.19%, 7.97%, and 6.12% from prior years.

- During 2018 there was a decrease of $(344,259) in net position investment in capital assets and an increase in unrestricted net position of $389,384 which combined for the overall increase in net position of $45,125.

- Operating expenses before depreciation increased by $776,970 and increased by $1,541,712 during 2018 and 2017, representing an 5.2% increase and 11.47% increase from 2017 and 2016.

- Operating income for 2018 was $1,234,188 representing an increase of $585,544 from 2017. The change in net position, before capital contributions and deductions, increased by $2,253,923 when compared to 2017.

- The ratios of operating income to total operating revenues were 7.0% for 2018, 4.0% for 2017 and 3.9% for 2016.

- Capital asset replacement reserve contributions were $1,168,656 for 2018, $1,150,000 for 2017 and $1,298,538 for 2016.

- Capital contributions returned were $2,303,966 for 2018, $1,789,698 for 2017 and $1,868,586 for 2016, an increase of $514,268 and a decrease of $78,888 when compared to 2017 and 2016.

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.

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, 2018 and 2017 and 2016

	2018	2017	2016
ASSETS			
Current Assets	$ 7,516	$ 6,911	$ 7,892
Net Capital Assets	5,098	5,443	7,988
TOTAL ASSETS	$ 12,614	$ 12,354	$ 15,880
LIABILITIES			
Current Liabilities	$ 3,403	$ 3,173	$ 4,448
Non-Current Liabilities	167	182	205
TOTAL LIABILITIES	3,570	3,355	4,653
NET POSITION			
Investment in Capital Assets	5,098	5,443	7,988
Unrestricted	3,946	3,556	3,239
Total Net Position	9,044	8,999	11,227
TOTAL LIABILITIES AND NET POSITION	$ 12,614	$ 12,354	$ 15,880

Condensed Statements of Revenues, Expenses,
and Changes in Net Position
(In Thousands of Dollars) For the Fiscal Years Ended June 30, 2018 and 2017 and 2016

	2018	2017	2016
Operating Revenues			
Rentals – Net	$ 4,766	$ 4,558	$ 4,580
Management Fees	8,975	8,009	7,492
Parking	3,962	3,796	3,083
Total Operating Revenues	17,703	16,363	15,155
Operating Expenses			
Salaries and Benefits	7,928	7,729	6,477
Office	120	141	146
Education and Training	15	6	13
Purchased Services and Supplies	1,490	1,541	1,577
Operating Contracts	2.510	2.058	1,905
Utilities	2,204	2,232	2,134
Communications	125	148	112
Insurance	306	311	310
Professional Fees	67	70	252
Depreciation	705	728	1,118
Maintenance Facility	120	129	107
Other	879	622	412
Total Operating Expenses	16,469	15,715	14,563
Operating Income (Loss)	1,234	648	592
Non-Operating Revenues (Expenses)			
Interest Income	35	28	22
Bank Charges	(89)	(89)	(62)
Capital Contributions Returned	(2,304)	(1,790)	(1,869)
Total Non-Operating Revenues (Expenses) – Net	(2,358)	(1,851)	(1,909)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	(1,124)	(1,203)	(1,317)

(Continued)

	2018	2017	2016
Capital Contributions			
Capital Contributions	1,169	1,150	1,299
Extraordinary Gain			
Transfer of Capital Assets	0	(2,175)	0
Increase (Decrease) in Net Position	45	(2,228)	(18)
Net Position, Beginning of Year	8,999	11,227	11,245
Net Position, End of Year	$ 9,044	$ 8,999	$ 11,227

OTHER SELECTED INFORMATION

	2018	2017	2016
Space (in Square Feet) Under Management	1,633,247	1,606,971	1,561,411
Number of Parking Spaces Under Management	7,612	6,770	6,785
Parks – Number of Acres Under Management	32	32	32
Employees at Year-End:			
Facilities Management	69	65	67
Safety and Security	58	59	53
Property Development	5	5	4
Telecommunications	11	10	11
Administrative	9	8	7
Total	152	147	142

	2018	2017	2016
Average Number of Employees	150	150	119
Per Average Employee:			
Operating Revenues	$ 118,022	$ 109,091	$ 127,356
Operating Expenses	$ 109,794	$ 104,766	$ 122,380
Ratio of Operating Revenues to:			
Operating Expenses	107%	104%	104%
Operating Expenses – Net of Depreciation	112%	109%	113%
Total Assets	140%	121%	95%
Net Position	196%	182%	135%

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 $45,125, $(2,227,455), and $(18,069) for the years ending June 30, 2018, 2017 and 2016, respectively. At the request of our clients (City of Knoxville and Knox County), we returned City and County assets at the beginning of fiscal year 2017. Prior year decreases are the result of shortening the life of assets due to a change in policy.

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 $1,168,656 and $1,150,000 for 2018 and 2017, respectively. The contributions consist of the following:

June 30, 2018		Capital Reserves
County:		
City County Building	$	713,000
Telecommunications		150,000
Total County		863,000
City:		
City County Building		287,000
City Parks		0
KAT Facilities		0
Telecommunications		18,656
Total City		305,656
Others		0
Total	$	1,168,656

June 30, 2017		Capital Reserves
County:		
City County Building	$	499,100
Telecommunications		150,000
Total County		649,100
City:		
City County Building		200,900
City Parks		0
KAT Facilities		300,000
Telecommunications		0
Total City		500,900
Others		0
Total	$	1,150,000

Capital Contributions (Deductions) (Continued)

Reserves returned to the City and County during 2018 totaled $2,239,273 and represented a refund of operating results above the calculated desired reserve. Additionally, operating reserves of $25,033 were refunded to the Emergency Communications District, $5,877 to the Development Corporation Board, $18,641 to Knox County Schools, $5,998 to Knoxville Utilities Board, and $9,144 to the Industrial Development Board, also representing operating reserves above the calculated needed reserve.

Reserves returned to the City and County during 2017 totaled $1,761,154 and represented a refund of operating results above the calculated desired reserve. Additionally, operating reserves of $2,988 were refunded to the Emergency Communications District, $6,319 to the Development Corporation Board, $10,621 to Knox County Schools, and $8,616 to the Industrial Development Board, also representing operating reserves above the calculated needed reserve.

Operating Expenses

Operating expenses during 2018, 2017, and 2016 increased/(decreased) by $754,118, $1,151,709 and ($212,608) or 4.8%, 7.9%, and (1.4%), respectively. This was a result of major increases (decreases) such as:

	2018	2017	2016
Salaries and Benefits	$ 198,640	$ 1,252,248	$ (116,867)
Purchased Services and Supplies	(50,668)	(36,815)	289,290
Operating Contracts	452,889	152,312	209,473
Utilities	(27,767)	97,925	126,605
Other - Net	181,024	(313,961)	(721,109)
Total	$ 754,118	$ 1,151,709	$ (212,608)

Depreciation expense was $704,866, $727,718, and $1,117,721 in 2018, 2017 and 2016, respectively.

Capital Assets

During 2018, 2017, and 2016, PBA increased/(decreased) its producing capital assets cost by $360,607, ($4,602,679), and $1,265,451 respectively. These (decreases)/increases consist of the following:

	2018	2017	2016
Site Improvements	$ 0	$ (1,134,007)	$ 506,592
Building Improvements	151,731	(2,981,130)	475,047
Machinery and Equipment	208,876	(428,015)	141,196
Data Processing Equipment and Software	0	(59,527)	77,027
Vehicles	0	0	65,589
Total	$ 360,607	$ (4,602,679)	$ 1,265,451

The PBA's capital asset activity for 2018 and 2017 is described in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT FISCAL YEAR

- There is a 2.0% salary increase budgeted for FY 2019.
- Insurance expense is expected to decrease slightly.
- There is a 4.1% and 5.3% projected increase in operating expense budgets related to the City and County, respectively.
- City property budgets increased due to the addition of managing the new Riverwalk Parking Garage. County property budgets increased due to the addition of managing the new Knox County Public Works Complex and Libraries.
- FY 2019 Budget is summarized as follows:

Revenues	$	19,585,163
Expenses		18,714,757
Change in Net Position	$	870,406

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, 2018 and 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents	$ 6,470,191	$ 5,537,193
Receivables:		
Other Receivables	69,028	65,151
Due from City and County	878,655	1,189,256
Due from Other Governmental Agencies	575	5,190
Inventory	10,755	12,250
Prepaid Items	86,680	101,641
Total Current Assets	7,515,884	6,910,681
CAPITAL ASSETS		
Property and Equipment	12,140,863	11,780,256
Less: Accumulated Depreciation	(7,143,473)	(6,438,607)
Land	101,016	101,016
Construction in Progress	0	0
Net Capital Assets	5,098,406	5,442,665
TOTAL ASSETS	$ 12,614,290	$ 12,353,346

(Continued)

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

STATEMENTS OF NET POSITION

June 30, 2018 and 2017

LIABILITIES AND NET POSITION

	2018	2017
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 1,687,225	$ 1,941,489
Due to City and County	1,292,379	888,209
Due to Other Governmental Agencies	64,693	28,544
Unearned Revenues	1,525	2,625
Customer Deposits	30,159	12,214
Compensated Absences Payable, Current Portion	327,463	299,510
Total Current Liabilities	3,403,444	3,172,591
NON-CURRENT LIABILITIES		
Compensated Absences Payable	166,595	181,629
Total Non-Current Liabilities	166,595	181,629
Total Liabilities	3,570,039	3,354,220
NET POSITION		
Investment in capital assets	5,098,406	5,442,665
Unrestricted	3,945,845	3,556,461
Total Net Position	9,044,251	8,999,126
TOTAL LIABILITIES AND NET POSITION	$ 12,614,290	$ 12,353,346

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, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Rental Income from City and County	$ 4,518,188	$ 4,328.993
Management Fees from City and County	8,642,266	7,697,552
Management Fees from Other Governmental Agencies	332,988	312,006
Other Rental Income - Net	248,321	229,219
Parking Revenues	3,961,511	3,795,842
Total Operating Revenues	17,703,274	16,363,612
OPERATING EXPENSES		
Salaries and Benefits	7,927,605	7,728,965
Office	119,614	141,114
Education and Training	14,765	6,306
Purchased Services and Supplies	1,489,749	1,540,417
Operating Contracts	2,510,628	2,057,739
Utilities	2,204,288	2,232,055
Communications	125,015	148,030
Insurance	306,291	310,951
Professional Fees	67,601	69,992
Depreciation	704,866	727,718
Maintenance Facility	119,686	129,310
Other	878,978	622,371
Total Operating Expenses	16,469,086	15,714,968
OPERATING INCOME	$ 1,234,188	$ 648,644

