



# CITY OF KNOXVILLE

BILL HASLAM, MAYOR



# SEMI-ANNUAL FINANCIAL REPORT

AS OF DECEMBER 31, 2005

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# **CITY OF KNOXVILLE, TENNESSEE**

**Financial Report for the Six Months Ending  
December 31, 2005**

## **MAYOR**

Bill Haslam

## **MEMBERS OF CITY COUNCIL**

|                 |                           |
|-----------------|---------------------------|
| District One:   | Joe Hultquist             |
| District Two:   | Barbara B. Pelot          |
| District Three: | Steve Hall                |
| District Four:  | Rob Frost                 |
| District Five:  | Bob Becker                |
| District Six:   | Mark A. Brown, Vice Mayor |
| At-Large:       | Joe Bailey                |
| At-Large:       | Marilyn Roddy             |
| At-Large:       | Chris Woodhull            |

## **FINANCE DIRECTOR**

Christopher P. Kinney

## **OFFICE OF MANAGEMENT AND BUDGET**

John Harold, Financial Analyst  
Blake Young, Financial Analyst

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Combined Balance Sheet - All Funds  
As of December 31, 2004

|                                                    | General<br>Fund   | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Capital<br>Project<br>Funds |
|----------------------------------------------------|-------------------|-----------------------------|--------------------------|-----------------------------|
| <b>Assets</b>                                      |                   |                             |                          |                             |
| Cash & temporary investments                       | 7,486             | 168,258                     | 10,349,757               | 0                           |
| Investments                                        | 23,150,453        | 13,381,900                  | 27,755,665               | 28,249,340                  |
| Receivables (Net of allowances for uncollectibles) |                   |                             |                          |                             |
| Accounts                                           | 621,765           | 3,797,395                   | 2,389,300                | 26,673,567                  |
| Taxes on real and personal property                | 45,161,752        | 0                           | 0                        | 0                           |
| Due from other funds                               | 0                 | 0                           | 0                        | 0                           |
| Due from component units                           | 0                 | 0                           | 0                        | 0                           |
| Inventory                                          | 154,390           | 0                           | 0                        | 0                           |
| Prepaid items                                      | 0                 | 0                           | 0                        | 0                           |
| Land & Site Improvements                           | 0                 | 0                           | 0                        | 0                           |
| Buildings (Net of Depreciation)                    | 0                 | 0                           | 0                        | 0                           |
| Other Improvements (Net of Depreciation)           | 0                 | 0                           | 0                        | 0                           |
| Machinery & Equipment (Net of Depreciation)        | 0                 | 0                           | 0                        | 0                           |
| Other Assets                                       | 0                 | 0                           | 0                        | 0                           |
| Restricted assets                                  |                   |                             |                          |                             |
| Temporarily restricted                             | 0                 | 0                           | 0                        | 0                           |
| Unused bond proceeds                               | 0                 | 0                           | 0                        | 0                           |
| Total Assets                                       | <u>69,095,847</u> | <u>17,347,553</u>           | <u>40,494,722</u>        | <u>54,922,907</u>           |
| <b>Liabilities And Fund Balances</b>               |                   |                             |                          |                             |
| <b>Liabilities</b>                                 |                   |                             |                          |                             |
| Accounts payable                                   | 3,257,776         | 396,430                     | 0                        | 167,189                     |
| Accrued liabilities                                | 0                 | 0                           | 0                        | 0                           |
| Due to other funds                                 | 11,155,567        | 1,336,451                   | 0                        | 1,469,783                   |
| Due to other governmental agencies                 | 2,595,453         | 4,479                       | 0                        | 0                           |
| Deferred revenue                                   | 45,161,752        | 2,494,136                   | 0                        | 0                           |
| Total Liabilities                                  | <u>62,170,548</u> | <u>4,231,495</u>            | <u>0</u>                 | <u>1,636,972</u>            |
| <b>Fund balances</b>                               |                   |                             |                          |                             |
| Reserved                                           | 1,661,684         | 11,573,114                  | 0                        | 0                           |
| Unreserved                                         | 5,263,615         | 1,542,944                   | 40,494,722               | 53,285,935                  |
| Total Fund Balances                                | <u>6,925,299</u>  | <u>13,116,058</u>           | <u>40,494,722</u>        | <u>53,285,935</u>           |
| Total Liabilities and Fund Balances                | <u>69,095,847</u> | <u>17,347,553</u>           | <u>40,494,722</u>        | <u>54,922,907</u>           |

Combined Balance Sheet - All Funds  
As of December 31, 2004

|                                                    | Enterprise<br>Funds | Internal<br>Service<br>Funds | Total<br>All Funds |
|----------------------------------------------------|---------------------|------------------------------|--------------------|
| <b>Assets</b>                                      |                     |                              |                    |
| Cash & temporary investments                       | 3,710,834           | 932,068                      | 15,168,402         |
| Investments                                        | 6,759,335           | 35,210,563                   | 134,507,256        |
| Receivables (Net of allowances for uncollectibles) |                     |                              |                    |
| Accounts                                           | 4,096,521           | (1,157)                      | 37,577,393         |
| Taxes on real and personal property                | 0                   | 0                            | 45,161,752         |
| Due from other funds                               | 0                   | 9,715,905                    | 9,715,905          |
| Due from component units                           | 0                   | 0                            | 0                  |
| Inventory                                          | 770,638             | 1,117,527                    | 2,042,555          |
| Prepaid items                                      | 0                   | 945                          | 945                |
| Land & Site Improvements                           | 6,042,111           | 0                            | 6,042,111          |
| Buildings (Net of Depreciation)                    | 144,608,522         | 0                            | 144,608,522        |
| Other Improvements (Net of Depreciation)           | 23,845,538          | 0                            | 23,845,538         |
| Machinery & Equipment (Net of Depreciation)        | 12,226,793          | 14,721,847                   | 26,948,640         |
| Other Assets                                       | 2,306,094           | 0                            | 2,306,094          |
| Restricted assets                                  |                     |                              |                    |
| Temporarily restricted                             | 0                   | 0                            | 0                  |
| Unused bond proceeds                               | 0                   | 0                            | 0                  |
| Total Assets                                       | <u>204,366,386</u>  | <u>61,697,698</u>            | <u>447,925,113</u> |
| <b>Liabilities And Fund Balances</b>               |                     |                              |                    |
| <b>Liabilities</b>                                 |                     |                              |                    |
| Accounts payable                                   | 155,317,750         | 484,801                      | 159,623,946        |
| Accrued liabilities                                | 1,195,000           | 0                            | 1,195,000          |
| Due to other funds                                 | 3,536,193           | 5,071,381                    | 22,569,375         |
| Due to other governmental agencies                 | 0                   | 0                            | 2,599,932          |
| Deferred revenue                                   | 480,806             | 5,592,171                    | 53,728,865         |
| Total Liabilities                                  | <u>160,529,749</u>  | <u>11,148,353</u>            | <u>239,717,117</u> |
| <b>Fund balances</b>                               |                     |                              |                    |
| Reserved                                           | 0                   | 698,742                      | 13,933,540         |
| Unreserved                                         | 43,836,637          | 49,850,603                   | 194,274,456        |
| Total Fund Balances                                | <u>43,836,637</u>   | <u>50,549,345</u>            | <u>208,207,996</u> |
| Total Liabilities and Fund Balances                | <u>204,366,386</u>  | <u>61,697,698</u>            | <u>447,925,113</u> |

Sources and Uses of Funds - All Funds  
July 1, 2005 - December 31, 2005

|                                                                    | General<br>Fund            | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds  | Capital<br>Project<br>Funds |
|--------------------------------------------------------------------|----------------------------|-----------------------------|---------------------------|-----------------------------|
| <b>Operating Revenue</b>                                           |                            |                             |                           |                             |
| Taxes                                                              | 54,960,279                 | 0                           | 13,840,527                | 0                           |
| Licenses & Permits                                                 | 148,900                    | 1,127,068                   | 0                         | 0                           |
| Intergovt. Revenue                                                 | 4,620,718                  | 3,962,513                   | 0                         | 28,228,852                  |
| Charges For Serv.                                                  | 450,711                    | 577,321                     | 0                         | 0                           |
| Fines & Forfeits                                                   | 181,382                    | 2,333,830                   | 0                         | 0                           |
| Other Revenue                                                      | <u>947,738</u>             | <u>675,900</u>              | <u>487,848</u>            | <u>1,286,762</u>            |
| Total Oper. Revenues                                               | <u><u>61,309,728</u></u>   | <u><u>8,676,632</u></u>     | <u><u>14,328,375</u></u>  | <u><u>29,515,615</u></u>    |
| <b>Operating Expenses</b>                                          |                            |                             |                           |                             |
| Personal Services                                                  | 40,794,167                 | 3,049,993                   | 0                         | 0                           |
| Supplies                                                           | 1,323,041                  | 80,800                      | 0                         | 188,703                     |
| Other Expenses                                                     | 23,190,592                 | 8,279,915                   | 750                       | 7,507,934                   |
| Debt Service                                                       | 0                          | 0                           | 2,001,906                 | 0                           |
| Capital                                                            | <u>17,252</u>              | <u>27,998</u>               | <u>0</u>                  | <u>4,674,058</u>            |
| Total Oper. Expenses                                               | <u><u>65,325,052</u></u>   | <u><u>11,438,707</u></u>    | <u><u>2,002,656</u></u>   | <u><u>12,370,695</u></u>    |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u><u>(4,015,324)</u></u>  | <u><u>(2,762,074)</u></u>   | <u><u>12,325,719</u></u>  | <u><u>17,144,920</u></u>    |
| <b>Other Fin. Sources/(Uses)</b>                                   |                            |                             |                           |                             |
| Transfers-In                                                       | 1,497,474                  | 5,814,864                   | 0                         | 5,619,876                   |
| Transfers-Out                                                      | <u>(15,603,156)</u>        | <u>(2,449,974)</u>          | <u>(2,950,320)</u>        | <u>(27,702)</u>             |
| Total Other Sources/Uses                                           | <u><u>(14,105,682)</u></u> | <u><u>3,364,890</u></u>     | <u><u>(2,950,320)</u></u> | <u><u>5,592,174</u></u>     |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u><u>(18,121,006)</u></u> | <u><u>602,816</u></u>       | <u><u>9,375,399</u></u>   | <u><u>22,737,094</u></u>    |
| <b>Beginning Fund Balance</b>                                      | 25,046,305                 | 12,513,244                  | 31,119,323                | 30,845,419                  |
| <b>Prior Year Corrections</b>                                      | 0                          | 0                           | 0                         | 0                           |
| <b>Est. Ending Fund Balance</b>                                    | <u><u>6,925,299</u></u>    | <u><u>13,116,060</u></u>    | <u><u>40,494,722</u></u>  | <u><u>53,582,513</u></u>    |