(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, 2018 and 2017

	2018	2017
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	$ 35,683	$ 28,043
Bank Charges	(89,436)	(89,499)
Capital Returned to City and County	(2,239,273)	(1,761,154)
Capital Returned to Other Governmental Agencies	(64,693)	(28,544)
Total Non-Operating Revenues (Expenses) - Net	(2,357,719)	(1,851,154)
DECREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND EXTRAORDINARY ITEM	(1,123,531)	(1,202,510)
CAPITAL CONTRIBUTIONS		
Cash:		
Capital Contributions from the City and County	1,168,656	1,150,000
EXTRAORDINARY ITEM		
Transfer of Capital Assets	0	(2,174,945)
INCREASE/(DECREASE) IN NET POSITION	45,125	(2,227,455)
NET POSITION, BEGINNING OF YEAR	8,999,126	11,226,581
NET POSITION, END OF YEAR	$ 9,044,251	$ 8,999,126

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, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from City and County	$ 13,471,056	$ 13,411,874
Receipts from Other Governmental Agencies	337,602	354,109
Receipts from Other Customers	4,223,899	4,001,277
Payments to Employees	(7,914,685)	(7,724,623)
Payments to Suppliers	(8,075,523)	(8,399,290)
Net Cash Provided by Operating Activities	2,042,349	1,643,347
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributed by City and County	1,168,656	1,150,000
Capital Returned to City and County	(1,835,103)	(1,923,257)
Capital Returned to Other Governmental Agencies	(28,544)	(38,695)
Capital Asset Additions	(360,607)	(357,468)
Net Cash Used by Capital and Related Financing Activities	(1,055,598)	(1,169,420)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Deposits	35,683	28,043
Bank Charges	(89,436)	(89,499)
Net Cash Provided (Used) by Investing Activities	(53,753)	(61,456)
NET INCREASE IN CASH AND CASH EQUIVALENTS	932,998	412,471
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,537,193	5,124,722
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,470,191	$ 5,537,193

(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, 2018 and 2017

	2018	2017
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 1,234,188	$ 648,644
Depreciation	704,866	727,718
Changes in:		
Accounts Receivable	(3,877)	(17,281)
Due from City and County	310,602	1,385,329
Due from Other Governmental Agencies	4,614	42,103
Prepaid Items	14,962	(16,589)
Inventory	1,495	(15)
Accounts Payable and Accrued Liabilities	(254,264)	(1,127,025)
Customer Deposits	17,944	(6,504)
Compensated Absences Payable	12,919	4,342
Unearned Revenues	(1,100)	2,625
Net Cash Provided by Operating Activities	$ 2,042,349	$ 1,643,347

The accompanying notes are an integral part of these financial statements

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. For the year ended June 30, 2013, the PBA implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

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. For City-owned properties a capital asset replacement reserve is included in the budgets. 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:

	Years
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 2018 and 2017 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
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
Young Williams AWC

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 Promenade Parking Lot, 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 will expire June 30, 2020. 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. The contract will expire July 14, 2020. This contract may be terminated upon 180 days written notice by either party.

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 will expire on June 30, 2020.

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, 2019. 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. The contract will expire on June 30, 2019. 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.

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 expired on September 30, 2015 and is still pending.

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 Development 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 can be terminated upon 180 days written notice by any party.

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 Federal Funds plus 30 basis points for 2018 and 30 basis points for 2017. The effective rate of interest on all collected funds was .30% at year-end 2018 and .30% at the year-end 2017. All funds are available on demand.

The PBA's cash and cash equivalents at June 30, 2018 and 2017 are as follows:

	2018	2017
Petty Cash	$ 2,150	$ 2,250
Demand Deposits	6,468,041	5,534,943
Total	$ 6,470,191	$ 5,537,193

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 decline 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 $35,683 and $28,403 for 2018 and 2017, respectively. Bank charges are shown separately and were $89,436 and $89,499 for 2018 and 2017, respectively.

NOTE 6 - CAPITAL ASSETS

Capital asset activity during the year ended June 30, 2018 was as follows:

	Balances July 1, 2017	Additions	Disposals	Transfers	Balances June 30, 2018
Capital Assets, Not Being Depreciated:					
Land	$ 101,016	$	$	$	$ 101,016
Construction in Progress	0				0
Subtotal	101,016				101,016
Capital Assets Being Depreciated:					
Site Improvements	69,255				69,255
Buildings & Improvements	8,706,144	151,731			8,857,875
Machinery & Equipment	2,400,693	208,876			2,609,569
Data Processing Equipment & Software	176,139				176,139
Vehicles	428,025				428,025
Subtotal	11,780,256	360,607			12,140,863
Less: Accumulated Depreciation:					
Site Improvements	(57,350)	(4,754)			(62,104)
Building Improvements	(4,209,883)	(414,419)			(4,624,302)
Machinery & Equipment	(1,695,673)	(239,210)			(1,934,883)
Data Processing Equipment & Software	(161,333)	(6,042)			(167,375)
Vehicles	(314,368)	(40,441)			(354,809)
Subtotal	(6,438,607)	(704,866)			(7,143,473)
Total Capital Assets Being Depreciated – Net	5,341,649	(344,259)			4,997,390
Total Capital Assets - Net	$ 5,442,665	$ (344,259)	$	$	$ 5,098,406

NOTE 6 - CAPITAL ASSETS (continued)

During the year ended June 30, 2017, the PBA transferred capital assets to the City and County resulting in a net loss of $2,174,945 which is reported as an extraordinary item in the Statement of Revenues, Expenses, and Changes in Net Position.

Capital asset activity during the year ended June 30, 2017 was as follows:

	Balances July 1, 2016	Additions	Disposals	Transfers	Balances June 30, 2017
Capital Assets, Not Being Depreciated:					
Land	$ 101,016	$	$ 0	$	$ 101,016
Construction in Progress	18,485		(18,485)		0
Subtotal	119,501		(18,485)		101,016
Capital Assets Being Depreciated:					
Site Improvements	1,203,262		(1,134,007)		69,255
Buildings & Improvements	11,687,274	31,618	(3,012,748)		8,706,144
Machinery & Equipment	2,828,708	325,850	(753,865)		2,400,693
Data Processing Equipment & Software	235,666		(59,527)		176,139
Vehicles	428,025				428,025
Subtotal	16,382,935	357,468	(4,978,632)		11,780,256
Less: Accumulated Depreciation:					
Site Improvements	(540,032)	(4,754)	487,436		(57,350)
Building Improvements	(5,509,125)	(439,160)	1,738,402		(4,209,883)
Machinery & Equipment	(2,033,890)	(233,703)	571,920		(1,695,673)
Data Processing Equipment & Software	(158,714)	(8,548)	5,929		(161,333)
Vehicles	(272,815)	(41,553)			(314,368)
Subtotal	(8,514,576)	(727,718)	2,803,687		(6,438,607)
Total Capital Assets Being Depreciated – Net	7,868,359	(370,250)	(2,156,460)		5,341,649
Total Capital Assets - Net	$ 7,987,860	$ (370,250)	$ (2,174,945)	$	$ 5,442,665

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation expense was charged as follows:

	2018	2017
Andrew Johnson Building/Dwight Kessel Metropolitan Parking Garage	$ 699	$ 699
City County Building	542,944	559,450
City Parking Facilities	9,383	13,760
City Parks	7,566	11,545
Juvenile Justice Center	7,636	7,636
Knox Central	1,998	1,998
Old Court House	2,039	2,039
Other	13,010	13,010
Telecom	119,591	117,581
Total	$ 704,866	$ 727,718

NOTE 7 - COMPENSATED ABSENCES PAYABLE

Compensated absences activity during the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Balance, Beginning of Year	$ 481,139	$ 476,796
Earned	331,817	301,135
Used	318,898	296,792
Balance, End of Year	$ 494,058	$ 481,139
Current Portion	$ 327,463	$ 299,510
Non-Current Portion	166,595	181,629
Total	$ 494,058	$ 481,139

NOTE 8: - NET POSITION

Net position represents the difference between assets and liabilities. The net position at June 30, 2018 and 2017 were as follows:

	2018	2017
Investment in Capital Assets:		
Net Capital Assets	$ 5,098,406	$ 5,442,665
Unrestricted:		
Designated for Operating Reserve	1,214,394	1,176,394
Designated for Capital Asset Replacement	2,731,451	2,380,067
	3,945,845	3,556.461
Total	$ 9,044,251	$ 8,999,126

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, 2018 and 2017 is as follows:

	2018	2017
City	$ 3,455,700	$ 3,816,779
County	5,563,041	5,156,837
Others:		
Development Corp. of Knox County	4,610	4,610
Emergency Communications District	9,500	9,500
Knox County Schools	11,400	11,400
Total	$ 9,044,251	$ 8,999,126

NOTE 9 – OPERATING REVENUES

Operating revenues earned during the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Rental Income from City and County	$ 4,518,188	$ 4,328,993
Other Rental Income:		
Gross Revenues	248,321	229,219
Other Rental Income – Net	248,321	229,219
Management Fees from the City and County	8,642,266	7,697,552
Management Fees from Other Governmental Agencies	332,988	312,006
Parking Revenues:		
Gross Revenues	3,961,511	3,795,842
Less: Commissions to Vendor	0	0
Net Parking Revenues	3,961,511	3,795,842
Total	$ 17,703,274	$ 16,363,612

NOTE 9 - OPERATING REVENUES (continued)

In 2017, the PBA elected not to renew a third- party vendor contract for the collection of parking revenues. The PBA directly managed the collection of parking revenues, and no vendor commissions were paid in 2018 and 2017.

NOTE 10 – CAPITAL CONTRIBUTIONS AND DEDUCTIONS

During the year ended June 30, 2018, capital contributions and deductions were as follows:

	City	County	Others	Total
Capital Contributions				
Capital Asset Replacement Reserves	$ 305,656	863,000	0	1,168,656
Capital Deductions				
Capital Contributions Returned	(1,751,371)	(487,902)	(64,693)	(2,303,966)
Total - Net	$ (1,445,715)	375,098	(64,693)	(1,135,310)

During the year ended June 30, 2017, capital contributions and deductions were as follows:

	City	County	Others	Total
Capital Contributions				
Capital Asset Replacement Reserves	$ 500,900	649,100	0	1,150,000
Capital Deductions				
Capital Contributions Returned	(1,517,082)	(244,072)	(28,544)	(1,789,698)
Total - Net	$ (1,016,182)	405,028	(28,544)	(639,698)

During the year ended June 30, 2018, the PBA returned to the City, the County, the Emergency Communications District, Knox County Schools, the Development Corporation Board, and the Industrial Development Board operating funds in excess of those agreed upon to be held in separate operating reserves; $1,751,371 was returned to the City, $487,902 was returned to the County, $25,033 was returned to the Emergency Communications District, $18,641 was returned to Knox County Schools, $5,877 was returned to the Development Corporation Board, $5,998 was returned to Knoxville Utilities Board and $9,144 was returned to the Industrial Development Board. These funds represented the results of operations.