Sources and Uses of Funds - All Funds  
July 1, 2005 - December 31, 2005

|                                                                    | Enterprise<br>Funds | Internal<br>Service<br>Funds | Total<br>All Funds |
|--------------------------------------------------------------------|---------------------|------------------------------|--------------------|
| <b>Operating Revenue</b>                                           |                     |                              |                    |
| Taxes                                                              | 1,890,323           | 0                            | 70,691,129         |
| Licenses & Permits                                                 | 0                   | 0                            | 1,275,968          |
| Intergovt. Revenue                                                 | 6,482,187           | 0                            | 43,294,271         |
| Charges For Serv.                                                  | 5,123,529           | 26,288,500                   | 32,440,062         |
| Fines & Forfeits                                                   | 0                   | 0                            | 2,515,211          |
| Other Revenue                                                      | 203,019             | 636,986                      | 4,238,253          |
| Total Oper. Revenues                                               | <u>13,699,058</u>   | <u>26,925,486</u>            | <u>154,454,895</u> |
| <b>Operating Expenses</b>                                          |                     |                              |                    |
| Personal Services                                                  | 1,163,797           | 1,520,146                    | 46,528,102         |
| Supplies                                                           | 1,593,303           | 1,876,555                    | 5,062,402          |
| Other Expenses                                                     | 16,595,474          | 11,225,825                   | 66,800,489         |
| Debt Service                                                       | 0                   | 0                            | 2,001,906          |
| Capital                                                            | 1,046,033           | 4,527                        | 5,769,869          |
| Total Oper. Expenses                                               | <u>20,398,606</u>   | <u>14,627,052</u>            | <u>126,162,768</u> |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u>(6,699,548)</u>  | <u>12,298,434</u>            | <u>28,292,126</u>  |
| <b>Other Fin. Sources/(Uses)</b>                                   |                     |                              |                    |
| Transfers-In                                                       | 7,623,528           | 475,410                      | 21,031,152         |
| Transfers-Out                                                      | 0                   | 0                            | (21,031,152)       |
| Total Other Sources/Uses                                           | <u>7,623,528</u>    | <u>475,410</u>               | <u>0</u>           |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u>923,980</u>      | <u>12,773,844</u>            | <u>28,292,126</u>  |
| <b>Beginning Fund Balance</b>                                      | 43,168,503          | 37,775,502                   | 180,468,296        |
| <b>Prior Year Corrections</b>                                      | 0                   | 0                            | 0                  |
| <b>Est. Ending Fund Balance</b>                                    | <u>44,092,483</u>   | <u>50,549,346</u>            | <u>208,760,422</u> |

Balance Sheet - General Fund  
As of December 31, 2005

|                                                    | General<br>Fund          |
|----------------------------------------------------|--------------------------|
| <hr/>                                              |                          |
| <b>Assets</b>                                      |                          |
| Cash & temporary investments                       | 7,486                    |
| Investments                                        | 23,150,453               |
| Receivables (Net of allowances for uncollectibles) |                          |
| Accounts                                           | 621,765                  |
| Taxes on real and personal property                | 45,161,752               |
| Due from other funds                               | -                        |
| Due from component units                           | -                        |
| Inventory                                          | 154,390                  |
| Prepaid items                                      | -                        |
| Land & Site Improvements                           | -                        |
| Buildings (Net of Depreciation)                    | -                        |
| Other Improvements (Net of Depreciation)           | -                        |
| Machinery & Equipment (Net of Depreciation)        | -                        |
| Other Assets                                       | -                        |
| Restricted assets                                  |                          |
| Temporarily restricted                             | -                        |
| Unused bond proceeds                               | -                        |
| Total Assets                                       | <u><u>69,095,847</u></u> |
| <br><b>Liabilities And Fund Balances</b>           |                          |
| Liabilities                                        |                          |
| Accounts payable                                   | 3,257,776                |
| Accrued liabilities                                | -                        |
| Due to other funds                                 | 11,155,567               |
| Due to other governmental agencies                 | 2,595,453                |
| Deferred revenue                                   | <u>45,161,752</u>        |
| Total Liabilities                                  | <u><u>62,170,548</u></u> |
| <br>Fund balances                                  |                          |
| Reserved                                           | 1,661,684                |
| Unreserved                                         | <u>5,263,615</u>         |
| Total Fund Balances                                | <u><u>6,925,299</u></u>  |
| Total Liabilities and Fund Balances                | <u><u>69,095,847</u></u> |



Sources and Uses of Funds - General Fund  
 July 1, 2005 - December 31, 2005

|                                                                    | General<br>Fund            |
|--------------------------------------------------------------------|----------------------------|
| <b>Operating Revenue</b>                                           |                            |
| Taxes                                                              | 54,960,279                 |
| Licenses & Permits                                                 | 148,900                    |
| Intergovt. Revenue                                                 | 4,620,718                  |
| Charges For Serv.                                                  | 450,711                    |
| Fines & Forfeits                                                   | 181,382                    |
| Other Revenue                                                      | <u>947,738</u>             |
| Total Oper. Revenues                                               | <u><u>61,309,728</u></u>   |
| <b>Operating Expenses</b>                                          |                            |
| Personal Services                                                  | 40,794,167                 |
| Supplies                                                           | 1,323,041                  |
| Other Expenses                                                     | 23,190,592                 |
| Debt Service                                                       | -                          |
| Capital                                                            | <u>17,252</u>              |
| Total Oper. Expenses                                               | <u><u>65,325,052</u></u>   |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u><u>(4,015,324)</u></u>  |
| <b>Other Fin. Sources/(Uses)</b>                                   |                            |
| Transfers In                                                       | 1,497,474                  |
| Transfers Out                                                      | <u>(15,603,156)</u>        |
| Total Other Sources/Uses                                           | <u><u>(14,105,682)</u></u> |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u><u>(18,121,006)</u></u> |
| <b>Beginning Fund Balance</b>                                      | 25,046,305                 |
| <b>Prior Year Corrections</b>                                      | -                          |
| <b>Est. Ending Fund Balance</b>                                    | <u><u>6,925,299</u></u>    |

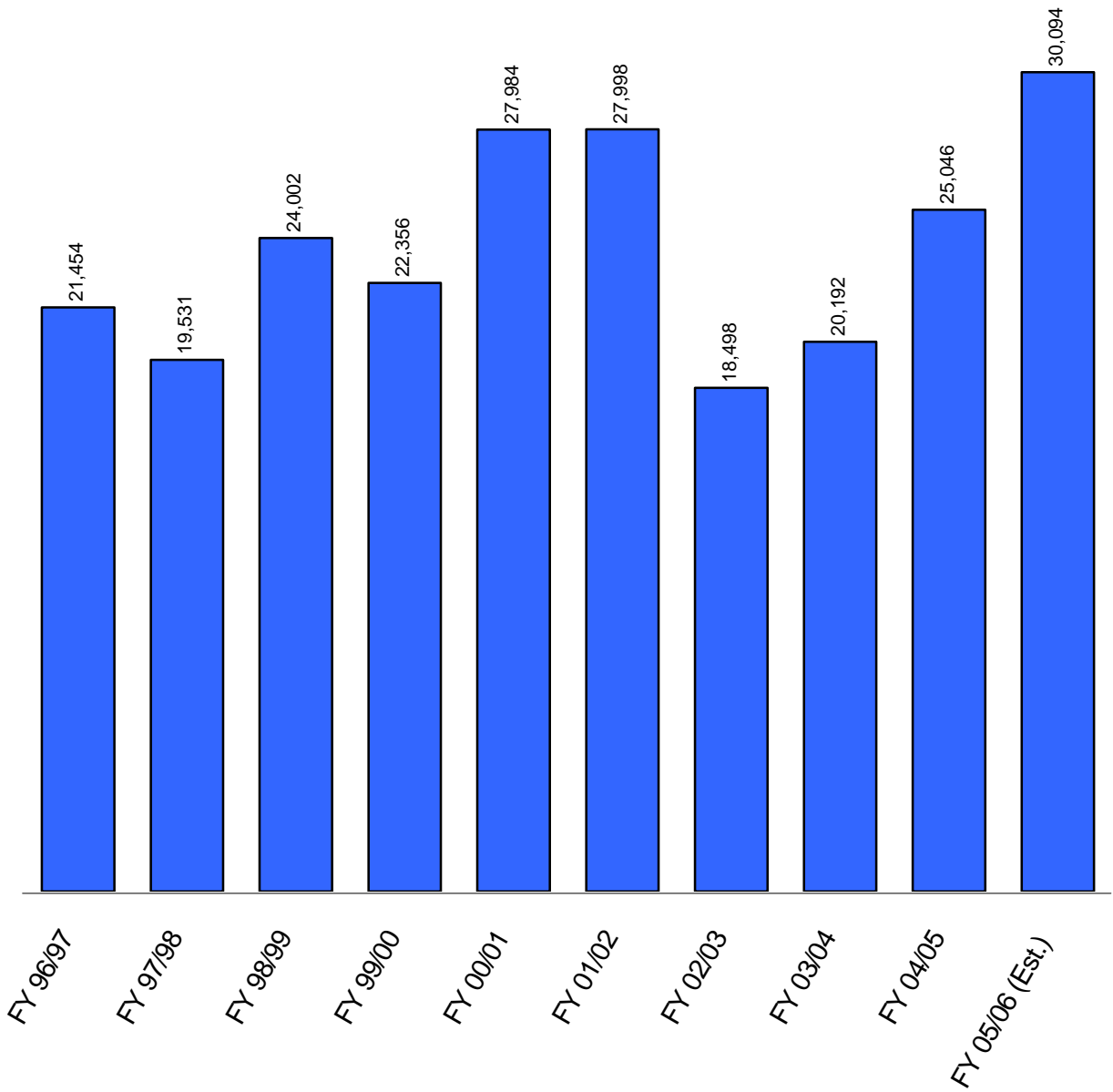
Sources and Uses of Funds - General Fund  
July 1, 2005 - December 31, 2005

|                                                                    | FY 05/06<br>Adopted<br>Budget | FY 05/06<br>Amended<br>Budget | Period<br>Ending<br>12/31/2005 | Forecast<br>Ending<br>06/30/2006 |
|--------------------------------------------------------------------|-------------------------------|-------------------------------|--------------------------------|----------------------------------|
| <b>Operating Revenue</b>                                           |                               |                               |                                |                                  |
| Taxes                                                              | 124,959,370                   | 124,959,370                   | 54,960,279                     | 128,120,950                      |
| Licenses & Permits                                                 | 269,540                       | 269,540                       | 148,900                        | 275,180                          |
| Intergovt. Revenue                                                 | 16,205,650                    | 16,205,650                    | 4,620,718                      | 16,932,880                       |
| Charges For Serv.                                                  | 920,700                       | 920,700                       | 450,711                        | 964,850                          |
| Fines & Forfeits                                                   | 259,660                       | 259,660                       | 181,382                        | 323,950                          |
| Other Revenue                                                      | 698,730                       | 698,730                       | 947,738                        | 908,530                          |
| Total Oper. Revenues                                               | <u>143,313,650</u>            | <u>143,313,650</u>            | <u>61,309,728</u>              | <u>147,526,340</u>               |
| <b>Operating Expenditures</b>                                      |                               |                               |                                |                                  |
| Administration                                                     | 2,061,890                     | 2,062,892                     | 1,149,755                      | 2,013,000                        |
| Finance and Accountability                                         | 6,381,420                     | 6,477,026                     | 3,504,865                      | 6,313,500                        |
| Operations and Engineering                                         | 5,170,500                     | 5,225,197                     | 2,769,160                      | 5,173,000                        |
| Community and Neighborhood Services                                | 24,098,790                    | 24,656,681                    | 13,253,500                     | 24,313,700                       |
| Law                                                                | 1,503,090                     | 1,529,931                     | 896,669                        | 1,554,000                        |
| Police                                                             | 39,252,210                    | 39,565,735                    | 22,038,027                     | 39,025,000                       |
| Fire                                                               | 27,517,840                    | 27,581,726                    | 17,581,577                     | 27,850,500                       |
| Plan F Pension                                                     | 0                             | 0                             | 200,672                        | 0                                |
| Legislative                                                        | 821,830                       | 992,462                       | 502,942                        | 865,000                          |
| Civil Service                                                      | 946,310                       | 946,310                       | 522,417                        | 887,620                          |
| City Elections                                                     | 265,000                       | 265,000                       | 0                              | 265,000                          |
| Knoxville Partnership                                              | 696,580                       | 696,580                       | 222,070                        | 696,580                          |
| Metropolitan Planning Commission                                   | 737,550                       | 737,550                       | 368,775                        | 737,550                          |
| Knoxville Zoo                                                      | 864,210                       | 864,210                       | 864,210                        | 864,210                          |
| Community Agency Grants                                            | 1,197,700                     | 1,197,700                     | 999,310                        | 1,197,700                        |
| Waterfront                                                         | 359,380                       | 359,380                       | 199,669                        | 359,380                          |
| Community Action Committee                                         | 444,980                       | 444,980                       | 226,330                        | 444,980                          |
| Reserve                                                            | 1,965,000                     | 1,965,000                     | 0                              | 465,000                          |
| Miscellaneous                                                      | 0                             | 0                             | 25,104                         | 0                                |
| Total Oper. Expenses                                               | <u>114,284,280</u>            | <u>115,568,360</u>            | <u>65,325,052</u>              | <u>113,025,720</u>               |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u>29,029,370</u>             | <u>27,745,290</u>             | <u>(4,015,323)</u>             | <u>34,500,620</u>                |
| <b>Other Fin. Sources/(Uses)</b>                                   |                               |                               |                                |                                  |
| Transfers-In                                                       | 2,994,950                     | 2,994,950                     | 1,497,474                      | 2,994,950                        |
| Transfers-Out                                                      | (32,024,320)                  | (32,447,920)                  | (15,603,156)                   | (32,447,920)                     |
| Total Other Sources/Uses                                           | <u>(29,029,370)</u>           | <u>(29,452,970)</u>           | <u>(14,105,682)</u>            | <u>(29,452,970)</u>              |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u>0</u>                      | <u>(1,707,680)</u>            | <u>(18,121,005)</u>            | <u>5,047,650</u>                 |
| <b>Beginning Balance</b>                                           | 25,046,305                    | 25,046,305                    | 25,046,305                     | 25,046,305                       |
| <b>Prior Year Corrections</b>                                      | 0                             | 0                             | 0                              | 0                                |
| <b>Est. Ending Fund Balance</b>                                    | <u>25,046,305</u>             | <u>23,338,625</u>             | <u>6,925,300</u>               | <u>30,093,955</u>                |

# General Fund Fund Balance

## FY 96/97 - FY 05/06

(In \$1,000's)



# General Fund Revenue Analysis

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## Overview

Total General Fund revenues through the end of December, 2005 equal \$62,807,202 or approximately 42.9% of the budgeted total. This amount is higher (2.82%) than the six-month forecast of \$61,085,730.

We now expect to end the year very favorably when compared to adopted budget levels. For the year we are forecasting General Fund revenues to equal \$150,521,290 or \$4,212,690 more than the adopted budget. This results from higher than expected growth in the more cyclical revenues such as local option sales taxes, as well as higher than budgeted revenue from real property taxes. These are partially offset by lower than budgeted revenue from property taxes, a lower than expected payment in lieu of taxes from KUB, and various other changes.

## Taxes

The largest single category of revenue to the city is taxes, which is budgeted at \$124,959,470 or 85.41% of total operating revenue. Because it represents such a large percentage of the total any fluctuations within this category have a great effect upon the overall outlook for the year.

For the first half of the year revenues from this category equal \$54,960,279 or 44.0% of the budgeted total. Actual revenues collected to date are above the forecast amount by \$791,249, due, primarily, to higher than expected sales tax collections.

The largest revenue within this category is taxes on real property. Actual collections to date equal \$35,101,183, which is \$279,323 more than the forecast amount. We are forecasting the final numbers to be above the budgeted level by \$1,316,790 or 2.44%. The higher than expected collections are due to a tax roll that came in more than forecast. In preparing the budget we had forecast a 1.74% growth in assessments, whereas actual growth was 1.93%.

Personal property tax is a tax on such things as vehicles, fixtures, etc. used in business. Collections of this revenue for the year to date equal \$1,607,869, which is \$469,271 below the forecast level. For the year, we expect to end with an unfavorable variance of \$391,350. In the case of personal property our growth estimate for the year was too high. We had expected a 2.1% growth in assessments, whereas the actual change, after adjusting for reappraisal and a change in the equalization rate, was growth of 1.28%.

The tax roll on public utilities is supplied by the Public Service Commission and came in very close to projected levels. Based upon the current tax roll we now expect to receive approximately \$34,970 more than the adopted amount for this revenue category.

Collections of delinquent taxes are up for the first half of the year and are expected to be above budgeted estimates at year-end. The most favorable variance occurs in the prior collections for Public Utility taxes, which is forecast to end the year \$179,230 above budget. This is due to one company emerging from bankruptcy through merger and, as a result, paying back taxes. This is clearly a one-time event, which will not recur in the future. We do expect some loss in attorney fees, shown in the charges for service category, which will partially offset the gains here. For the year we project prior year real property taxes to yield approximately \$1.96 million and prior year personal property taxes to generate approximately \$326 thousand. Payments of prior year public utility taxes are expected to generate \$185 thousand. Interest and penalties for these taxes are expected to generate approximately \$1.0 million.

The payment in lieu of taxes from KUB is now forecast at \$11,722,420, which represents an unfavorable variance of \$222,880. This results from higher than expected gains in net plant values for all divisions offset by lower than expected growth in the net plant value for the Electric division. KCDC also makes a payment in lieu of taxes. The payment by KCDC is weak at this time and is expected to be below the budgeted amount by \$9,690. We expect to receive other payment in lieu of taxes payments in the amount of \$115,960.

Local option sales tax collections through December 2005 show a favorable variance of approximately \$677,272. For the year, we are expecting local option sales taxes to generate \$33,535,390, or \$1,701,190 more than budgeted. Overall growth in the Knox County has been far above expectations for the year. We have also seen a slight overall shift from unincorporated Knox County and Farragut to the City. That is, while overall growth in the county is strong, it is also moving into the City. We think this is due to the dramatic growth in the Turkey Creek development, primarily in the City, which is taking away some sales that might have otherwise occurred outside the City. Total overall sales tax collections are also affected by an extraordinarily strong month relating to back to school sales. Deep discounting by car dealers also

affected total sales during this month. These are again, likely one-time aberrations. Back to school sales will also be affected in the future by a proposed sales tax holiday in August.

The City receives revenue from several alcohol-related taxes. At this time we are forecasting revenues from beer taxes to show a negative variance of \$31,080 at year-end. Revenue from mixed drink taxes is expected to be up by \$169,860 when compared to the budgeted amount and revenue from alcoholic beverage taxes is projected to be above the budgeted amount by \$165,260. Total taxes from these sources are forecast at \$9,210,350, which is \$394,773, or 4.8% above FY 04/05 collections.

The balance of all other local taxes is mixed with most expected to show small unfavorable variances at year-end. Business tax collections, one of the larger remaining taxes, are in line with forecasts. Overall business tax collections are expected to yield \$3,990,820, this being \$9,980 lower than budgeted.

Revenues from the cable television franchise tax total \$306,074 for the first half of the year and are expected to generate \$1,381,040 for the entire fiscal year, this being \$177,040 higher than the budgeted amount. This increase comes from slightly higher than forecast revenues from Comcast Cable, accompanied by expected first-time revenues from Knology

#### Licenses & Permits

The second category of revenue comes from licenses and permits. This category is budgeted at \$269,540 and constitutes only 0.18% of total operating revenues. Through the first half of the year the city has received \$148,900, which is \$1,420 above the forecast amount. For the year revenues are forecast at \$275,180 for a positive variance of \$5,640 or 2.1% above the budgeted level.

Revenues within the category of licenses and permits are split when compared to budget, with slightly more expected to display a favorable variance at year-end. The largest expected variance is in liquor by the ounce charges, which are forecast at \$156,220 for a favorable variance of \$15,050. Revenues from beer application fees and beer privilege fees are, on the other hand, expected to be down by \$5,880, and \$4,950 respectively.

#### Intergovernmental Revenue

Intergovernmental revenue, or revenue from the state and federal government is the second largest revenue category, representing 11.1% of the total operat-

ing revenue to the General Fund. For the first half of the year collections from this category equal \$4,620,718 which is \$231,948 more than the projected level of \$4,388,700. We now forecast total intergovernmental revenue for the year at \$16,832,880, which is a positive variance of \$627,230, when compared to the adopted budget.

The largest variance in this category of revenue is in proceeds from the state shared sales tax. Through December this revenue shows a positive variance of \$287,183, and the variance is expected to grow to a positive \$613,880 by fiscal year-end. This solid performance is attributable to two factors. The first is stronger than expected growth in sales taxes for the whole state, a percentage of which flows back to cities. The second factor is a change in the distribution percentage. In preparing the budget we assumed no change in the percentage of funds distributed by the state. The final state budget restored a portion of the cuts enacted by the Legislature several years ago. This change is thus reflected in the revised estimate.

The change in distribution rates also affects revenues from the Hall Income Tax. The City receives 37.5% of the revenue from the Hall Income Tax paid by City of Knoxville residents. This revenue is distributed in July and there is no early indication as to how strong or weak revenues from this source will be. Given the experience of the markets during the past year we do expect to see little change in this revenue. For the year, the Hall Income Tax is now estimated at \$2,100,000, which is in line with the budgeted amount.

Very little change is expected from other sources of intergovernmental revenue. Revenue from TVA gross receipts is expected to yield \$1,301,830 or a favorable variance of \$32,760. This gain is partially offset by expected lower earnings from the alcoholic beverage tax, which is expected to yield \$17,620 less than budgeted, and the special petroleum products tax, which is forecast to generate \$4,570 less than budgeted.

#### Charges for Services

The fourth category of revenue, charges for services, represents approximately 0.63% of the total budgeted operating revenue. For the year we expect this category to be up by \$44,150 when compared to budget. The revenues within this group are primarily favorable with gainers outnumbering losers. The largest positive variances are expected to come from, codes enforcement fees, formerly shown as lot clearance fees (\$22,940), and various parks and recreations fees. These gains are somewhat offset by lower than ex-

pected earnings from attorney fees for the collection of delinquent taxes (\$64,220), accident reports (\$4,420), and parking lot revenue (\$3,890).

#### Fines and Forfeits

At this time revenues from fines and forfeits, excluding excess revenues from the City Court, represent 0.18% of budgeted revenue. This category currently shows a positive variance of \$64,612, mainly due to criminal court fines. For the year we expect to generate \$323,950 or a favorable variance of \$64,290. Again this is almost entirely due to revenues coming from criminal court fines, which is expected to show a favorable variance of \$50,930.

Excess City Court fees i.e. the amount that revenue exceeds expenditures in the City Court Fund (Fund 213) is shown as a transfer in. For the entire year we now anticipate that excess city court fees will generate \$2,994,950, which is in line with the budgeted amount.

#### Miscellaneous

The final category of revenue is miscellaneous revenue, which accounts for just 0.48% of the budgeted total. For the first six months of the year this category of revenue is up by \$601,518 when compared to projections. This is primarily an aberration due to some significant misclassifications in the miscellaneous revenue category. Nonetheless, we still expect to end the year with a favorable variance of \$209,800. The biggest gain comes from increased interest earnings stemming from the rise in short term interest rates. For the year we expect interest earnings to surpass budgeted levels by \$153,780. Other revenues expected to show positive variances for the year include residential parking permits (\$2,040), equipment sales (\$59,530) and miscellaneous revenue (\$116,710).

#### Fund Balance

The FY 05/06 budget does not propose to use any portion of fund balance during the year. Based upon our current projections we would expect the General Fund fund balance to increase by approximately \$5.048 million for the year.