During the year ended June 30, 2017, the PBA returned to the City, the County, the Emergency Communications District, Knox County Schools, the Development Corporation Board, and the Industrial Development Board operating funds in excess of those agreed upon to be held in separate operating reserves; $1,517,082 was returned to the City, $244,072 was returned to the County, $2,988 was returned to the Emergency Communications District, $10,621 was returned to Knox County Schools, $6,319 was returned to the Development Corporation Board, and $8,616 was returned to the Industrial Development Board. These funds represented the results of operations.

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 2018 and 2017:

June 30, 2018	City	County	Total
Due From, End of Year	$ 709,565	$ 169,090	$ 878,655
Due To, End of Year	804,476	487,903	1,292,379
Rental Income	1,296,720	3,221,468	4,518,188
Management Fees	4,975,003	3,667,263	8,642,266
Parking Revenues	3,195,895	765,616	3,961,511

June 30, 2017	City	County	Total
Due From, End of Year	$ 973,014	$ $ 216,242	$ $ 1,189,256
Due To, End of Year	644,137	244,072	888,209
Rental Income	1,242,421	3,086,572	4,328,993
Management Fees	4,648,674	3,048,878	7,697,552
Parking Revenues	3,023,930	771,912	3,795,842

During the years ended June 30, 2018 and 2017, approximately 53% and 54% of operating revenues, respectively, were from the City. During the years ended June 30, 2018 and 2017, approximately 43% and 42% 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 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018. The CAFR 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, 2018 and 2017, PBA employees made contributions of $341,468 and $331,293 respectively. During 2018 and 2017, PBA made matching employer contributions of $341,468 and $331,293, 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, 2018 and 2017, PBA employees made voluntary contributions of $106,307 and $97,229 respectively. During 2018 and 2017, PBA made matching employer contributions of $56,124 and $50,339 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, 2018 and 2017 is $208. The County DC Plan will make matching contributions of 50% of the participant's, up to a maximum of $208. During 2018 and 2017, the Retirement and Pension Board contributions were $3,595 and $3,513, respectively.

Participants are always 100% vested in voluntary and matching contributions. During 2018 and 2017, PBA employees made voluntary contributions of $7,090 and $7,338, 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, 2018

	Property Management - City Properties								
	Parking Facilities	Police Department	Parks	Transit Facility	Downtown Cinema	On Street Parking	Public Works Complex	Riverwalk Parking Garage	Total City Properties
Assets:									
Current Assets									
Cash and Cash Equivalents	$ 433,195	3,508	863,959	293,116	47,657	133,561	42,967	(30,528)	1,787,435
Receivables:									
Other Receivables	30,134	0	34,070	0	0	0	650	0	64,854
Due from County	0	0	0	0	0	0	0	0	0
Due from City	0	0	0	0	0	0	0	0	0
Due from Other Governmental Agencies	0	0	0	0	0	0	0	0	0
Due from Other Departments	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0	0	0	0
Total Current Assets	463,329	3,508	898,029	293,116	47,657	133,561	43,617	(30,528)	1,852,289
Capital Assets									
Building Improvements	0	0	0	0	0	0	0	0	0
Site Improvements	0	0	0	0	0	0	0	0	0
Data Processing Equipment and Software	14,000	0	0	0	0	0	0	0	14,000
Machinery and Equipment	79,331	0	74,825	0	0	0	0	0	154,156
Vehicles	20,922	0	211,691	0	0	0	0	0	232,613
Total Capital Assets	114,253	0	286,516	0	0	0	0	0	400,769
Less: Accumulated Depreciation	(91,353)	0	(278,646)	0	0	0	0	0	(369,999)
Construction in Progress	0	0	0	0	0	0	0	0	0
Net Capital Assets	22,900	0	7,870	0	0	0	0	0	30,770
Total Assets	$ 486,229	3,508	905,899	293,116	47,657	133,561	43,617	(30,528)	1,883,059
Liabilities:									
Current Liabilities									
Accounts Payable and Accrued Liabilities	$ 56,698	159	168,554	57,213	1,921	19,593	5,040	4,771	313,949
Due to City	0	0	0	0	0	0	0	0	0
Due to County	0	0	0	0	0	0	0	0	0
Due to Other Governmental Agencies	0	0	0	0	0	0	0	0	0
Due to (from) Other Departments	349,267	3,159	259,556	79,293	35,802	101,706	34,911	(35,299)	828,395
Unearned Revenues	1,525	0	0	0	0	0	0	0	1,525
Customer Deposits	2,500	0	23,712	0	3,947	0	0	0	30,159
Compensated Absences Payable	31,220	126	65,244	27,062	1,430	8,127	2,430	0	135,639
Total Current Liabilities	441,210	3,444	517,066	163,568	43,100	129,426	42,381	(30,528)	1,309,667
Non-Current Liabilities									
Compensated Absences Payable	15,883	64	33,193	13,767	727	4,135	1,236	0	69,005
Total Non-Current Liabilities	15,883	64	33,193	13,767	727	4,135	1,236	0	69,005
Total Liabilities	457,093	3,508	550,259	177,335	43,827	133,561	43,617	(30,528)	1,378,672
Net Position									
Investment in Capital Assets	22,900	0	7,870	0	0	0	0	0	30,770
Unrestricted:									
Designated for Operating Reserve	0	0	0	0	3,830	0	0	0	3,830
Designated for Capital Asset Replacement Reserve	6,236	0	347,770	115,781	0	0	0	0	469,787
Total Net Position	29,136	0	355,640	115,781	3,830	0	0	0	504,387
Total Liabilities and Net Position	$ 486,229	3,508	905,899	293,116	47,657	133,561	43,617	(30,528)	1,883,059

Andrew Johnson Building/ Dwight Kessel Metropolitan Parking Garage	Family Investment Center	Forensic Center	Health Department	Juvenile Justice Center	Knox Central	Libraries	Old Court House	Public Defender	Senior Centers	Young Williams AWC	Total County Properties
$ 269,051	34,867	60,580	61,225	55,175	15,328	8,955	115,155	42,118	12,003	41,057	715,514
695	0	0	0	0	0	0	0	0	0	0	695
0	0	0	0	0	0	0	13,275	0	0	0	13,275
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
269,746	34,867	60,580	61,225	55,175	15,328	8,955	128,430	42,118	12,003	41,057	729,484
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
23,120	0	0	0	0	0	0	0	0	0	0	23,120
1,000	0	0	5,028	0	6,656	0	0	0	0	0	12,684
0	0	0	0	41,000	10,000	0	10,200	0	0	0	61,200
24,120	0	0	5,028	41,000	16,656	0	10,200	0	0	0	97,004
(22,367)	0	0	(5,028)	(31,754)	(11,648)	0	(9,172)	0	0	0	(79,969)
0	0	0	0	0	0	0	0	0	0	0	0
1,753	0	0	0	9,246	5,008	0	1,028	0	0	0	17,035
$ 271,499	34,867	60,580	61,225	64,421	20,336	8,955	129,458	42,118	12,003	41,057	746,519
$ 28,972	6,919	7,475	13,170	24,185	7,817	2,803	37,435	890	5,922	1,563	137,151
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
215,895	24,457	47,476	39,133	5,255	1,139	4,747	68,723	40,350	826	37,857	485,858
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
16,490	2,314	3,731	5,913	17,057	4,224	931	14,762	582	3,483	1,085	70,572
261,357	33,690	58,682	58,216	46,497	13,180	8,481	120,920	41,822	10,231	40,505	693,581
8,389	1,177	1,898	3,009	8,678	2,148	474	7,510	296	1,772	552	35,903
8,389	1,177	1,898	3,009	8,678	2,148	474	7,510	296	1,772	552	35,903
269,746	34,867	60,580	61,225	55,175	15,328	8,955	128,430	42,118	12,003	41,057	729,484
1,753	0	0	0	9,246	5,008	0	1,028	0	0	0	17,035
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
1,753	0	0	0	9,246	5,008	0	1,028	0	0	0	17,035
$ 271,499	34,867	60,580	61,225	64,421	20,336	8,955	129,458	42,118	12,003	41,057	746,519

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

SCHEDULE OF NET POSITION BY ACTIVITY (Continued)
June 30, 2018

	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	$ 3,091,654	40,491	16,854	5,651,948	105,704	150,669	561,870	6,470,191
Receivables:								
Other Receivables	0	0	0	65,549	0	279	3,200	69,028
Due from County	0	0	0	13,275	0	16,801	139,014	169,090
Due from City	0	0	0	0	0	8,116	701,449	709,565
Due from Other Governmental Agencies	0	0	0	0	0	35	540	575
Due from Other Departments	0	0	0	0	0	0	1,539,206	1,539,206
Inventory	0	0	0	0	0	10,755	0	10,755
Prepaid Items	0	0	0	0	0	0	86,680	86,680
Total Current Assets	3,091,654	40,491	16,854	5,730,772	105,704	186,655	3,031,959	9,055,090
Capital Assets								
Land	0	0	0	0	0	0	101,016	101,016
Buildings	0	0	0	0	0	0	528,264	528,264
Building Improvements	8,316,810	0	0	8,316,810	0	0	12,801	8,329,611
Site Improvements	69,255	0	0	69,255	0	0	0	69,255
Data Processing Equipment and Software	103,470	0	0	140,590	0	18,751	16,798	176,139
Machinery and Equipment	1,056,060	0	0	1,222,900	0	1,386,669	0	2,609,569
Vehicles	83,080	0	0	376,893	0	51,132	0	428,025
Total Capital Assets	9,628,675	0	0	10,126,448	0	1,456,552	658,879	12,241,879
Less: Accumulated Depreciation	(5,411,263)	0	0	(5,861,231)	0	(1,130,036)	(152,206)	(7,143,473)
Construction in Progress	0	0	0	0	0	0	0	0
Net Capital Assets	4,217,412	0	0	4,265,217	0	326,516	506,673	5,098,406
Total Assets	$ 7,309,066	40,491	16,854	9,995,989	105,704	513,171	3,538,632	14,153,496
Liabilities:								
Current Liabilities								
Accounts Payable and Accrued Liabilities	$ 336,345	2,568	4,583	794,596	23,204	51,954	817,471	1,687,225
Due to City	0	0	0	0	0	0	804,476	804,476
Due to County	0	0	0	0	0	0	487,903	487,903
Due to Other Governmental Agencies	0	0	0	0	0	0	64,693	64,693
Due to (from) Other Departments	51,430	25,863	6,301	1,397,847	69,064	72,295	0	1,539,206
Unearned Revenues	0	0	0	1,525	0	0	0	1,525
Customer Deposits	0	0	0	30,159	0	0	0	30,159
Compensated Absences Payable	77,672	1,697	901	286,481	8,905	32,077	0	327,463
Total Current Liabilities	465,447	30,128	11,785	2,510,608	101,173	156,326	2,174,543	4,942,650
Non-Current Liabilities								
Compensated Absences Payable	39,515	863	459	145,745	4,531	16,319	0	166,595
Total Non-Current Liabilities	39,515	863	459	145,745	4,531	16,319	0	166,595
Total Liabilities	504,962	30,991	12,244	2,656,353	105,704	172,645	2,174,543	5,109,245
Net Position								
Investment in Capital Assets	4,217,412	0	0	4,265,217	0	326,516	506,673	5,098,406
Unrestricted:								
Designated for Operating Reserve	339,038	9,500	4,610	356,978	0	0	857,416	1,214,394
Designated for Capital Asset Replacement Reserve	2,247,654	0	0	2,717,441	0	14,010	0	2,731,451
Total Net Position	6,804,104	9,500	4,610	7,339,636	0	340,526	1,364,089	9,044,251
Total Liabilities and Net Position	$ 7,309,066	40,491	16,854	9,995,989	105,704	513,171	3,538,632	14,153,496