Projected General Fund Collections - FY 05/06

| Account Number | Account Name                       | Adopted Budget | July 1, 2005 - December 31, 2005 |                  | Variance From Forecast |
|----------------|------------------------------------|----------------|----------------------------------|------------------|------------------------|
|                |                                    |                | Six Month Forecast               | Six Month Actual |                        |
| 5111           | Property Tax Real - Current        | 54,051,000     | 34,821,860                       | 35,101,183       | 279,323                |
| 5112           | Property Tax Real - Prior          | 1,900,000      | 1,110,540                        | 1,146,786        | 36,246                 |
| 5113           | Personal Property Tax - Current    | 6,526,200      | 2,077,140                        | 1,607,869        | (469,271)              |
| 5114           | Personal Property Tax - Prior      | 150,000        | 62,200                           | 154,491          | 92,291                 |
| 5115           | Public Utilities - Current         | 3,235,600      | (1,870)                          | 0                | 1,870                  |
| 5116           | Public Utilities - Prior           | 6,000          | 5,360                            | 165,317          | 159,957                |
| 5117           | Discount                           | (310,800)      | (281,410)                        | (306,771)        | (25,361)               |
| 5131           | KUB                                | 11,945,300     | 0                                | 0                | 0                      |
| 5132           | KCDC                               | 34,620         | 34,620                           | 24,924           | (9,696)                |
| 5135           | PILOT - News Sentinel              | 76,780         | 0                                | 0                | 0                      |
| 5136           | Other Payment In Lieu of Taxes     | 20,000         | 20,000                           | 0                | (20,000)               |
| 5141           | Local Shared Sales Tax             | 31,834,200     | 10,443,970                       | 11,121,242       | 677,272                |
| 5151           | Beer Tax                           | 5,964,110      | 2,571,470                        | 2,560,471        | (10,999)               |
| 5152           | Mixed Drink Tax                    | 1,004,200      | 318,570                          | 358,126          | 39,556                 |
| 5153           | Alcoholic Beverage Tax             | 1,938,000      | 954,510                          | 1,043,289        | 88,779                 |
| 5161           | Business Tax                       | 5,000          | 1,340                            | 10,035           | 8,695                  |
| 5165           | Tax Sale Publication Fees          | 27,200         | 19,700                           | 40,933           | 21,233                 |
| 5166           | Business Tax - 2003                | 3,995,800      | 1,071,180                        | 1,062,425        | (8,755)                |
| 5171           | Interest & Penalties - Current     | 125,000        | 1,050                            | 0                | (1,050)                |
| 5172           | Interest & Penalties - Prior       | 1,151,210      | 594,450                          | 521,495          | (72,955)               |
| 5173           | Interest & Penalties - Business    | 3,000          | 2,060                            | 610              | (1,450)                |
| 5174           | Interest & Penalties - License     | 350            | 200                              | 602              | 402                    |
| 5175           | Interest & Penalties - CBID        | 1,500          | 450                              | 2,762            | 2,312                  |
| 5176           | Interest - New Business Tax        | 7,100          | 4,870                            | 4,798            | (72)                   |
| 5177           | Penalty - New Business Tax         | 64,000         | 43,890                           | 33,618           | (10,272)               |
| 5193           | Cable TV Franchise Tax             | 1,204,000      | 292,880                          | 306,074          | 13,194                 |
|                | Subtotal - Taxes                   | 124,959,370    | 54,169,030                       | 54,960,279       | 791,249                |
| 5201           | Blasting Permits                   | 4,300          | 2,410                            | 3,400            | 990                    |
| 5202           | Fire Reports                       | 2,740          | 1,280                            | 820              | (460)                  |
| 5203           | Fireworks Permit                   | 2,820          | 2,130                            | 1,040            | (1,090)                |
| 5204           | Tank Abandonment                   | 1,100          | 870                              | 1,120            | 250                    |
| 5205           | Tank Installation Fee              | 10,470         | 5,880                            | 5,960            | 80                     |
| 5211           | Merchant & General Privilege       | 200            | 90                               | 250              | 160                    |
| 5212           | Liquor by the Ounce                | 141,170        | 72,140                           | 88,430           | 16,290                 |
| 5215           | Alcoholic Beverage License         | 2,600          | 2,170                            | 3,500            | 1,330                  |
| 5251           | Beer Application Fees              | 26,350         | 14,170                           | 11,000           | (3,170)                |
| 5252           | Beer Privilege Tax                 | 60,730         | 35,560                           | 23,452           | (12,108)               |
| 5253           | Beer Permit Publications           | 1,730          | 870                              | 990              | 120                    |
| 5254           | Beer Permit Records Check          | 4,920          | 2,450                            | 3,338            | 888                    |
| 5255           | Duplicate Beer Permits             | 0              | 0                                | 0                | 0                      |
| 5282           | KPD Fee for Duplicate Beer Permits | 0              | 0                                | 0                | 0                      |
| 5291           | Solicitation                       | 4,710          | 2,260                            | 2,550            | 290                    |
| 5292           | Mall Vendor                        | 0              | 0                                | 0                | 0                      |
| 5293           | Street Vendor                      | 5,700          | 5,200                            | 3,050            | (2,150)                |
|                | Subtotal - Licenses and Permits    | 269,540        | 147,480                          | 148,900          | 1,420                  |
| 5313           | Emer. Mgmt. - Federal Share        | 85,020         | 42,510                           | 0                | (42,510)               |
| 5319           | Federal Contribution               | 670,000        | 297,930                          | 299,089          | 1,159                  |
| 5321           | Sales Tax                          | 10,645,460     | 3,523,690                        | 3,810,873        | 287,183                |
| 5322           | Income Tax                         | 2,100,000      | 0                                | 0                | 0                      |
| 5323           | Beer Tax                           | 86,600         | 46,190                           | 46,038           | (152)                  |
| 5324           | Alcoholic Beverage Tax             | 88,120         | 20,600                           | 0                | (20,600)               |
| 5326           | Special Petroleum Products Tax     | 401,650        | 130,480                          | 128,998          | (1,482)                |
| 5327           | Excise Tax                         | 396,800        | 0                                | 0                | 0                      |
| 5328           | TVA Gross Receipts                 | 1,269,070      | 317,220                          | 325,406          | 8,186                  |

Projected General Fund Collections - FY 05/06

| Account Number | Account Name                       | Adopted Budget | Total Fiscal Year 2005/06 |                      |
|----------------|------------------------------------|----------------|---------------------------|----------------------|
|                |                                    |                | Year End Forecast         | Variance From Budget |
| 5111           | Property Tax Real - Current        | 54,051,000     | 55,367,790                | 1,316,790            |
| 5112           | Property Tax Real - Prior          | 1,900,000      | 1,962,020                 | 62,020               |
| 5113           | Personal Property Tax - Current    | 6,526,200      | 6,134,850                 | (391,350)            |
| 5114           | Personal Property Tax - Prior      | 150,000        | 325,830                   | 175,830              |
| 5115           | Public Utilities - Current         | 3,235,600      | 3,270,570                 | 34,970               |
| 5116           | Public Utilities - Prior           | 6,000          | 185,230                   | 179,230              |
| 5117           | Discount                           | (310,800)      | (308,820)                 | 1,980                |
| 5131           | KUB                                | 11,945,300     | 11,722,420                | (222,880)            |
| 5132           | KCDC                               | 34,620         | 24,930                    | (9,690)              |
| 5135           | PILOT - News Sentinel              | 76,780         | 76,780                    | 0                    |
| 5136           | Other Payment In Lieu of Taxes     | 20,000         | 14,250                    | (5,750)              |
| 5141           | Local Shared Sales Tax             | 31,834,200     | 33,535,390                | 1,701,190            |
| 5151           | Beer Tax                           | 5,964,110      | 5,933,030                 | (31,080)             |
| 5152           | Mixed Drink Tax                    | 1,004,200      | 1,174,060                 | 169,860              |
| 5153           | Alcoholic Beverage Tax             | 1,938,000      | 2,103,260                 | 165,260              |
| 5161           | Business Tax                       | 5,000          | 37,440                    | 32,440               |
| 5165           | Tax Sale Publication Fees          | 27,200         | 56,530                    | 29,330               |
| 5166           | Business Tax - 2003                | 3,995,800      | 3,953,380                 | (42,420)             |
| 5171           | Interest & Penalties - Current     | 125,000        | 95,000                    | (30,000)             |
| 5172           | Interest & Penalties - Prior       | 1,151,210      | 1,009,940                 | (141,270)            |
| 5173           | Interest & Penalties - Business    | 3,000          | 1,070                     | (1,930)              |
| 5174           | Interest & Penalties - License     | 350            | 1,080                     | 730                  |
| 5175           | Interest & Penalties - CBID        | 1,500          | 7,860                     | 6,360                |
| 5176           | Interest - New Business Tax        | 7,100          | 7,000                     | (100)                |
| 5177           | Penalty - New Business Tax         | 64,000         | 49,020                    | (14,980)             |
| 5193           | Cable TV Franchise Tax             | 1,204,000      | 1,381,040                 | 177,040              |
|                | Subtotal - Taxes                   | 124,959,370    | 128,120,950               | 3,161,580            |
| 5201           | Blasting Permits                   | 4,300          | 5,810                     | 1,510                |
| 5202           | Fire Reports                       | 2,740          | 1,770                     | (970)                |
| 5203           | Fireworks Permit                   | 2,820          | 1,380                     | (1,440)              |
| 5204           | Tank Abandonment                   | 1,100          | 1,420                     | 320                  |
| 5205           | Tank Installation Fee              | 10,470         | 10,050                    | (420)                |
| 5211           | Merchant & General Privilege       | 200            | 540                       | 340                  |
| 5212           | Liquor by the Ounce                | 141,170        | 156,220                   | 15,050               |
| 5215           | Alcoholic Beverage License         | 2,600          | 4,200                     | 1,600                |
| 5251           | Beer Application Fees              | 26,350         | 20,470                    | (5,880)              |
| 5252           | Beer Privilege Tax                 | 60,730         | 55,780                    | (4,950)              |
| 5253           | Beer Permit Publications           | 1,730          | 1,970                     | 240                  |
| 5254           | Beer Permit Records Check          | 4,920          | 6,700                     | 1,780                |
| 5255           | Duplicate Beer Permits             | 0              | 210                       | 210                  |
| 5282           | KPD Fee for Duplicate Beer Permits | 0              | 0                         | 0                    |
| 5291           | Solicitation                       | 4,710          | 5,310                     | 600                  |
| 5292           | Mall Vendor                        | 0              | 0                         | 0                    |
| 5293           | Street Vendor                      | 5,700          | 3,350                     | (2,350)              |
|                | Subtotal - Licenses and Permits    | 269,540        | 275,180                   | 5,640                |
| 5313           | Emer. Mgmt. - Federal Share        | 85,020         | 85,020                    | 0                    |
| 5319           | Federal Contribution               | 670,000        | 672,610                   | 2,610                |
| 5321           | Sales Tax                          | 10,645,460     | 11,359,340                | 713,880              |
| 5322           | Income Tax                         | 2,100,000      | 2,100,000                 | 0                    |
| 5323           | Beer Tax                           | 86,600         | 86,320                    | (280)                |
| 5324           | Alcoholic Beverage Tax             | 88,120         | 70,500                    | (17,620)             |
| 5326           | Special Petroleum Products Tax     | 401,650        | 397,080                   | (4,570)              |
| 5327           | Excise Tax                         | 396,800        | 396,800                   | 0                    |
| 5328           | TVA Gross Receipts                 | 1,269,070      | 1,301,830                 | 32,760               |



Projected General Fund Collections - FY 05/06

| Account Number | Account Name                         | Adopted Budget     | July 1, 2005 - December 31, 2005 |                   | Variance From Forecast |
|----------------|--------------------------------------|--------------------|----------------------------------|-------------------|------------------------|
|                |                                      |                    | Six Month Forecast               | Six Month Actual  |                        |
| 5329           | State Contribution                   | 382,840            | 0                                | 0                 | 0                      |
| 5332           | Telecommunications Sales Tax         | 27,090             | 10,150                           | 10,313            | 163                    |
| 5341           | Emer. Mgmt. - County Share           | 53,000             | 0                                | 0                 | 0                      |
|                | Subtotal - Intgvtl. Revenue          | <u>16,205,650</u>  | <u>4,388,770</u>                 | <u>4,620,718</u>  | <u>231,948</u>         |
| 5407           | Gateway Village Rental               | 0                  | 0                                | 95                | 95                     |
| 5408           | Krutch Park Rental                   | 0                  | 0                                | 400               | 400                    |
| 5409           | Volunteer Landing Rentals            | 0                  | 0                                | 100               | 100                    |
| 5410           | Market Square Rental                 | 0                  | 0                                | 300               | 300                    |
| 5409           | Parking Lot Rentals                  | 3,890              | 3,250                            | 0                 | (3,250)                |
| 5412           | Attorney Cost - Taxes                | 326,710            | 140,920                          | 117,261           | (23,659)               |
| 5413           | Recording & Collection               | 43,500             | 24,590                           | 24,860            | 270                    |
| 5423           | Accident Reports                     | 192,210            | 94,810                           | 94,517            | (293)                  |
| 5425           | Officer Costs                        | 14,650             | 6,540                            | 8,450             | 1,910                  |
| 5434           | Codes Enforcement                    | 81,570             | 36,930                           | 56,375            | 19,445                 |
| 5435           | State Reimbursement - Streets, Signs | 120,000            | 53,000                           | 17,578            | (35,422)               |
| 5441           | Recreation Program Fees              | 0                  | 0                                | 8,293             | 8,293                  |
| 5442           | Inskip Pool Gate & Concessions       | 0                  | 0                                | 13,927            | 13,927                 |
| 5443           | Ed Cothren Pool Gate & Concessions   | 35,200             | 15,890                           | 7,606             | (8,284)                |
| 5444           | Indoor Pool Fees and Rentals         | 50,000             | 24,130                           | 18,056            | (6,074)                |
| 5445           | Team Registration Fees               | 27,030             | 9,370                            | 23,415            | 14,045                 |
| 5447           | Vending Concessions                  | 18,940             | 10,550                           | 4,123             | (6,427)                |
| 5449           | Summer Program Registration          | 7,000              | 0                                | 1,075             | 1,075                  |
| 5450           | Tennis Revenue                       | 0                  | 0                                | 3,609             | 3,609                  |
| 5451           | Building and Shelter Revenues        | 0                  | 0                                | 16,790            | 16,790                 |
| 5452           | Parks and Field Rental Fees          | 0                  | 0                                | 6,110             | 6,110                  |
| 5453           | Lease of SKCC                        | 0                  | 0                                | 10,830            | 10,830                 |
| 5459           | Parks and Recreation - Misc. Fees    | 0                  | 0                                | 563               | 563                    |
| 5461           | Caswell Park - League Concessions    | 0                  | 0                                | 7,374             | 7,374                  |
| 5464           | Caswell Park - Gate Fees             | 0                  | 0                                | 9,006             | 9,006                  |
|                | Subtotal - Charges for Services      | <u>920,700</u>     | <u>419,980</u>                   | <u>450,711</u>    | <u>30,731</u>          |
| 5511           | General Sessions Fines               | 5,620              | 2,610                            | 0                 | (2,610)                |
| 5512           | General Session Costs                | 106,030            | 49,640                           | 60,265            | 10,625                 |
| 5528           | KPD Automated Information            | 93,510             | 39,000                           | 42,601            | 3,601                  |
| 5529           | KPD Moving Violations                | 0                  | 0                                | 348               | 348                    |
| 5531           | Criminal Court Fines                 | 54,500             | 25,520                           | 78,167            | 52,647                 |
|                | Subtotal - Fines & Forfeits          | <u>259,660</u>     | <u>116,770</u>                   | <u>181,382</u>    | <u>64,612</u>          |
| 5603           | Residential Parking Permits          | 1,660              | 0                                | 0                 | 0                      |
| 5611           | Interest on Investments              | 260,000            | 97,970                           | 182,297           | 84,327                 |
| 5620           | Lease & Rental Income                | 30,000             | 16,380                           | 12,174            | (4,206)                |
| 5627           | Parking Meters                       | 330,970            | 174,200                          | 149,629           | (24,571)               |
| 5642           | Equipment Sales                      | 15,000             | 5,780                            | 64,530            | 58,750                 |
| 5666           | Agency Contribution                  | 0                  | 0                                | 15                | 15                     |
| 5699           | Miscellaneous Revenue                | 61,100             | 51,890                           | 539,094           | 487,204                |
|                | Subtotal - Misc. Revenue             | <u>698,730</u>     | <u>346,220</u>                   | <u>947,738</u>    | <u>601,518</u>         |
| 5905           | Excess City Court Fees               | 2,994,950          | 1,497,480                        | 1,497,474         | (6)                    |
|                | Subtotal - Transfers In              | <u>2,994,950</u>   | <u>1,497,480</u>                 | <u>1,497,474</u>  | <u>(6)</u>             |
|                | Grand Total - Operating Revenues     | <u>146,308,600</u> | <u>61,085,730</u>                | <u>62,807,202</u> | <u>1,721,472</u>       |

Projected General Fund Collections - FY 05/06

| Account Number | Account Name                         | Adopted Budget     | Total Fiscal Year 2005/06 |                      |
|----------------|--------------------------------------|--------------------|---------------------------|----------------------|
|                |                                      |                    | Year End Forecast         | Variance From Budget |
| 5329           | State Contribution                   | 382,840            | 382,840                   | 0                    |
| 5332           | Telecommunications Sales Tax         | 27,090             | 27,540                    | 450                  |
| 5341           | Emer. Mgmt. - County Share           | 53,000             | 53,000                    | 0                    |
|                | Subtotal - Intgvtl. Revenue          | <u>16,205,650</u>  | <u>16,932,880</u>         | <u>727,230</u>       |
| 5407           | Gateway Village Rental               | 0                  | 170                       | 170                  |
| 5408           | Krutch Park Rental                   | 0                  | 690                       | 690                  |
| 5409           | Volunteer Landing Rentals            | 0                  | 180                       | 180                  |
| 5410           | Market Square Rental                 | 0                  | 520                       | 520                  |
| 5409           | Parking Lot Rentals                  | 3,890              | 0                         | (3,890)              |
| 5412           | Attorney Cost - Taxes                | 326,710            | 262,490                   | (64,220)             |
| 5413           | Recording & Collection               | 43,500             | 43,980                    | 480                  |
| 5423           | Accident Reports                     | 192,210            | 187,790                   | (4,420)              |
| 5425           | Officer Costs                        | 14,650             | 18,950                    | 4,300                |
| 5434           | Codes Enforcement                    | 81,570             | 104,510                   | 22,940               |
| 5435           | State Reimbursement - Streets, Signs | 120,000            | 100,000                   | (20,000)             |
| 5441           | Recreation Program Fees              | 0                  | 0                         | 0                    |
| 5442           | Inskip Pool Gate & Concessions       | 0                  | 30,850                    | 30,850               |
| 5443           | Ed Cothren Pool Gate & Concessions   | 35,200             | 16,850                    | (18,350)             |
| 5444           | Indoor Pool Fees and Rentals         | 50,000             | 37,410                    | (12,590)             |
| 5445           | Team Registration Fees               | 27,030             | 36,400                    | 9,370                |
| 5447           | Vending Concessions                  | 18,940             | 7,410                     | (11,530)             |
| 5449           | Summer Program Registration          | 7,000              | 8,080                     | 1,080                |
| 5450           | Tennis Revenue                       | 0                  | 7,220                     | 7,220                |
| 5451           | Building and Shelter Revenues        | 0                  | 33,580                    | 33,580               |
| 5452           | Parks and Field Rental Fees          | 0                  | 12,220                    | 12,220               |
| 5453           | Lease of SKCC                        | 0                  | 21,660                    | 21,660               |
| 5459           | Parks and Recreation - Misc. Fees    | 0                  | 1,130                     | 1,130                |
| 5461           | Caswell Park - League Concessions    | 0                  | 14,750                    | 14,750               |
| 5464           | Caswell Park - Gate Fees             | 0                  | 18,010                    | 18,010               |
|                | Subtotal - Charges for Services      | <u>920,700</u>     | <u>964,850</u>            | <u>44,150</u>        |
| 5511           | General Sessions Fines               | 5,620              | 3,800                     | (1,820)              |
| 5512           | General Session Costs                | 106,030            | 112,230                   | 6,200                |
| 5528           | KPD Automated Information            | 93,510             | 102,140                   | 8,630                |
| 5529           | KPD Moving Violations                | 0                  | 350                       | 350                  |
| 5531           | Criminal Court Fines                 | 54,500             | 105,430                   | 50,930               |
|                | Subtotal - Fines & Forfeits          | <u>259,660</u>     | <u>323,950</u>            | <u>64,290</u>        |
| 5603           | Residential Parking Permits          | 1,660              | 3,700                     | 2,040                |
| 5611           | Interest on Investments              | 260,000            | 413,780                   | 153,780              |
| 5620           | Lease & Rental Income                | 30,000             | 24,400                    | (5,600)              |
| 5627           | Parking Meters                       | 330,970            | 284,290                   | (46,680)             |
| 5642           | Equipment Sales                      | 15,000             | 74,530                    | 59,530               |
| 5666           | Agency Contribution                  | 0                  | 20                        | 20                   |
| 5699           | Miscellaneous Revenue                | 61,100             | 107,810                   | 46,710               |
|                | Subtotal - Misc. Revenue             | <u>698,730</u>     | <u>908,530</u>            | <u>209,800</u>       |
| 5905           | Excess City Court Fees               | 2,994,950          | 2,994,950                 | 0                    |
|                | Subtotal - Transfers In              | <u>2,994,950</u>   | <u>2,994,950</u>          | <u>0</u>             |
|                | Grand Total - Operating Revenues     | <u>146,308,600</u> | <u>150,521,290</u>        | <u>4,212,690</u>     |

# General Fund Expenditure Analysis

## Overview

General Fund expenditures and encumbrances for the first half of fiscal year 2005/06 are \$66,958,283. Transfers from the General Fund to other funds equal \$15,628,260. Combined these represent 55.96% of the revised budget, and are \$10,856,951 higher than at the same point in FY 2005/06. Approximately \$7.5 million of this increase can be explained by internal accounting entries. We are now forecasting expenditures and transfers to be \$145,473,640 for the entire year or 98.28% of the amended budget of \$148,016,280.

## Administration

Through the first half of the year Administration has committed 55.92% of its budget. The current year-end projection calls for Administration to spend \$2,0130,000 or 97.58% of its budget.

## Finance and Accountability

### Finance

The Finance Department is at 51.93% of budget as of December 31, 2005. This department should have spent approximately 95.65% of the amended budget or \$3,063,500 by the end of the fiscal year.

### Information Systems

The Department of Information Systems is at 64.14% of budget at mid-year. Information Systems should finish FY05/06 at 99.27% of budget with year-end expenditures forecast at \$3,250,000.

## Operations & Engineering

### Engineering

The Engineering Department has expended 53.91% of budget at the mid-year point, which are in line with past expenditure patterns. For the year expenditures are expected to be \$5,173,000 or 99.00% of the amended budget.

## Community and Neighborhood Services

### Public Service

The Public Service Department has expended or encumbered 57.53% of the appropriation for FY 05/06. We anticipate the department to be slightly under budget at the end of the fiscal year (98.85% or \$16,934,400), but this could change should we experience more severe weather conditions during the remainder of the winter season.

### Development

Expenditures for the Department of Development are at 65.82% of budget at mid-year. Projected expenditures for FY 05/06 total \$590,000 or 99.23% of budget.

### Recreation

The Parks and Recreation department has expended/encumbered 56.68% of the FY 05/06 budget as of December 31, 2005. This percentage remains in line for the department due to contracts encumbered at the beginning of the fiscal year. Expenditures for the year are projected at \$6,050,000 or 100.04% of budget.

## Law

The Law Department is above the fifty-percent mark for the first half of FY 05/06, with 59.25% of the budget expended or obligated through December 31, 2005. This department could overspend its amended budget by year-end, largely due to higher than anticipated outside professional service fees.

## Police

### Police

The Police Department has expended or encumbered 56.59% of their budget as of December 31, 2005. For the entire year the Police Department is projected to expend approximately \$38,750,000 or 98.63% of its amended budget.

## Emergency Management

Expenditures for Emergency Management as of December 31, 2005 are at 58.79% of budget. Projected year-end expenditures for the department are \$275,000, or 98.82% of budget.

## Fire

The Fire Department is currently well above the 50% level with 64.24% of the budget expended or encumbered as of December 31, 2005. Based on current projections, the department should finish the year near budget with year-end expenditures estimated at 100.04% of budget or \$27,850,500. The anticipated overage is largely due to high overtime expenses during the first half of the fiscal year.

## Board Administered/Other Departments

### Legislative

The Legislative Department is at 55.99% of budget after the first six months. This department should end the year at approximately \$865,000.

### Civil Service

Civil Service expenditures as of December 31, 2005 are at 55.21% of budget. Expendi-

tures at year-end are projected at \$887,620, or 93.80% of budget.

## Nondepartmental

### Elections

There have been no funds spent on elections as of December 31, 2005. The City's share of the Fall of 2005 election should be approximately \$265,000.