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, 2018

	Property Management - City Properties								
	Parking Facilities	Police Department	Parks	Transit Facility	Downtown Cinema	On Street Parking	Public Works Complex	Riverwalk Parking Garage	Total City Properties
Operating Revenues:									
Rental Income from City and County	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Management Fees from City and County	0	7,395	2,375,635	1,120,866	36,185	612,934	209,923	0	4,362,938
Management Fees from Other Governmental Agencies	0	0	0	0	41,334	0	0	0	41,334
Rental and Event Revenues	47,024	0	140,781	0	52,096	0	0	0	239,901
Parking Revenues	3,102,002	0	78,090	0	0	0	0	0	3,180,092
Total Operating Revenues	3,149,026	7,395	2,594,506	1,120,866	129,615	612,934	209,923	0	7,824,265
Operating Expenses:									
Direct:									
Property Management									
Management	839,012	(26)	160,694	14,203	1,859	3,247	3,494	1,389	1,023,872
Safety and Services	261,093	3,741	463,936	372,868	12,223	459,781	12,416	3,640	1,589,698
Operations and Maintenance	563,592	0	1,732,430	805,426	70,066	0	142,249	30,269	3,344,032
Other Management Services									
Property Development	0	0	0	0	0	0	0	0	0
Telecom Services	0	0	0	0	0	0	0	0	0
Total Direct Operating Expenses	1,663,697	3,715	2,357,060	1,192,497	84,148	463,028	158,159	35,298	5,957,602
Indirect:									
Corporate Administration	48,260	172	60,553	27,369	3,211	15,974	5,644	0	161,183
Finance	82,684	295	104,274	46,936	5,520	27,032	9,451	0	276,192
MIS	30,688	110	38,623	17,414	2,046	10,082	3,540	0	102,503
Total Indirect Operating Expenses	161,632	577	203,450	91,719	10,777	53,088	18,635	0	539,878
Total Operating Expenses	1,825,329	4,292	2,560,510	1,284,216	94,925	516,116	176,794	35,298	6,497,480
Operating Income (Loss)	1,323,697	3,103	33,996	(163,350)	34,690	96,818	33,129	(35,298)	1,326,785
Non-Operating Revenues (Expenses):									
Interest Income	2,506	15	5,540	2,417	239	632	229	0	11,578
Bank Charges	(63,329)	(9)	(3,560)	(1,485)	(140)	(357)	(130)	0	(69,010)
Capital Returned to City, County and Other Governmental Agencies	(1,282,253)	(3,109)	(239,066)	(70,697)	(34,789)	(97,093)	(33,228)	35,298	(1,724,937)
Total Non-Operating Revenues (Expenses) - Net	(1,343,076)	(3,103)	(237,086)	(69,765)	(34,690)	(96,818)	(33,129)	35,298	(1,782,369)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	(19,379)	0	(203,090)	(233,115)	0	0	0	0	(455,584)
Capital Contributions									
Cash:									
Operating Reserves from City and County and Other Governmental Agencies	0	0	0	0	0	0	0	0	0
Capital Asset Replacement Reserves from City and County	0	0	0	0	0	0	0	0	0
Total Capital Contributions	0	0	0	0	0	0	0	0	0
Extraordinary Item									
Transfer of Capital Assets	0	0	0	0	0	0	0	0	0
Increase (Decrease) in Net Position	(19,379)	0	(203,090)	(233,115)	0	0	0	0	(455,584)
Net Position, Beginning of Year	48,514	0	558,730	348,896	3,830	0	0	0	959,970
Net Position, End of Year	$ 29,135	$ 0	$ 355,640	$ 115,781	$ 3,830	$ 0	$ 0	$ 0	$ 504,386

Property Management - County Properties

Andrew Johnson Building/ Dwight Kessel Metropolitan Parking Garage	Family Investment Center	Health Department	Forensic Center	Juvenile Justice Center	Knox Central	Libraries	Old Court House	Public Defender	Senior Centers	Young Williams AWC	Total County Properties
$ 0	$ 0	$ 0	0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
232,698	143,029	310,473	253,706	667,955	233,048	302,430	596,412	70,310	195,785	72,044	3,077,890
0	0	0	0	0	0	0	0	0	0	0	0
0	0	8,420	0	0	0	0	0	0	0	0	8,420
726,358	0	0	0	0	0	0	0	0	0	0	726,358
959,056	143,029	318,893	253,706	667,955	233,048	302,430	596,412	70,310	195,785	72,044	3,812,668
143,994	3,784	10,252	5,728	21,252	10,525	6,489	13,749	1,757	4,632	1,918	224,080
144,734	15,681	37,986	21,403	232,243	18,413	0	235,795	0	10,852	0	717,107
375,152	88,575	208,038	160,492	367,190	187,508	266,922	236,101	23,168	164,717	27,157	2,105,020
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
663,880	108,040	256,276	187,623	620,685	216,446	273,411	485,645	24,925	180,201	29,075	3,046,207
22,969	3,511	7,838	6,217	16,494	5,818	8,122	14,673	1,696	4,926	1,722	93,986
39,449	6,037	13,475	10,683	28,352	9,949	13,600	25,293	2,927	8,381	2,983	161,129
14,628	2,238	4,994	3,961	10,509	3,695	5,094	9,365	1,083	3,119	1,102	59,788
77,046	11,786	26,307	20,861	55,355	19,462	26,816	49,331	5,706	16,426	5,807	314,903
740,926	119,826	282,583	208,484	676,040	235,908	300,227	534,976	30,631	196,627	34,882	3,361,110
218,130	23,203	36,310	45,222	(8,085)	(2,860)	2,203	61,436	39,679	(842)	37,162	451,558
1,084	188	407	332	577	158	156	698	200	135	193	4,128
(6,772)	(107)	(236)	(173)	(343)	(94)	(89)	(400)	(117)	(76)	(111)	(8,518)
(213,141)	(23,284)	(36,481)	(45,381)	215	798	(2,270)	(63,773)	(39,762)	783	(37,244)	(459,540)
(218,829)	(23,203)	(36,310)	(45,222)	449	862	(2,203)	(63,475)	(39,679)	842	(37,162)	(463,930)
(699)	0	0	0	(7,636)	(1,998)	0	(2,039)	0	0	0	(12,372)
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
(699)	0	0	0	(7,636)	(1,998)	0	(2,039)	0	0	0	(12,372)
2,452	0	0	0	16,882	7,006	0	3,067	0	0	0	29,407
$ 1,753	$ 0	$ 0	0	$ 9,246	$ 5,008	$ 0	$ 1,028	$ 0	$ 0	$ 0	$ 17,035

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, 2018

	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	$ 4,518,188	$ 0	$ 0	$ 4,518,188	$ 0	$ 0	$ 0	$ 4,518,188
Management Fees from City and County	0	0	0	7,440,828	565,910	635,528	0	8,642,266
Management Fees from Other Governmental Agencies	0	109,060	54,846	205,240	0	127,748	0	332,988
Rental and Event Revenues	0	0	0	248,321	0	0	0	248,321
Parking Revenues	55,061	0	0	3,961,511	0	0	0	3,961,511
Total Operating Revenues	4,573,249	109,060	54,846	16,374,088	565,910	763,276	0	17,703,274
Operating Expenses:								
Direct								
Property Management								
Management	746,217	1,253	531	1,995,953	0	0	13,010	2,008,963
Safety and Services	679,414	2,964	4,607	2,993,790	0	0	0	2,993,790
Operations and Maintenance	3,313,852	70,849	39,241	8,872,994	0	0	0	8,872,994
Other Management Services								
Property Development	0	0	0	0	409,849	0	0	409,849
Telecom Services	0	0	0	0	0	740,808	0	740,808
Total Direct Operating Expenses	4,739,483	75,066	44,379	13,862,737	409,849	740,808	13,010	15,026,404
Indirect								
Corporate Administration	114,256	2,694	1,377	373,496	28,315	28,532	0	430,343
Finance	196,370	4,634	2,363	640,688	48,760	48,987	0	738,435
MIS	72,792	1,717	877	237,677	18,061	18,166	0	273,904
Total Indirect Operating Expenses	383,418	9,045	4,617	1,251,861	95,136	95,685	0	1,442,682
Total Operating Expenses	5,122,901	84,111	48,996	15,114,598	504,985	836,493	13,010	16,469,086
Operating Income (Loss)	(549,652)	24,949	5,850	1,259,490	60,925	(73,217)	(13,010)	1,234,188
Non-Operating Revenues (Expenses):								
Interest Income	17,970	196	95	33,967	600	1,116	0	35,683
Bank Charges	(10,753)	(112)	(68)	(88,461)	(343)	(632)	0	(89,436)
Capital Returned to City, County and Other Governmental Agencies	0	(25,033)	(5,877)	(2,215,387)	(61,182)	(65,397)	38,000	(2,303,966)
Total Non-Operating Revenues (Expenses) - Net	7,217	(24,949)	(5,850)	(2,269,881)	(60,925)	(64,913)	38,000	(2,357,719)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	(542,435)	0	0	(1,010,391)	0	(138,130)	24,990	(1,123,531)
Capital Contributions (Deductions)								
Cash:								
Operating Reserves from City and County and Other Governmental Agencies	0	0	0	0	0	0	0	0
Capital Asset Replacement Reserves from City and County	1,000,000	0	0	1,000,000	0	168,656	0	1,168,656
Total Capital Contributions	1,000,000	0	0	1,000,000	0	168,656	0	1,168,656
Extraordinary Item								
Transfer of Capital Assets	0	0	0	0	0	0	0	0
Increase (Decrease) in Net Position	457,565	0	0	(10,391)	0	30,526	24,990	45,125
Net Position, Beginning of Year	6,346,540	9,500	4,610	7,350,027	0	310,000	1,339,099	8,999,126
Net Position, End of Year	$ 6,804,105	$ 9,500	$ 4,610	$ 7,339,636	$ 0	$ 340,526	$ 1,364,089	$ 9,044,251