### Waterfront

Expenditures for the Waterfront budget at the mid-year point are at 55.56% of budget. We are now forecasting expenditures for the year at \$359,380.

### Transfers

This grouping of expenditures represents fund transfers from the General Fund to various other funds of the city.

Transfers through December 31, 2005 equal \$15,628,744, which represents 48.80% of the amended budget for this grouping. It is expected that the amount budgeted for transfers will close to the 100.00% level or \$32,447,920 at year-end.

General Fund Expenditures and Encumbrances July 1, 2005 - December 31, 2005

| Department                                | Adopted Budget     | Amended Budget     | Expenditures      |
|-------------------------------------------|--------------------|--------------------|-------------------|
| Mayor's Office                            |                    |                    |                   |
| 11100 Administration                      | <u>2,061,890</u>   | <u>2,062,892</u>   | <u>1,149,755</u>  |
| Finance and Accountability                |                    |                    |                   |
| 21200 Finance                             | 3,180,010          | 3,202,965          | 1,646,464         |
| 21400 Information Systems                 | <u>3,201,410</u>   | <u>3,274,061</u>   | <u>1,858,401</u>  |
| Subtotal - Finance & Accountability       | <u>6,381,420</u>   | <u>6,477,026</u>   | <u>3,504,865</u>  |
| Operations and Engineering                |                    |                    |                   |
| 33300 Engineering                         | <u>5,170,500</u>   | <u>5,225,197</u>   | <u>2,769,160</u>  |
| Community and Neighborhood Services       |                    |                    |                   |
| 43100 Public Service                      | 16,956,660         | 17,131,670         | 9,571,887         |
| 43700 Development                         | 566,190            | 594,590            | 262,425           |
| 43800 Empowerment Zone                    | -                  | -                  | 18                |
| 44300 Parks and Recreation                | 5,692,990          | 6,047,471          | 3,049,484         |
| 46100 Mass Transit Grant Match            | <u>882,950</u>     | <u>882,950</u>     | <u>369,686</u>    |
| Subtotal - Community & Neighborhood Serv. | <u>24,098,790</u>  | <u>24,656,681</u>  | <u>13,253,500</u> |
| Law                                       |                    |                    |                   |
| 51300 Law                                 | <u>1,503,090</u>   | <u>1,529,931</u>   | <u>896,669</u>    |
| Police                                    |                    |                    |                   |
| 62300 Police                              | 38,974,730         | 39,287,464         | 21,876,713        |
| 62700 Emergency Management                | <u>277,480</u>     | <u>278,271</u>     | <u>161,314</u>    |
| Subtotal - Police                         | <u>39,252,210</u>  | <u>39,565,735</u>  | <u>22,038,027</u> |
| Fire                                      |                    |                    |                   |
| 72500 Fire                                | <u>27,517,840</u>  | <u>27,581,726</u>  | <u>17,581,577</u> |
| Board Administered/Other Departments      |                    |                    |                   |
| 81500 Legislative                         | 821,830            | 992,462            | 502,942           |
| 81700 Civil Service                       | <u>946,310</u>     | <u>946,310</u>     | <u>522,417</u>    |
| Subtotal - Other Departments              | <u>1,768,140</u>   | <u>1,938,772</u>   | <u>1,025,359</u>  |
| Nondepartmental                           |                    |                    |                   |
| 91900 Elections                           | 265,000            | 265,000            | -                 |
| 92600 Plan F Pensions                     | -                  | -                  | 200,672           |
| 93900 Knoxville Partnership               | 696,580            | 696,580            | 222,070           |
| 95100 Metropolitan Planning Commission    | 737,550            | 737,550            | 368,775           |
| 95200 Knoxville Zoological Gardens        | 864,210            | 864,210            | 864,210           |
| 95300 Community Agency Grants             | 1,197,700          | 1,197,700          | 999,310           |
| 95600 Waterfront                          | 359,380            | 359,380            | 199,669           |
| 95900 Community Action Committee          | 444,980            | 444,980            | 226,330           |
| 98100 General Fund Reserve                | 1,965,000          | 1,965,000          | -                 |
| 99100 Transfers                           | <u>32,024,320</u>  | <u>32,447,920</u>  | <u>15,628,260</u> |
| Subtotal - Nondepartmental                | <u>38,554,720</u>  | <u>38,978,320</u>  | <u>18,709,296</u> |
| Total Operating Expenses                  | <u>146,308,600</u> | <u>148,016,280</u> | <u>80,928,208</u> |

General Fund Expenditures and Encumbrances July 1, 2005 - December 31, 2005

| Encumbrances     | Total<br>Exps. &<br>Encum. | % of<br>Budget<br>Obligated | Year End<br>Forecast | % of<br>Budget<br>Spent |
|------------------|----------------------------|-----------------------------|----------------------|-------------------------|
| <u>3,736</u>     | <u>1,153,491</u>           | <u>55.92%</u>               | <u>2,013,000</u>     | <u>97.58%</u>           |
| 16,904           | 1,663,368                  | 51.93%                      | 3,063,500            | 95.65%                  |
| <u>241,683</u>   | <u>2,100,084</u>           | <u>64.14%</u>               | <u>3,250,000</u>     | <u>99.27%</u>           |
| <u>258,588</u>   | <u>3,763,453</u>           | <u>58.10%</u>               | <u>6,313,500</u>     | <u>97.48%</u>           |
| <u>47,971</u>    | <u>2,817,131</u>           | <u>53.91%</u>               | <u>5,173,000</u>     | <u>99.00%</u>           |
| 283,867          | 9,855,754                  | 57.53%                      | 16,934,400           | 98.85%                  |
| 128,923          | 391,348                    | 65.82%                      | 590,000              | 99.23%                  |
| -                | 18                         | 0.00%                       | -                    | 0.00%                   |
| 378,027          | 3,427,511                  | 56.68%                      | 6,050,000            | 100.04%                 |
| <u>790,817</u>   | <u>369,686</u>             | <u>41.87%</u>               | <u>739,300</u>       | <u>83.73%</u>           |
| <u>9,833</u>     | <u>14,044,317</u>          | <u>56.96%</u>               | <u>24,313,700</u>    | <u>98.61%</u>           |
| <u>9,833</u>     | <u>906,502</u>             | <u>59.25%</u>               | <u>1,554,000</u>     | <u>101.57%</u>          |
| 357,432          | 22,234,145                 | 56.59%                      | 38,750,000           | 98.63%                  |
| 2,280            | 163,594                    | 58.79%                      | 275,000              | 98.82%                  |
| <u>359,712</u>   | <u>22,397,739</u>          | <u>56.61%</u>               | <u>39,025,000</u>    | <u>98.63%</u>           |
| <u>138,282</u>   | <u>17,719,859</u>          | <u>64.24%</u>               | <u>27,850,500</u>    | <u>100.97%</u>          |
| 52,745           | 555,687                    | 55.99%                      | 865,000              | 87.16%                  |
| -                | 522,417                    | 55.21%                      | 887,620              | 93.80%                  |
| <u>52,745</u>    | <u>1,078,104</u>           | <u>55.61%</u>               | <u>1,752,620</u>     | <u>90.40%</u>           |
| -                | -                          | 0.00%                       | 265,000              | 100.00%                 |
| -                | 200,672                    | 28.81%                      | -                    | 0.00%                   |
| -                | 222,070                    | 30.11%                      | 696,580              | 100.00%                 |
| -                | 368,775                    | 50.00%                      | 737,550              | 100.00%                 |
| -                | 864,210                    | 100.00%                     | 864,210              | 100.00%                 |
| -                | 999,310                    | 83.44%                      | 1,197,700            | 100.00%                 |
| -                | 199,669                    | 55.56%                      | 359,380              | 100.00%                 |
| -                | 226,330                    | 50.86%                      | 444,980              | 100.00%                 |
| -                | -                          | 0.00%                       | 465,000              | 23.66%                  |
| -                | 15,628,260                 | 48.16%                      | 32,447,920           | 100.00%                 |
| <u>-</u>         | <u>18,709,296</u>          | <u>48.00%</u>               | <u>37,478,320</u>    | <u>96.15%</u>           |
| <u>1,661,684</u> | <u>82,589,892</u>          | <u>55.80%</u>               | <u>145,473,640</u>   | <u>98.28%</u>           |

Combined Balance Sheet - Special Revenue Funds  
As of December 31, 2005

|                                                    | State<br>Street Aid<br>Fund | Community<br>Improvement<br>Fund | Abandoned<br>Vehicle<br>Fund | Animal<br>Control<br>Fund | City<br>Court<br>Fund | City<br>Inspections<br>Fund |
|----------------------------------------------------|-----------------------------|----------------------------------|------------------------------|---------------------------|-----------------------|-----------------------------|
| <b>Assets</b>                                      |                             |                                  |                              |                           |                       |                             |
| Cash & temporary investments                       | 0                           | 0                                | 100                          | 0                         | 1,140                 | 0                           |
| Investments                                        | 1,047,987                   | 0                                | 1,319,185                    | 258,442                   | 752,524               | 890,251                     |
| Receivables (Net of allowances for uncollectibles) |                             |                                  |                              |                           |                       |                             |
| Accounts                                           | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Taxes on real and personal property                | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Due from other funds                               | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Due from component units                           | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Inventory                                          | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Prepaid items                                      | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Land & Site Improvements                           | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Buildings (Net of Depreciation)                    | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Other Improvements (Net of Depreciation)           | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Machinery & Equipment (Net of Depreciation)        | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Other Assets                                       | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Restricted assets                                  |                             |                                  |                              |                           |                       |                             |
| Temporarily restricted                             | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Unused bond proceeds                               | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Total Assets                                       | <u>1,047,987</u>            | <u>0</u>                         | <u>1,319,285</u>             | <u>258,442</u>            | <u>753,664</u>        | <u>890,251</u>              |
| <b>Liabilities And Fund Balances</b>               |                             |                                  |                              |                           |                       |                             |
| <b>Liabilities</b>                                 |                             |                                  |                              |                           |                       |                             |
| Accounts payable                                   | 0                           | 0                                | 32,492                       | 8,709                     | 60,886                | 86,978                      |
| Accrued liabilities                                | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Due to other funds                                 | 0                           | 3,900                            | 5,099                        | 739                       | 41,670                | 191,350                     |
| Due to other governmental agencies                 | 0                           | 0                                | 0                            | 0                         | 4,479                 | 0                           |
| Deferred revenue                                   | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Total Liabilities                                  | <u>0</u>                    | <u>3,900</u>                     | <u>37,591</u>                | <u>9,448</u>              | <u>107,034</u>        | <u>278,328</u>              |
| <b>Fund balances</b>                               |                             |                                  |                              |                           |                       |                             |
| Reserved                                           | 0                           | 0                                | 38,858                       | 0                         | 0                     | 0                           |
| Unreserved                                         | 1,047,987                   | (3,900)                          | 1,242,836                    | 248,994                   | 646,630               | 611,923                     |
| Total Fund Balances                                | <u>1,047,987</u>            | <u>(3,900)</u>                   | <u>1,281,694</u>             | <u>248,994</u>            | <u>646,630</u>        | <u>611,923</u>              |
| Total Liabilities and Fund Balances                | <u>1,047,987</u>            | <u>0</u>                         | <u>1,319,285</u>             | <u>258,442</u>            | <u>753,664</u>        | <u>890,251</u>              |