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, 2018

	City Parking Facilities		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Parking Revenue	$ 2,892,260	$ 3,102,002	$ 209,742
Tenant Rental Income	47,178	47,024	(154)
Total Operating Revenues	2,939,438	3,149,026	209,588
Operating Expenses			
Direct:			
Salaries and Wages	671,422	688,814	(17,392)
Employee Benefits	251,782	237,287	14,495
Office Expenses	31,350	9,733	21,617
Education and Training	13,526	2,356	11,170
Operating Expenses	184,525	111,750	72,775
Operating Contracts	360,901	344,482	16,419
Utilities	177,500	199,912	(22,412)
Communications	35,180	25,349	9,831
Insurance	14,640	14,122	518
Professional Services	3,100	1,955	1,145
Maintenance Facility	10,108	8,557	1,551
Capital Purchases	65,350	9,996	55,354
Depreciation Expense	0	9,383	(9,383)
Total Direct Operating Expenses	1,819,384	1,663,697	155,687
Total Indirect Operating Expenses	167,616	161,632	5,984
Total Operating Expenses	1,987,000	1,825,329	161,671
Operating Income (Loss)	952,438	1,323,697	371,259
Non-Operating Revenues (Expenses)			
Interest Income	2,850	2,506	(344)
Bank Charges	(58,500)	(63,329)	(4,829)
Transfer of Operating Reserves	(896,788)	(1,282,253)	(385,465)
Net Non-Operating Revenues (Expenses)	(952,438)	(1,343,076)	(390,638)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	0	(19,379)	(19,379)
Extraordinary Item			
Transfer of Capital Assets	0	0	0
Increase (Decrease) in Net Position	$ 0	(19,379)	$ (19,379)
Net Position, Beginning of Year		48,514	
Net Position, End of Year		$ 29,135	

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, 2018

	The Knoxville Police Department		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	$ 7,395	$ 7,395	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	2,443	2,183	260
Employee Benefits	916	872	44
Office Expenses	400	11	389
Education and Training	500	0	500
Operating Expenses	2,300	624	1,676
Communications	65	1	65
Insurance	38	25	13
Professional Services	85	0	85
Maintenance Facility	0	0	0
Total Direct Operating Expenses	6,747	3,715	3,032
Total Indirect Operating Expenses	648	577	71
Total Operating Expenses	7,395	4,293	3,102
Operating Income	0	3,102	3,102
Non-Operating Revenues (Expenses)			
Interest Income	12	15	3
Bank Charges	(12)	(9)	3
Transfer of Operating Reserves	0	(3,109)	(3,109)
Net Non-Operating Revenues (Expenses)	0	(3,102)	(3,102)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	City Parks		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	$ 2,375,635	$ 2,375,635	$ 0
Parking Revenues	86,043	78,090	(7,953)
Rental and Event Income	98,760	140,781	42,021
Total Operating Revenues	2,560,438	2,594,506	34,068
Operating Expenses			
Direct:			
Salaries and Wages	856,851	733,239	123,612
Employee Benefits	321,320	300,083	21,237
Office Expenses	21,200	12,379	8,821
Education and Training	3,500	310	3,190
Operating Expenses	371,210	444,013	(72,803)
Operating Contracts	159,483	142,464	17,019
Utilities	434,000	369,634	64,366
Communications	22,500	19,245	3,255
Insurance	24,574	23,687	887
Professional Services	2,500	5,781	(3,281)
Maintenance Facility	28,959	24,512	4,447
Capital Purchases	100,000	274,145	(174,145)
Depreciation Expense	0	7,566	(7,566)
Total Direct Operating Expenses	2,346,097	2,357,060	(10,963)
Total Indirect Operating Expenses	213,098	203,450	9,648
Total Operating Expenses	2,559,195	2,560,510	(1,315)
Operating Income (Loss)	1,243	33,996	32,753
Non-Operating Revenue (Expenses)			
Interest Income	5,197	5,540	343
Bank Charges	(6,440)	(3,560)	2,880
Transfer of Operating Reserves	0	(239,066)	(239,066)
Net Non-Operating Revenues (Expenses)	(1,243)	(237,085)	(235,842)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	0	(203,090)	(203,090)
Capital Contributions			
Capital Asset Replacement Reserve	0	0	0
Increase (Decrease) in Net Position	$ 0	(203,090)	$ (203,090)
Net Position, Beginning of Year		558,730	
Net Position, End of Year		$ 355,640	

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, 2018

	Knoxville Area Transit Facilities		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	$ 1,120,866	$ 1,120,866	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	401,859	357,475	44,384
Employee Benefits	150,697	141,725	8,972
Office Expenses	6,750	2,234	4,516
Education and Training	3,500	91	3,409
Operating Expenses	101,000	121,501	(20,501)
Operating Contracts	202,206	194,206	8,000
Utilities	99,500	93,999	5,501
Communications	18,500	13,105	5,395
Insurance	5,985	5,764	221
Professional Services	500	118	383
Maintenance Facility	10,219	8,653	1,566
Capital Purchases	25,000	253,625	(228,625)
Depreciation Expense	0	0	0
Total Direct Operating Expenses	1,025,716	1,192,496	(166,780)
Total Indirect Operating Expenses	95,200	91,719	3,481
Total Operating Expenses	1,120,916	1,284,215	(163,299)
Operating Income (Loss)	(50)	(163,349)	(163,299)
Non-Operating Revenues (Expenses)			
Interest Income	1,200	2,416	1,216
Bank Charges	(1,150)	(1,485)	(335)
Transfer of Operating Reserves	0	(70,697)	(70,697)
Net Non-Operating Revenues (Expenses)	50	(69,766)	(69,816)
Increase in Net Position Before Capital Contributions	0	(233,115)	(233,115)
Capital Contributions			
Capital Asset Replacement Reserve	0	0	0
Increase (Decrease) in Net Position	$ 0	(233,115)	$ (233,115)
Net Position, Beginning of Year		348,896	
Net Position, End of Year		$ 115,781	

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, 2018

	Downtown Cinema		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Rental and Event Revenues	$ 52,096	$ 52,096	$ 0
Management Fees from City	36,185	36,185	0
Management Fees from Other Governmental Agencies	41,334	41,334	0
Total Operating Revenues	129,615	129,615	0
Operating Expenses			
Direct:			
Salaries and Wages	14,708	10,612	4,096
Employee Benefits	5,515	5,015	500
Office Expenses	150	437	(287)
Operating Expenses	40,300	11,244	29,056
Operating Contracts	52,179	53,396	(1,217)
Utilities	2,000	1,165	835
Communications	800	466	334
Insurance	726	705	21
Professional Services	500	(185)	685
Maintenance Facility	1,522	1,293	229
Capital Purchases	0	0	0
Total Direct Operating Expenses	118,400	84,148	34,252
Total Indirect Operating Expenses	11,235	10,777	458
Total Operating Expenses	129,635	94,925	34,710
Operating Income (Loss)	(20)	34,690	34,710
Non-Operating Revenues (Expenses)			
Interest Income	149	239	90
Bank Charges	(129)	(140)	(11)
Transfer of Operating Reserves	0	(34,789)	(34,789)
Net Non-Operating Revenues (Expenses)	20	(34,690)	(34,710)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		3,830	
Net Position, End of Year		$ 3,830	

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, 2018

	On Street Parking		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	$ 612,934	$ 612,934	$ 0
Parking Revenues	0	0	0
Total Operating Revenues	612,934	612,934	0
Operating Expenses			
Direct:			
Salaries and Wages	382,705	309,439	73,266
Employee Benefits	143,514	133,778	9,736
Office Expenses	2,000	1,212	788
Education and Training	0	46	(46)
Operating Expenses	22,000	12,310	9,690
Operating Contracts	0	0	0
Utilities	0	0	0
Communications	5,600	2,996	2,604
Insurance	3,369	3,247	122
Professional Services	0	0	0
Maintenance Facility	0	0	0
Capital Purchases	0	0	0
Total Direct Operating Expenses	559,188	463,028	96,160
Total Indirect Operating Expenses	53,746	53,088	658
Total Operating Expenses	612,934	516,116	96,818
Operating Income (Loss)	0	96,818	96,818
Non-Operating Revenues (Expenses)			
Interest Income	600	632	32
Bank Charges	(600)	(357)	243
Transfer of Operating Reserves	0	(97,093)	(97,093)
Net Non-Operating Revenues (Expenses)	0	(96,818)	(96,818)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Public Works Complex		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	$ 209,923	$ 209,923	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	56,817	39,158	17,659
Employee Benefits	21,307	20,005	1,302
Office Expenses	1,500	2,837	(1,337)
Operating Expenses	35,700	19,235	16,465
Operating Contracts	70,019	72,858	(2,839)
Utilities	0	0	0
Communications	1,680	572	1,108
Insurance	1,000	957	43
Professional Services	500	0	500
Maintenance Facility	2,993	2,537	456
Capital Purchases	0	0	0
Total Direct Operating Expenses	191,516	158,159	33,357
Total Indirect Operating Expenses	18,407	18,635	(228)
Total Operating Expenses	209,923	176,793	33,130
Operating Income (Loss)	0	33,130	33,130
Non-Operating Revenues (Expenses)			
Interest Income	50	229	179
Bank Charges	(50)	(131)	(81)
Transfer of Operating Reserves	0	(33,228)	(33,228)
Net Non-Operating Revenues (Expenses)	0	(33,130)	(33,130)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Riverwalk Parking Garage		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City	$ 0	$ 0	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	0	4,228	(4,228)
Employee Benefits	0	0	0
Office Expenses	0	360	(360)
Operating Expenses	0	10,227	(10,227)
Operating Contracts	0	20,483	(20,483)
Utilities	0	0	0
Communications	0	0	0
Insurance	0	0	0
Professional Services	0	0	0
Maintenance Facility	0	0	0
Capital Purchases	0	0	0
Total Direct Operating Expenses	0	35,298	(35,298)
Total Indirect Operating Expenses	0	0	0
Total Operating Expenses	0	35,298	(35,298)
Operating Income (Loss)	0	(35,298)	(35,298)
Non-Operating Revenues (Expenses)			
Interest Income	0	0	0
Bank Charges	0	0	0
Transfer of Operating Reserves	0	35,298	35,298
Net Non-Operating Revenues (Expenses)	0	35,298	35,298
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Andrew Johnson Building/Dwight Kessel Metropolitan Parking Garage		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 232,698	$ 232,698	$ 0
Parking Revenues	700,000	726,358	26,358
Total Operating Revenues	932,698	959,056	26,358
Operating Expenses			
Direct: Andrew Johnson Building			
Salaries and Wages	222,566	149,481	73,085
Employee Benefits	83,463	77,374	6,089
Office Expenses	5,400	2,214	3,186
Education and Training	1,000	25	975
Operating Expenses	65,700	39,709	25,991
Operating Contracts	168,887	166,953	1,934
Communications	5,850	2,340	3,510
Insurance	4,067	3,927	140
Professional Services	500	(2,717)	3,217
Maintenance Facility	10,551	8,929	1,622
Capital Purchases	0	0	0
Depreciation Expense	0	0	0
Total Direct Operating Expenses - Andrew Johnson Building	567,984	448,235	119,749
Direct: Dwight Kessel Metropolitan Parking Garage			
Salaries and Wages	133,732	84,500	49,232
Employee Benefits	49,481	47,812	1,669
Office Expenses	2,750	1,347	1,403
Education and Training	2,600	418	2,182
Operating Expenses	29,000	20,599	8,401
Operating Contracts	54,456	53,614	842
Communications	3,100	2,967	133
Insurance	2,369	2,291	78
Professional Services	500	142	358
Maintenance Facility	1,481	1,257	224
Depreciation Expense	0	699	(699)
Total Direct Operating Expenses - DKMPG	279,469	215,645	63,824
Total Indirect Operating Expenses	80,295	77,046	3,249
Total Operating Expenses	927,748	740,926	186,822
Operating Income (Loss)	4,950	218,130	213,180
Non-Operating Revenues (Expenses)			
Interest Income	565	1,084	519
Bank Charges	(5,515)	(6,773)	(1,258)
Transfer of Operating Reserves	0	(213,141)	(213,141)
Net Non-Operating Revenues (Expenses)	(4,950)	(218,829)	(213,879)
Increase (Decrease) in Net Position Before Extraordinary Item	0	(699)	(699)
Increase (Decrease) in Net Position	$ 0	(699)	$ (699)
Net Position, Beginning of Year		2,452	
Net Position, End of Year		$ 1,753	