Combined Balance Sheet - Special Revenue Funds  
As of December 31, 2005

|                                                    | Stormwater<br>Fund | Solid<br>Waste<br>Fund | Misc. Special<br>Revenue<br>Funds | Empowerment<br>Zone | Community<br>Development<br>Fund | Total<br>All Funds |
|----------------------------------------------------|--------------------|------------------------|-----------------------------------|---------------------|----------------------------------|--------------------|
| <b>Assets</b>                                      |                    |                        |                                   |                     |                                  |                    |
| Cash & temporary investments                       | 50                 | 100                    | 166,868                           | 0                   | 0                                | 168,258            |
| Investments                                        | 612,273            | 4,240,554              | 4,260,684                         | 0                   | 0                                | 13,381,900         |
| Receivables (Net of allowances for uncollectibles) |                    |                        |                                   |                     |                                  |                    |
| Accounts                                           | 14,263             | 0                      | (100)                             | 843,567             | 2,939,666                        | 3,797,395          |
| Taxes on real and personal property                | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Due from other funds                               | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Due from component units                           | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Inventory                                          | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Prepaid items                                      | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Land & Site Improvements                           | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Buildings (Net of Depreciation)                    | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Other Improvements (Net of Depreciation)           | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Machinery & Equipment (Net of Depreciation)        | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Other Assets                                       | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Restricted assets                                  |                    |                        |                                   |                     |                                  |                    |
| Temporarily restricted                             | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Unused bond proceeds                               | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Total Assets                                       | <u>626,586</u>     | <u>4,240,654</u>       | <u>4,427,451</u>                  | <u>843,567</u>      | <u>2,939,666</u>                 | <u>17,347,553</u>  |
| <b>Liabilities And Fund Balances</b>               |                    |                        |                                   |                     |                                  |                    |
| <b>Liabilities</b>                                 |                    |                        |                                   |                     |                                  |                    |
| Accounts payable                                   | 44,793             | 25,546                 | 105,628                           | 0                   | 31,398                           | 396,430            |
| Accrued liabilities                                | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Due to other funds                                 | 168,425            | 126,486                | 0                                 | 170,368             | 628,415                          | 1,336,451          |
| Due to other governmental agencies                 | 0                  | 0                      | 0                                 | 0                   | 0                                | 4,479              |
| Deferred revenue                                   | 0                  | 0                      | 0                                 | 0                   | 2,494,136                        | 2,494,136          |
| Total Liabilities                                  | <u>213,218</u>     | <u>152,032</u>         | <u>105,628</u>                    | <u>170,368</u>      | <u>3,153,948</u>                 | <u>4,231,495</u>   |
| <b>Fund balances</b>                               |                    |                        |                                   |                     |                                  |                    |
| Reserved                                           | 44,942             | 5,004,603              | 59,286                            | 5,079,825           | 1,345,599                        | 11,573,114         |
| Unreserved                                         | <u>368,425</u>     | <u>(915,981)</u>       | <u>4,262,537</u>                  | <u>(4,406,626)</u>  | <u>(1,559,881)</u>               | <u>1,542,944</u>   |
| Total Fund Balances                                | <u>413,368</u>     | <u>4,088,622</u>       | <u>4,321,824</u>                  | <u>673,199</u>      | <u>(214,282)</u>                 | <u>13,116,058</u>  |
| Total Liabilities and Fund Balances                | <u>626,586</u>     | <u>4,240,654</u>       | <u>4,427,451</u>                  | <u>843,567</u>      | <u>2,939,666</u>                 | <u>17,347,553</u>  |



Sources and Uses of Funds - Special Revenue Funds  
July 1, 2005 - December 31, 2005

|                                                                    | State<br>Street Aid<br>Fund | Community<br>Improvement<br>Fund | Abandoned<br>Vehicle<br>Fund | Animal<br>Control<br>Fund | City<br>Court<br>Fund | City<br>Inspections<br>Fund |
|--------------------------------------------------------------------|-----------------------------|----------------------------------|------------------------------|---------------------------|-----------------------|-----------------------------|
| <b>Operating Revenue</b>                                           |                             |                                  |                              |                           |                       |                             |
| Taxes                                                              | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Licenses & Permits                                                 | 0                           | 0                                | 0                            | 5,933                     | 0                     | 1,022,631                   |
| Intergovt. Revenue                                                 | 1,690,704                   | 0                                | 0                            | 0                         | 0                     | 0                           |
| Charges For Serv.                                                  | 0                           | 0                                | 184,359                      | 0                         | 0                     | 0                           |
| Fines & Forfeits                                                   | 0                           | 0                                | 0                            | 0                         | 1,646,302             | 0                           |
| Other Revenue                                                      | 11,418                      | 0                                | 192,148                      | 2,927                     | 26,751                | 8,883                       |
| <b>Total Oper. Revenues</b>                                        | <u>1,702,122</u>            | <u>0</u>                         | <u>376,507</u>               | <u>8,860</u>              | <u>1,673,053</u>      | <u>1,031,514</u>            |
| <b>Operating Expenses</b>                                          |                             |                                  |                              |                           |                       |                             |
| Personal Services                                                  | 0                           | 0                                | 151,457                      | 0                         | 336,308               | 901,254                     |
| Supplies                                                           | 0                           | 0                                | 1,533                        | 10,152                    | 12,831                | 7,186                       |
| Other Expenses                                                     | 1,467,003                   | 48,900                           | 149,388                      | 950                       | 82,175                | 280,385                     |
| Debt Service                                                       | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| Capital                                                            | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| <b>Total Oper. Expenses</b>                                        | <u>1,467,003</u>            | <u>48,900</u>                    | <u>302,378</u>               | <u>11,101</u>             | <u>431,314</u>        | <u>1,188,824</u>            |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        |                             |                                  |                              |                           |                       |                             |
|                                                                    | <u>235,119</u>              | <u>(48,900)</u>                  | <u>74,129</u>                | <u>(2,242)</u>            | <u>1,241,739</u>      | <u>(157,310)</u>            |
| <b>Other Fin. Sources/(Uses)</b>                                   |                             |                                  |                              |                           |                       |                             |
| Transfers-In                                                       | 0                           | 45,000                           | 0                            | 0                         | 0                     | 124,332                     |
| Transfers-Out                                                      | (952,500)                   | 0                                | 0                            | 0                         | (1,497,474)           | 0                           |
| <b>Total Other Sources/Uses</b>                                    | <u>(952,500)</u>            | <u>45,000</u>                    | <u>0</u>                     | <u>0</u>                  | <u>(1,497,474)</u>    | <u>124,332</u>              |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> |                             |                                  |                              |                           |                       |                             |
|                                                                    | <u>(717,381)</u>            | <u>(3,900)</u>                   | <u>74,129</u>                | <u>(2,242)</u>            | <u>(255,735)</u>      | <u>(32,978)</u>             |
| <b>Beginning Fund Balance</b>                                      | 1,765,368                   | 0                                | 1,207,565                    | 251,236                   | 902,365               | 644,901                     |
| <b>Prior Year Corrections</b>                                      | 0                           | 0                                | 0                            | 0                         | 0                     | 0                           |
| <b>Est. Ending Fund Balance</b>                                    | <u>1,047,987</u>            | <u>(3,900)</u>                   | <u>1,281,694</u>             | <u>248,994</u>            | <u>646,630</u>        | <u>611,923</u>              |

Sources and Uses of Funds - Special Revenue Funds  
July 1, 2005 - December 31, 2005

|                                                                | Stormwater<br>Fund | Solid<br>Waste<br>Fund | Misc. Special<br>Revenue<br>Funds | Empowerment<br>Zone | Community<br>Development<br>Fund | Total<br>All Funds |
|----------------------------------------------------------------|--------------------|------------------------|-----------------------------------|---------------------|----------------------------------|--------------------|
| <b>Operating Revenue</b>                                       |                    |                        |                                   |                     |                                  |                    |
| Taxes                                                          | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Licenses & Permits                                             | 98,389             | 0                      | 115                               | 0                   | 0                                | 1,127,068          |
| Intergovt. Revenue                                             | 0                  | 61,057                 | 0                                 | 1,615,088           | 595,665                          | 3,962,513          |
| Charges For Serv.                                              | 0                  | 299,049                | 93,913                            | 0                   | 0                                | 577,321            |
| Fines & Forfeits                                               | 0                  | 0                      | 687,528                           | 0                   | 0                                | 2,333,830          |
| Other Revenue                                                  | 5,872              | 106,439                | 99,098                            | 0                   | 222,365                          | 675,900            |
| <b>Total Oper. Revenues</b>                                    | <u>104,261</u>     | <u>466,545</u>         | <u>880,653</u>                    | <u>1,615,088</u>    | <u>818,030</u>                   | <u>8,676,632</u>   |
| <b>Operating Expenses</b>                                      |                    |                        |                                   |                     |                                  |                    |
| Personal Services                                              | 831,615            | 444,680                | 20,170                            | 0                   | 364,510                          | 3,049,993          |
| Supplies                                                       | 14,749             | 11,170                 | 6,797                             | 0                   | 16,383                           | 80,800             |
| Other Expenses                                                 | 174,320            | 4,307,682              | 155,165                           | 927,429             | 686,518                          | 8,279,915          |
| Debt Service                                                   | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| Capital                                                        | 0                  | 0                      | 0                                 | 0                   | 27,998                           | 27,998             |
| <b>Total Oper. Expenses</b>                                    | <u>1,020,683</u>   | <u>4,763,532</u>       | <u>182,132</u>                    | <u>927,429</u>      | <u>1,095,410</u>                 | <u>11,438,707</u>  |
| <b>Excess/Deficiency Revenues</b>                              |                    |                        |                                   |                     |                                  |                    |
| <b>Over (Under) Expenses</b>                                   | <u>(916,423)</u>   | <u>(4,296,987)</u>     | <u>698,521</u>                    | <u>687,659</u>      | <u>(277,380)</u>                 | <u>(2,762,074)</u> |
| <b>Other Fin. Sources/(Uses)</b>                               |                    |                        |                                   |                     |                                  |                    |
| Transfers-In                                                   | 884,466            | 4,761,066              | 0                                 | 0                   | 0                                | 5,814,864          |
| Transfers-Out                                                  | 0                  | 0                      | 0                                 | 0                   | 0                                | (2,449,974)        |
| <b>Total Other Sources/Uses</b>                                | <u>884,466</u>     | <u>4,761,066</u>       | <u>0</u>                          | <u>0</u>            | <u>0</u>                         | <u>3,364,890</u>   |
| <b>Revenues &amp; Sources Over (Under) Expenses &amp; Uses</b> |                    |                        |                                   |                     |                                  |                    |
|                                                                | <u>(31,957)</u>    | <u>464,079</u>         | <u>698,521</u>                    | <u>687,659</u>      | <u>(277,380)</u>                 | <u>602,816</u>     |
| <b>Beginning Fund Balance</b>                                  | 445,325            | 3,624,543              | 3,623,303                         | (14,460)            | 63,098                           | 12,513,244         |
| <b>Prior Year Corrections</b>                                  | 0                  | 0                      | 0                                 | 0                   | 0                                | 0                  |
| <b>Est. Ending Fund Balance</b>                                | <u>413,368</u>     | <u>4,088,622</u>       | <u>4,321,824</u>                  | <u>673,199</u>      | <u>(214,282)</u>                 | <u>13,116,060</u>  |

## Combined Balance Sheet - Debt Service Funds

As of December 31, 2005

|                                                    | Debt<br>Service<br>Fund |
|----------------------------------------------------|-------------------------|
| <b>Assets</b>                                      |                         |
| Cash & temporary investments                       | 10,349,757              |
| Investments                                        | 27,755,665              |
| Receivables (Net of allowances for uncollectibles) |                         |
| Accounts                                           | 2,389,300               |
| Taxes on real and personal property                | 0                       |
| Due from other funds                               | 0                       |
| Due from component units                           | 0                       |
| Inventory                                          | 0                       |
| Prepaid items                                      | 0                       |
| Land & Site Improvements                           | 0                       |
| Buildings (Net of Depreciation)                    | 0                       |
| Other Improvements (Net of Depreciation)           | 0                       |
| Machinery & Equipment (Net of Depreciation)        | 0                       |
| Other Assets                                       | 0                       |
| Restricted assets                                  |                         |
| Temporarily restricted                             | 0                       |
| Unused bond proceeds                               | 0                       |
| Total Assets                                       | 40,494,722              |
| <b>Liabilities And Fund Balances</b>               |                         |
| Liabilities                                        |                         |
| Accounts payable                                   | 0                       |
| Accrued liabilities                                | 0                       |
| Due to other funds                                 | 0                       |
| Due to other governmental agencies                 | 0                       |
| Deferred revenue                                   | 0                       |
| Total Liabilities                                  | 0                       |
| Fund balances                                      |                         |
| Reserved                                           | 0                       |
| Unreserved                                         | 40,494,722              |
| Total Fund Balances                                | 40,494,722              |
| Total Liabilities and Fund Balances                | 40,494,722              |