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, 2018

	Family Investment Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 143,029	$ 143,029	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	43,920	30,080	13,840
Employee Benefits	16,470	15,449	1,021
Office Expenses	500	23	477
Education and Training	500	0	500
Operating Expenses	19,500	14,513	4,987
Operating Contracts	43,618	42,185	1,433
Communications	2,300	2,326	(26)
Insurance	810	780	30
Professional Services	500	470	30
Maintenance Facility	2,615	2,214	401
Total Direct Operating Expenses	130,733	108,040	22,693
Total Indirect Operating Expenses	12,314	11,787	527
Total Operating Expenses	143,047	119,826	23,221
Operating Income (Loss)	(18)	23,203	23,221
Non-Operating Revenues (Expenses)			
Interest Income	126	188	62
Bank Charges	(108)	(107)	1
Transfer of Operating Reserves	0	(23,284)	(23,284)
Net Non-Operating Revenues (Expenses)	18	(23,203)	(23,221)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Health Department		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Rental Income	$ 8,420	$ 8,420	$ 0
Management Fees from the County	310,473	310,473	0
Total Operating Revenues	318,893	318,893	0
Operating Expenses			
Direct:			
Salaries and Wages	107,991	97,996	9,995
Employee Benefits	40,497	37,925	2,572
Office Expenses	4,200	109	4,091
Education and Training	2,000	0	2,000
Operating Expenses	68,500	56,181	12,319
Operating Contracts	56,902	52,156	4,746
Communications	3,070	5,062	(1,992)
Insurance	1,803	1,737	66
Professional Services	500	0	500
Maintenance Facility	6,037	5,111	926
Depreciation Expense	0	0	0
Total Direct Operating Expenses	291,500	256,276	35,224
Total Indirect Operating Expenses	27,437	26,307	1,130
Total Operating Expenses	318,937	282,583	36,354
Operating Income (Loss)	(44)	36,310	36,354
Non-Operating Revenues (Expenses)			
Interest Income	331	407	76
Bank Charges	(287)	(236)	51
Transfer of Operating Reserves	0	(36,481)	(36,481)
Net Non-Operating Revenues (Expenses)	44	(36,310)	(36,354)
Increase (Decrease) in Net Position	$ 0	$ 0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Juvenile Justice Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 667,955	$ 667,955	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	265,807	264,035	1,772
Employee Benefits	98,349	93,806	4,543
Office Expenses	2,000	866	1,134
Education and Training	1,250	79	1,171
Operating Expenses	81,500	101,264	(19,764)
Operating Contracts	139,977	136,611	3,366
Communications	7,500	4,553	2,947
Insurance	4,513	4,355	158
Professional Services	500	0	500
Maintenance Facility	8,841	7,480	1,361
Depreciation Expense	0	7,636	(7,636)
Total Direct Operating Expenses	610,237	620,685	(10,448)
Total Indirect Operating Expenses	57,803	55,355	2,448
Total Operating Expenses	668,040	676,040	(8,000)
Operating Income (Loss)	(85)	(8,085)	(8,000)
Non-Operating Revenues (Expenses)			
Interest Income	609	577	(32)
Bank Charges	(524)	(343)	181
Transfer of Operating Reserves	0	216	216
Net Non-Operating Revenues (Expenses)	85	450	365
Increase (Decrease) in Net Position Before Extraordinary Item	0	(7,636)	(7,636)
Increase (Decrease) in Net Position	$ 0	(7,636)	$ (7,636)
Net Position, Beginning of Year		16,882	
Net Position, End of Year		$ 9,246	

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, 2018

	Forensic Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from the County	$ 253,706	$ 253,706	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	55,664	57,862	(2,198)
Employee Benefits	20,874	19,693	1,181
Office Expenses	3,000	44	2,956
Education and Training	1,000	2	998
Operating Expenses	86,085	50,369	35,716
Operating Contracts	56,429	53,771	2,658
Communications	2,500	309	2,191
Insurance	1,414	1,359	55
Maintenance Facility	4,979	4,213	766
Total Direct Operating Expenses	231,945	187,623	44,322
Total Indirect Operating Expenses	21,814	20,861	953
Total Operating Expenses	253,759	208,484	45,275
Operating Income (Loss)	(53)	45,222	45,275
Non-Operating Revenues (Expenses)			
Interest Income	347	332	(16)
Bank Charges	(294)	(173)	121
Transfer of Operating Reserves	0	(45,381)	(45,381)
Net Non-Operating Revenues (Expenses)	53	(45,222)	(45,275)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Knox Central		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from the County	$ 233,048	$ 233,048	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	82,601	85,925	(3,324)
Employee Benefits	30,976	29,390	1,586
Office Expenses	7,650	1,670	5,980
Education and Training	1,000	0	1,000
Operating Expenses	31,350	31,425	(75)
Operating Contracts	47,745	55,009	(7,264)
Communications	5,500	6,073	(573)
Insurance	1,072	1,032	40
Professional Services	500	0	500
Maintenance Facility	4,645	3,926	719
Depreciation Expenses	0	1,998	(1,998)
Total Direct Operating Expenses	213,039	216,446	(3,407)
Total Indirect Operating Expenses	20,030	19,462	568
Total Operating Expenses	233,069	235,908	(2,839)
Operating Income (Loss)	(21)	(2,860)	(2,839)
Non-Operating Revenues (Expenses)			
Interest Income	137	159	22
Bank Charges	(116)	(94)	22
Transfer of Operating Reserves	0	798	798
Net Non-Operating Revenues (Expenses)	21	863	842
Increase (Decrease) in Net Position	$ 0	(1,998)	(1,998)
Net Position, Beginning of Year		7,006	
NetPosition, End of Year		$ 5,008	

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, 2018

	Libraries		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from the County	$ 302,430	$ 302,430	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	4,251	15,097	(10,846)
Employee Benefits	1,594	1,671	(77)
Office Expenses	2,521	739	1,783
Education and Training	0	0	0
Operating Expenses	7,000	1,379	5,621
Operating Contracts	253,000	247,889	5,111
Communications	0	148	(148)
Insurance	800	780	20
Professional Services	0	0	0
Maintenance Facility	6,745	5,709	1,036
Depreciation Expenses	0	0	0
Total Direct Operating Expenses	275,911	273,411	2,500
Total Indirect Operating Expenses	26,519	26,816	(297)
Total Operating Expenses	302,430	300,227	2,203
Operating Income (Loss)	0	2,203	2,203
Non-Operating Revenues (Expenses)			
Interest Income	50	156	106
Bank Charges	(50)	(89)	(39)
Transfer of Operating Reserves	0	(2,270)	(2,270)
Net Non-Operating Revenues (Expenses)	0	(2,203)	(2,203)
Increase (Decrease) in Net Position	$ 0	0	0
Net Position, Beginning of Year		0	
NetPosition, End of Year		$ 0	

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, 2018

	Old Court House		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 596,412	$ 596,412	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	254,728	239,253	15,475
Employee Benefits	94,250	89,456	4,794
Office Expenses	2,350	787	1,563
Education and Training	1,000	39	961
Operating Expenses	67,200	38,800	28,400
Operating Contracts	100,554	97,131	3,423
Communications	12,100	7,363	4,737
Insurance	5,158	4,959	199
Professional Services	500	0	500
Maintenance Facility	6,878	5,817	1,061
Capital Purchases	0	0	0
Depreciation Expense	0	2,039	(2,039)
Total Direct Operating Expenses	544,718	485,645	59,073
Total Indirect Operating Expenses	51,694	49,331	2,363
Total Operating Expenses	596,412	534,976	61,436
Operating Income (Loss)	0	61,436	61,436
Non-Operating Revenue (Expenses)			
Interest Income	600	698	98
Bank Charges	(600)	(400)	200
Transfer of Operating Reserves	0	(63,773)	(63,773)
Net Non-Operating Revenue (Expenses)	0	(63,475)	(63,475)
Increase (Decrease) in Net Position Before Extraordinary Item	0	(2,039)	(2,039)
Increase (Decrease) in Net Position	$ 0	(2,039)	$ (2,039)
Net Position, Beginning of Year		3,067	
Net Position, End of Year		$ 1,028	

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, 2018

	Public Defender		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 70,310	$ 70,310	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	7,082	7,737	(655)
Employee Benefits	2,656	2,474	182
Office Expenses	250	1	249
Education and Training	500	0	500
Operating Expenses	50,000	12,036	37,964
Operating Contracts	0	0	0
Communications	1,800	922	878
Insurance	454	428	26
Professional Services	0	0	0
Maintenance Facility	1,565	1,329	237
Depreciation Expense	0	0	0
Total Direct Operating Expenses	64,307	24,925	39,382
Total Indirect Operating Expenses	6,031	5,706	325
Total Operating Expenses	70,338	30,631	39,707
Operating Income (Loss)	(28)	39,679	39,707
Non-Operating Revenues (Expenses)			
Interest Income	193	199	6
Bank Charges	(165)	(116)	49
Transfer of Operating Reserves	0	(39,763)	(39,763)
Net Non-Operating Revenues (Expenses)	28	(39,679)	(39,707)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Senior Centers		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 195,785	$ 195,785	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	46,510	64,293	(17,783)
Employee Benefits	17,440	16,857	583
Office Expenses	450	90	360
Education and Training	750	0	750
Operating Expenses	32,800	24,801	7,999
Operating Contracts	74,669	69,568	5,101
Communications	1,560	515	1,045
Insurance	687	654	33
Professional Services	75	0	75
Maintenance Facility	4,045	3,423	622
Depreciation Expense	0	0	0
Total Direct Operating Expenses	178,986	180,201	(1,215)
Total Indirect Operating Expenses	16,815	16,426	389
Total Operating Expenses	195,801	196,626	(825)
Operating Income (Loss)	(16)	(841)	(825)
Non-Operating Revenues (Expenses)			
Interest Income	125	135	10
Bank Charges	(109)	(76)	33
Transfer of Operating Reserves	0	783	783
Net Non-Operating Revenues (Expenses)	16	841	825
Increase (Decrease) in Net Position	$ 0	(0)	$ (0)
Net Position, Beginning of Year		0	
Net Position, End of Year		$ (0)	

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, 2018

	Young Williams Animal Welfare Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from County	$ 72,044	$ 72,044	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	13,045	15,242	(2,197)
Employee Benefits	4,827	4,678	149
Office Expenses	300	13	287
Education and Training	0	0	0
Operating Expenses	40,000	7,180	32,820
Operating Contracts	5,000	0	5,000
Communications	600	107	493
Insurance	521	503	18
Professional Services	0	0	0
Maintenance Facility	1,599	1,352	247
Depreciation Expense	0	0	0
Total Direct Operating Expenses	65,892	29,075	36,817
Total Indirect Operating Expenses	6,179	5,807	372
Total Operating Expenses	72,071	34,882	37,189
Operating Income (Loss)	(27)	37,162	37,189
Non-Operating Revenues (Expenses)			
Interest Income	184	193	9
Bank Charges	(157)	(111)	46
Transfer of Operating Reserves	0	(37,244)	(37,244)
Net Non-Operating Revenues (Expenses)	27	(37,162)	(37,189)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	City County Building		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Rental Income from City and County	$ 4,518,188	$ 4,518,188	$ 0
Parking Revenues	67,970	55,061	(12,909)
Total Operating Revenues	4,586,158	4,573,249	(12,909)
Operating Expenses			
Direct:			
Salaries and Wages	980,494	904,269	76,225
Employee Benefits	362,782	346,464	16,318
Office Expenses	25,250	19,280	5,970
Education and Training	11,500	1,134	10,366
Operating Expenses	372,500	298,922	73,578
Operating Contracts	642,167	610,336	31,831
Utilities	1,579,950	1,539,577	40,373
Communications	19,000	12,596	6,404
Insurance	165,016	159,089	5,927
Professional Services	2,500	259	2,242
Maintenance Facility	26,483	22,429	4,054
Capital Purchases	1,000,000	282,185	717,815
Depreciation Expense	0	542,944	(542,944)
Total Direct Operating Expenses	5,187,642	4,739,484	448,158
Total Indirect Operating Expenses	399,946	383,418	16,528
Total Operating Expenses	5,587,588	5,122,902	464,686
Operating Income (Loss)	(1,001,430)	(549,653)	451,777
Non-Operating Revenues (Expenses)			
Interest Income	10,684	17,970	7,286
Bank Charges	(9,254)	(10,753)	(1,499)
Net Non-Operating Revenues (Expenses)	1,430	7,217	5,787
Increase (Decrease) in Net Position Before Capital Contributions	(1,000,000)	(542,435)	457,565
Capital Contributions			
Capital Asset Replacement Reserve Contributions from City and County	1,000,000	1,000,000	0
Increase (Decrease) in Net Position	$ 0	457,565	$ 457,565
Net Position, Beginning of Year		6,346,540	
Net Position, End of Year		$ 6,804,105	

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, 2018

	Emergency Communications District		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from Other Governmental Agencies	$ 109,060	$ 109,060	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	32,108	25,910	6,198
Employee Benefits	12,041	11,172	869
Office Expenses	100	55	45
Education and Training	500	0	500
Operating Expenses	23,600	8,516	15,084
Operating Contracts	29,126	27,733	1,393
Communications	525	482	43
Insurance	563	554	9
Professional Services	250	0	250
Maintenance Facility	771	646	125
Depreciation Expense	0	0	0
Total Direct Operating Expenses	99,584	75,066	24,518
Total Indirect Operating Expenses	9,497	9,045	452
Total Operating Expenses	109,081	84,112	24,969
Operating Income (Loss)	(21)	24,948	24,969
Non-Operating Revenues (Expenses)			
Interest Income	137	196	59
Bank Charges	(116)	(112)	4
Transfer of Operating Reserves	0	(25,032)	(25,032)
Net Non-Operating Revenues (Expenses)	21	(24,948)	(24,969)
Increase (Decrease) in Net Position	$ 0	0	$ 0
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, 2018

	Fairview Technology Center		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from Other Governmental Agencies	$ 54,846	$ 54,846	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	19,648	20,023	(375)
Employee Benefits	7,368	7,062	306
Office Expenses	225	8	217
Education and Training	0	0	0
Operating Expenses	11,440	6,839	4,601
Operating Contracts	8,176	7,579	597
Communications	2,600	2,317	283
Insurance	258	252	6
Professional Services	0	0	0
Maintenance Facility	361	299	62
Depreciation Expense	0	0	0
Total Direct Operating Expenses	50,076	44,379	5,697
Total Indirect Operating Expenses	4,778	4,617	161
Total Operating Expenses	54,854	48,996	5,858
Operating Income (Loss)	(8)	5,850	5,858
Non-Operating Revenues (Expenses)			
Interest Income	63	94	31
Bank Charges	(55)	(67)	(12)
Transfer of Operating Reserves	0	(5,877)	(5,877)
Net Non-Operating Revenues (Expenses)	8	(5,850)	(5,858)
Increase (Decrease) in Net Position	$ 0	0	$ 0
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, 2018

	Property Development		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Management Fees from City and County	$ 565,910	$ 565,910	$ 0
Operating Expenses			
Direct:			
Salaries and Wages	304,542	276,341	28,201
Employee Benefits	111,940	106,480	5,460
Office Expenses	18,000	11,648	6,352
Education and Training	10,000	1,395	8,605
Operating Expenses	2,000	1,050	950
Operating Contracts		0	0
Communications	4,000	2,561	1,439
Insurance	846	806	40
Professional Services	15,000	9,569	5,431
Depreciation Expense	0	0	0
Total Direct Operating Expenses	466,328	409,849	56,479
Total Indirect Operating Expenses	99,582	95,136	4,446
Total Operating Expenses	565,910	504,985	60,925
Operating Income (Loss)	0	60,925	60,925
Non-Operating Revenues (Expenses)			
Interest Income	500	600	100
Bank Charges	(500)	(343)	157
Transfer of Operating Reserves	0	(61,182)	(61,182)
Net Non-Operating Revenues (Expenses)	0	(60,925)	(60,925)
Increase (Decrease) in Net Position	$ 0	0	$ 0
Net Position, Beginning of Year		0	
Net Position, End of Year		$ 0	

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, 2018

	Telecommunications Services		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Management Fees from City and County	$ 635,528	635,528	$ 0
Management Fees Related to KCS	127,748	127,748	0
Total Operating Revenues	763,276	763,276	0
Direct Operating Expenses			
Telecom			
Salaries and Wages	351,515	324,594	26,921
Employee Benefits	129,767	122,793	6,974
Office Expenses	11,500	8,067	3,433
Education and Training	2,400	1,092	1,308
Operating Expenses	8,400	5,524	2,876
Operating Contracts	5,000	2,500	2,500
Communications	8,700	8,324	376
Insurance	9,508	9,163	345
Professional Services	1,000	1,175	(175)
Capital Purchases	25,000	44,878	(19,878)
Depreciation Expense	0	119,591	(119,591)
Telecom Operating Expenses	552,790	647,700	(94,910)
Knox County Schools			
Salaries and Wages	77,741	61,401	16,340
Employee Benefits	28,764	27,090	1,675
Office Expenses	1,500	1,573	(73)
Education and Training	600	474	126
Operating Expenses	600	1,376	(776)
Communications	1,500	815	685
Insurance	384	378	6
Professional Services	0	0	0
Schools Operating Expenses	111,089	93,107	17,982
Total Direct Operating Expenses	663,879	740,807	(76,928)
Total Indirect Operating Expenses	99,582	95,686	3,896
Total Operating Expenses	763,461	836,493	(73,032)
Operating Income (Loss)	(185)	(73,217)	(73,032)
Non-Operating Revenues (Expenses)			
Interest Income	1,260	1,116	(144)
Bank Charges	(1,075)	(632)	443
Transfer of Operating Reserves	0	(65,398)	(65,398)
Net Non-Operating Revenues (Expenses)	185	(64,914)	(65,099)
Increase (Decrease) in Net Position Before Capital Contributions	0	(138,130)	(138,130)
Capital Contributions			
Capital Asset Replacement Reserve Contributions from City and County	0	168,656	168,656
Increase (Decrease) in Net Position	$ 0	30,526	$ 30,526
Net Position, Beginning of Year		310,000	
Net Position, End of Year		$ 340,526	

STATISTICAL SECTION

This part of PBA's Comprehensive Annual Financial Report (CAFR) 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..... 62-63

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..... 64-67

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 CAFRs..... 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..... 68-69

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..... 70

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

Fiscal Year	Investment in Capital Assets	Unrestricted	Total
2009	7,065,819	3,955,855	11,021,674
2010	7,292,398	3,390,254	10,682,652
2011	7,451,392	3,571,882	11,023,274
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

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

CHANGES IN NET POSITION
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues										
Rental Income from City and County	$ 4,518,188	$ 4,328,993	$ 4,327,759	$ 4,215,037	$ 4,101,739	4,013,581	$ 3,912,814	3,999,608	$ 3,887,410	$ 3,623,121
Other Rental Income - Net	248,321	229,219	252,697	241,439	225,648	232,474	208,204	196,173	130,853	192,461
Management Fees from City and County	8,642,266	7,697,552	7,177,821	6,596,204	6,770,676	5,915,239	5,652,775	5,776,189	5,833,766	6,380,409
Management Fees from Other Governmental Agencies	332,988	312,006	313,766	305,775	163,956	189,380	161,299	153,846	179,713	191,633
Parking Revenues	3,961,511	3,795,842	3,083,416	2,922,562	2,986,198	2,721,805	2,848,822	2,816,686	2,832,092	2,982,014
Total Operating Revenues	17,703,274	16,363,612	15,155,459	14,281,017	14,248,217	13,072,479	12,783,914	12,942,502	12,863,834	13,369,638
Operating Expenses										
Salaries and Benefits	7,927,605	7,728,965	6,476,717	6,593,584	6,005,836	5,569,032	5,489,707	5,625,169	5,896,222	6,450,488
Office	119,614	141,114	146,403	105,780	120,030	105,534	93,329	72,415	89,703	118,120
Education and Training	14,765	6,306	13,360	21,507	17,241	8,723	6,703	10,335	6,806	12,437
Purchased Services and Supplies	1,489,749	1,540,417	1,577,232	1,287,942	1,151,072	1,157,287	1,055,814	1,049,751	988,458	978,689
Operating Contracts	2,510,628	2,057,739	1,905,427	1,695,954	1,675,598	1,608,672	1,586,372	1,448,345	1,382,944	1,463,449
Utilities	2,204,288	2,232,055	2,134,130	2,007,525	2,100,368	2,050,996	1,879,794	2,059,794	1,844,483	2,010,877
Communications	125,015	148,030	111,963	88,539	82,609	95,780	72,458	67,270	60,503	59,126
Insurance	306,291	310,951	309,888	308,154	298,444	269,125	236,013	228,725	224,990	229,141
Professional Fees	67,601	69,992	251,921	91,862	58,113	48,926	59,226	77,905	110,701	56,743
Depreciation	704,866	727,718	1,117,721	2,152,372	950,153	981,701	906,441	803,661	722,568	643,194
Maintenance Facility	119,686	129,310	106,568	86,222	86,008	81,728	76,560	73,593	72,643	60,301
Other	878,978	622,371	411,929	336,426	309,728	103,652	143,840	41,678	243,499	178,120
Total Operating Expenses	16,469,086	15,714,968	14,563,259	14,775,867	12,855,200	12,081,156	11,606,257	11,558,641	11,643,520	12,260,685
Operating Income (Loss)	1,234,188	648,644	592,200	(494,850)	1,393,017	991,323	1,177,657	1,383,861	1,220,314	1,108,953
Non-Operating Revenues (Expenses)										
Interest Income	35,683	28,043	21,844	27,528	19,038	16,271	28,448	27,264	28,997	92,272
Gain (Loss) on Disposal of Capital Assets					(489,579)	0	0	0	0	0
Bank Charges	(89,436)	(89,499)	(62,065)	(59,585)	(17,373)	(12,232)	(8,224)	(8,210)	(7,706)	(7,286)
Impairment Gain - Insurance Settlement	0	0	0	0	0	1,039,555				
Interest Expense	0	0	0	0	0	0	0	0	0	0
Capital Returned to the City and County	(2,239,273)	(1,761,154)	(1,829,891)	(1,668,938)	(2,135,304)	(1,563,423)	(1,728,491)	(1,730,881)	(1,801,089)	(2,054,297)
Capital Returned to Other Governmental Agencies	(64,693)	(28,544)	(38,695)	(35,641)	(66,008)	(34,853)	(16,414)	(42,537)	(111,666)	(19,164)
Noncash:										
Capital Asset Retirements from the City and County	0	0	0	(19,674)	0	0	0	0	0	0
Total Non-Operating Revenues (Expenses) - Net	(2,357,719)	(1,851,154)	(1,908,807)	(1,756,310)	(2,689,226)	(554,682)	(1,724,681)	(1,754,364)	(1,891,464)	(1,988,475)
Increase (Decrease) in Net Position Before Capital Contributions and Extraordinary Item	(1,123,531)	(1,202,510)	(1,316,607)	(2,251,160)	(1,296,209)	436,641	(547,024)	(370,503)	(671,150)	(879,522)
Capital Contributions										
Capital Contributions from the City and County	1,168,656	1,150,000	1,298,538	1,632,738	548,501	815,424	882,465	711,125	332,128	1,312,158
Capital Contributions from Other Governmental Agencies	0	0	0	0	0	0	0	0	0	4,647
Noncash:										
Capital Asset Retirements from the City and County	0	0	0	0	0	0	0	0	0	0
Total Capital Contributions	1,168,656	1,150,000	1,298,538	1,632,738	548,501	815,424	882,465	711,125	332,128	1,316,805
Extraordinary Item	0	(2,174,945)	0	0	0	0	0	0	0	0
Increase (Decrease) in Net Position	45,125	(2,227,455)	(18,069)	(618,422)	(747,708)	1,252,065	335,441	340,622	(339,022)	437,283
Net Position, Beginning of Year	8,999,126	11,226,581	11,244,650	11,863,072	12,610,780	11,358,715	11,023,274	10,682,652	11,021,674	10,584,391
Net Position, End of Year	$ 9,044,251	$ 8,999,126	$ 11,226,581	$ 11,244,650	$ 11,863,072	$ 12,610,780	$ 11,358,715	$ 11,023,274	$ 10,682,652	$ 11,021,674

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

PROPERTIES MANAGED
Last Ten Fiscal Years

Space in Square Feet

Property	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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
Beck Cultural Center	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	33,738	33,738	33,738	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	80,000	80,000	80,000	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
Library System (1 main location, 1 history center, and 16 community branches)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300,201
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	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						
Public Defender's Office	23,405	23,405	23,405							
Young Williams Animal Center	21,308	21,308	21,308							
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	45,560								
Knoxville Station Transit Center	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			
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	1,633,247	1,606,971	1,561,411	1,511,496	1,492,061	1,480,288	1,560,288	1,525,288	1,421,571	1,721,772

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

PROPERTIES MANAGED (Continued)
Last Ten Fiscal Years

Location	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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
City Owned										
Hill Avenue Parking Lot	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	700	700	700	700
Promenade Garage	262	262	277	277	277	277	277	277	277	277
State Street Garage	1,082	1,082	1,082	1,082	1,082	842	842	842	842	842
World's Fair Parking Lots	201	698	698	698	698	698	698	698	698	698
Tennessee Department of Transportation (TDOT)	469	469	469	469	469	469	469	469	0	0
Supreme Court Parking Lot	159	159	159							
CBID	535									
Riverwalk Parking Garage	804									
PBA Owned										
City County Building Garage	850	850	850	850	850	850	850	850	850	850
Totals	7,612	6,770	6,785	6,626	6,626	6,386	6,409	6,393	5,924	5,924
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	239,945	262,945	699,608	706,236	671,988	678,733	689,518	648,530	610,955	446,885

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

Projects	Managed Budget
COUNTY PROJECTS	
ADA Remediation - Bearden Elementary	$ 500,000
ADA Remediation - Maynard Elementary	1,000,000
ADA Remediation - Powell High School	49,000
Andrew Johnson Building Reroof - Phase I	400,000
Andrew Johnson Building Reroof - Phase II	350,000
City County Building - Court Clerk Desk Renovations	75,000
Juvenile Court Building Expansion	3,958,298
Old Courthouse Exterior Renovations	237,072
Old Courthouse Windows	1,366,474
Young Williams Animal Center Renovations	88,575
County Subtotal	**$ 8,024,419**
CITY PROJECTS	
Beardsley Farm Building	235,000
Convention Center Pedestrian Enhancements	2,818,658
Convention Center Roof - Storm Damage	1,318,000
Convention Center Warranty Repairs	711,000
Fire Station #5 Soffit and Fascia repairs	55,000
Fire Station #7 Interior Renovations and Concrete Bay	259,000
Fire Station #10 Soffit, Fascia, Concrete and Roof Repairs	137,681
Fire Station #12 Structural Repairs	562,710
Fire Station #15 Concrete Bay Room Replacement	85,000
Fire Station #16 Concrete Apron Work	35,000
Fire Station #20 Remodel	75,000
Krutch Park	56,000
Lakeshore Administration Building - Phase I	1,200,000
Lakeshore Administration Building - Phase II	2,100,000
Locust Street Garage Brick Repair	85,000
Lorraine Street Salt Sheds Reroof	60,000
Promenade Roof Removal	350,000
Promenade Walking Deck Improvements	350,000
Public Works Complex - Phases I and II	18,417,819
Safety Building Tenant Impovements	100,000
Solid Waste Transfer Center	148,000
Solid Waste Transfer Station	25,000
Solid Waste Management Storm Water and Roof Additions	300,000
State Street Addition	7,100,000
State Street Archway Art Renovations	25,000
State Street Garage Lower Addition	500,000
Transit Center Doors	70,500
Volunteer Landing Master Plan	25,000
Volunteer Landing Stair Repairs	146,640
Whittle Springs Golf Shed	25,000
World's Fair Park Master Plan	25,000
City Projects Subtotal	**37,401,008**

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

TELECOMMUNICATION SERVICES
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
CITY AND COUNTY										
Total Extensions	8,297	8,313	8,305	8,299	8,243	8,280	8,280	8,367	8,156	8,544
Telephone Lines	822	822	811	805	804	360	360	360	360	489
Cellular Telephones	76	109	95	140	144	127	131	96	145	218
Pagers	8	33	33	33	33	34	50	72	106	160
Repair Work Orders	1,436	1,477	1,387	1,002	823	716	807	905	829	858
SCHOOLS										
Total Extensions	473	598	797	855	852	852	929	817	785	631
Telephone Lines	1,604	2,041	2,242	2,300	2,338	2,329	2,285	2,430	2,391	2,430
Repair Work Orders	472	662	614	591	627	562	644	594	728	578

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
2008	430,019	15,666,206	36,431	4.8	6.4
2009	435,725	15,371,687	35,278	8.0	10.5
2010	432,226	15,222,567	35,219	7.0	9.5
2011	436,104	16,961,829	38,894	6.9	9.2
2012	440,725	18,149,825	41,127	6.3	8
2013	441,311	18,466,333	41,533	5.6	7.9
2014	448,664	19,297,297	43,012	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	N/A	N/A	2.9	3.3

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 - Tennessee Department of Labor and Workforce Development.

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

PRINCIPAL EMPLOYERS
Current Calendar Year and Nine Years Ago

		2017		2008	
Employer (a)	Industry	Number of Employees	% of Total Knox County Workforce	Number of Employees	% of Total Knox County Workforce
Covenant Health	Health Care	10,419	4.39	9,016	3.92 %
Knox County Schools	Education	7,881	3.32	7,553	3.28
The University of Tennessee	Government	6,689	2.82	8,754	3.80
Walmart	Retail	5,881	2.48	4869	2.12
University Health Systems	Health Care	5,316	2.24	3,727	1.62
Tennova Healthcare	Health Care	4,001	1.68	N/A	N/A
Mercy Health Partners	Health Care	N/A	N/A	5,711	2.48
State of Tennessee	Government	3,529	1.49	3,834	1.67
K-VA-T Food Stores	Retail Grocery	3,328	1.40	3,853	1.67
Knox County	Government	3,204	1.35	3,021	1.31
The Kroger Co.	Retail Grocery	2,952	1.24	2,089	0.91
Total		53,200	22.41 %	52,427	22.78 %

Notes: (a) Only Knox County is presented.
Source: Greater Knoxville Chamber Partnership

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 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Facilities Management	69	65	67	44	41	41	40	38	38	47
Safety and Security	58	59	53	47	51	41	40	42	37	44
Property Development	5	5	4	4	6	4	4	4	5	5
Telecommunications/MIS/PBX	11	10	11	12	11	9	9	9	8	9
Administrative	9	8	7	9	9	9	8	9	9	12
Total	152	147	142	116	118	104	101	102	97	117

Source: PBA Payroll Department.

INTERNAL CONTROL
AND
COMPLIANCE SECTION

MAULDIN & JENKINS

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*

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 the 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 (the "PBA") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the PBA's basic financial statements, and have issued our report thereon dated October 31, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the PBA's internal control over financial reporting ("internal control") to determine the 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 the PBA's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

537 MARKET STREET, SUITE 300 • CHATTANOOGA, TENNESSEE 37402-1239 • 423-756-6133 • FAX 423-756-2727 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • RSM INTERNATIONAL

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 results 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.

Mauldin & Jenkins, LLC

Chattanooga, TN
October 31, 2018