Sources and Uses of Funds - Debt Service Funds  
July 1, 2005 - December 31, 2005

|                                                                    | Debt<br>Service<br>Fund |
|--------------------------------------------------------------------|-------------------------|
| <b>Operating Revenue</b>                                           |                         |
| Taxes                                                              | 13,840,527              |
| Licenses & Permits                                                 | 0                       |
| Intergovt. Revenue                                                 | 0                       |
| Charges For Service                                                | 0                       |
| Fines & Forfeits                                                   | 0                       |
| Other Revenue                                                      | 487,848                 |
| Total Oper. Revenues                                               | <u>14,328,375</u>       |
| <b>Operating Expenses</b>                                          |                         |
| Personal Services                                                  | 0                       |
| Supplies                                                           | 0                       |
| Other Expenses                                                     | 750                     |
| Debt Service                                                       | 2,001,906               |
| Capital                                                            | 0                       |
| Total Oper. Expenses                                               | <u>2,002,656</u>        |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u>12,325,719</u>       |
| <b>Other Fin. Sources/(Uses)</b>                                   |                         |
| Transfers-In                                                       | 0                       |
| Transfers-Out                                                      | <u>(2,950,320)</u>      |
| Total Other Sources/Uses                                           | <u>(2,950,320)</u>      |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u>9,375,399</u>        |
| <b>Beginning Fund Balance</b>                                      | 31,119,323              |
| <b>Prior Year Corrections</b>                                      | 0                       |
| <b>Est. Ending Fund Balance</b>                                    | <u>40,494,722</u>       |

Combined Balance Sheet - Capital Project Funds  
As of December 31, 2005

|                                                    | Capital<br>Projects<br>Fund 401 | Pedestrian<br>Linkages<br>Fund 401002 | Market<br>Square<br>Fund 401003 | Series 1999<br>Variable Notes<br>Fund 451002 | Chilhowee<br>Park<br>Fund 451003 |
|----------------------------------------------------|---------------------------------|---------------------------------------|---------------------------------|----------------------------------------------|----------------------------------|
| <b>Assets</b>                                      |                                 |                                       |                                 |                                              |                                  |
| Cash & temporary investments                       |                                 |                                       |                                 |                                              |                                  |
| Investments                                        | 28,249,340                      |                                       |                                 |                                              |                                  |
| Receivables (Net of allowances for uncollectibles) |                                 |                                       |                                 |                                              |                                  |
| Accounts                                           | 26,673,567                      |                                       |                                 |                                              |                                  |
| Taxes on real and personal property                |                                 |                                       |                                 |                                              |                                  |
| Due from other funds                               |                                 |                                       |                                 |                                              |                                  |
| Due from component units                           |                                 |                                       |                                 |                                              |                                  |
| Inventory                                          |                                 |                                       |                                 |                                              |                                  |
| Prepaid items                                      |                                 |                                       |                                 |                                              |                                  |
| Land & Site Improvements                           |                                 |                                       |                                 |                                              |                                  |
| Buildings (Net of Depreciation)                    |                                 |                                       |                                 |                                              |                                  |
| Other Improvements (Net of Depreciation)           |                                 |                                       |                                 |                                              |                                  |
| Machinery & Equipment (Net of Depreciation)        |                                 |                                       |                                 |                                              |                                  |
| Other Assets                                       |                                 |                                       |                                 |                                              |                                  |
| Restricted assets                                  |                                 |                                       |                                 |                                              |                                  |
| Temporarily restricted                             |                                 |                                       |                                 |                                              |                                  |
| Unused bond proceeds                               |                                 |                                       |                                 |                                              |                                  |
| Total Assets                                       | <u>54,922,907</u>               | <u>0</u>                              | <u>0</u>                        | <u>0</u>                                     | <u>0</u>                         |
| <b>Liabilities And Fund Balances</b>               |                                 |                                       |                                 |                                              |                                  |
| Liabilities                                        |                                 |                                       |                                 |                                              |                                  |
| Accounts payable                                   | 167,189                         |                                       |                                 |                                              |                                  |
| Accrued liabilities                                |                                 |                                       |                                 |                                              |                                  |
| Due to other funds                                 | 1,469,783                       |                                       |                                 |                                              |                                  |
| Due to other governmental agencies                 |                                 |                                       |                                 |                                              |                                  |
| Deferred revenue                                   |                                 |                                       |                                 |                                              |                                  |
| Total Liabilities                                  | <u>1,636,972</u>                | <u>0</u>                              | <u>0</u>                        | <u>0</u>                                     | <u>0</u>                         |
| Fund balances                                      |                                 |                                       |                                 |                                              |                                  |
| Reserved                                           |                                 |                                       |                                 |                                              |                                  |
| Unreserved                                         | 53,285,935                      | 0                                     | 0                               | 0                                            | 0                                |
| Total Fund Balances                                | <u>53,285,935</u>               | <u>0</u>                              | <u>0</u>                        | <u>0</u>                                     | <u>0</u>                         |
| Total Liabilities and Fund Balances                | <u>54,922,907</u>               | <u>0</u>                              | <u>0</u>                        | <u>0</u>                                     | <u>0</u>                         |

Combined Balance Sheet - Capital Project Funds  
As of December 31, 2005

|                                                    | First<br>Creek 2<br>Fund 451004 | Series 2000A<br>Bonds<br>Fund 452001 | Series<br>G.O. Ban's<br>Fund 452003 | Brownfield<br>News Sentinel<br>Fund 453001 | Brownfield<br>I-275 Bus. Park<br>Fund 453002 | Capital<br>Projects<br>Funds |
|----------------------------------------------------|---------------------------------|--------------------------------------|-------------------------------------|--------------------------------------------|----------------------------------------------|------------------------------|
| <b>Assets</b>                                      |                                 |                                      |                                     |                                            |                                              |                              |
| Cash & temporary investments                       |                                 |                                      |                                     |                                            |                                              | 0                            |
| Investments                                        |                                 |                                      |                                     |                                            |                                              | 28,249,340                   |
| Receivables (Net of allowances for uncollectibles) |                                 |                                      |                                     |                                            |                                              |                              |
| Accounts                                           |                                 |                                      |                                     |                                            |                                              | 26,673,567                   |
| Taxes on real and personal property                |                                 |                                      |                                     |                                            |                                              | 0                            |
| Due from other funds                               |                                 |                                      |                                     |                                            |                                              | 0                            |
| Due from component units                           |                                 |                                      |                                     |                                            |                                              | 0                            |
| Inventory                                          |                                 |                                      |                                     |                                            |                                              | 0                            |
| Prepaid items                                      |                                 |                                      |                                     |                                            |                                              | 0                            |
| Land & Site Improvements                           |                                 |                                      |                                     |                                            |                                              | 0                            |
| Buildings (Net of Depreciation)                    |                                 |                                      |                                     |                                            |                                              | 0                            |
| Other Improvements (Net of Depreciation)           |                                 |                                      |                                     |                                            |                                              | 0                            |
| Machinery & Equipment (Net of Depreciation)        |                                 |                                      |                                     |                                            |                                              | 0                            |
| Other Assets                                       |                                 |                                      |                                     |                                            |                                              | 0                            |
| Restricted assets                                  |                                 |                                      |                                     |                                            |                                              |                              |
| Temporarily restricted                             |                                 |                                      |                                     |                                            |                                              | 0                            |
| Unused bond proceeds                               |                                 |                                      |                                     |                                            |                                              | 0                            |
| Total Assets                                       | <u>0</u>                        | <u>0</u>                             | <u>0</u>                            | <u>0</u>                                   | <u>0</u>                                     | <u>54,922,907</u>            |
| <b>Liabilities And Fund Balances</b>               |                                 |                                      |                                     |                                            |                                              |                              |
| <b>Liabilities</b>                                 |                                 |                                      |                                     |                                            |                                              |                              |
| Accounts payable                                   |                                 |                                      |                                     |                                            |                                              | 0                            |
| Accrued liabilities                                |                                 |                                      |                                     |                                            |                                              | 167,189                      |
| Due to other funds                                 |                                 |                                      |                                     |                                            |                                              | 0                            |
| Due to other governmental agencies                 |                                 |                                      |                                     |                                            |                                              | 1,469,783                    |
| Deferred revenue                                   |                                 |                                      |                                     |                                            |                                              | 0                            |
| Total Liabilities                                  | <u>0</u>                        | <u>0</u>                             | <u>0</u>                            | <u>0</u>                                   | <u>0</u>                                     | <u>1,636,972</u>             |
| <b>Fund balances</b>                               |                                 |                                      |                                     |                                            |                                              |                              |
| Reserved                                           |                                 |                                      |                                     |                                            |                                              | 0                            |
| Unreserved                                         | <u>0</u>                        | <u>0</u>                             | <u>0</u>                            | <u>0</u>                                   | <u>0</u>                                     | <u>53,285,935</u>            |
| Total Fund Balances                                | <u>0</u>                        | <u>0</u>                             | <u>0</u>                            | <u>0</u>                                   | <u>0</u>                                     | <u>53,285,935</u>            |
| Total Liabilities and Fund Balances                | <u>0</u>                        | <u>0</u>                             | <u>0</u>                            | <u>0</u>                                   | <u>0</u>                                     | <u>54,922,907</u>            |

Sources and Uses of Funds - Capital Project Funds  
July 1, 2005 - December 31, 2005

|                                                                    | Total<br>All Funds |
|--------------------------------------------------------------------|--------------------|
| <b>Operating Revenue</b>                                           |                    |
| Taxes                                                              | 0                  |
| Licenses & Permits                                                 | 0                  |
| Intergovt. Revenue                                                 | 28,228,852         |
| Charges For Serv.                                                  | 0                  |
| Fines & Forfeits                                                   | 0                  |
| Other Revenue                                                      | 1,286,762          |
| Total Oper. Revenues                                               | 29,515,615         |
| <br><b>Operating Expenses</b>                                      |                    |
| Personal Services                                                  | 0                  |
| Supplies                                                           | 188,703            |
| Other Expenses                                                     | 7,507,934          |
| Debt Service                                                       | 0                  |
| Capital                                                            | 4,674,058          |
| Total Oper. Expenses                                               | 12,370,695         |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <b>17,144,920</b>  |
| <br><b>Other Fin. Sources/(Uses)</b>                               |                    |
| Transfers-In                                                       | 5,619,876          |
| Transfers-Out                                                      | (27,702)           |
| Total Other Sources/Uses                                           | 5,592,174          |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <b>22,737,094</b>  |
| <b>Beginning Fund Balance</b>                                      | 30,845,419         |
| <b>Prior Year Corrections</b>                                      | 0                  |
| <b>Est. Ending Fund Balance</b>                                    | <b>53,582,513</b>  |

Combined Balance Sheet - Enterprise Funds  
As of December 31, 2005

|                                                    | Civic Auditorium<br>Coliseum/KCEC<br>Fund | Metropolitan<br>Parking<br>Fund | Knoxville<br>Convention<br>Center | Mass<br>Transit<br>Fund | Total<br>All Funds |
|----------------------------------------------------|-------------------------------------------|---------------------------------|-----------------------------------|-------------------------|--------------------|
| <b>Assets</b>                                      |                                           |                                 |                                   |                         |                    |
| Cash & temporary investments                       | 3,363                                     | 0                               | 3,707,471                         | 0                       | 3,710,834          |
| Investments                                        | 3,490,511                                 | 2,467,303                       | 0                                 | 801,521                 | 6,759,335          |
| Receivables (Net of allowances for uncollectibles) |                                           |                                 |                                   |                         |                    |
| Accounts                                           | 789,411                                   | 1,722                           | 0                                 | 3,305,389               | 4,096,521          |
| Taxes on real and personal property                | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Due from other funds                               | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Due from component units                           | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Inventory                                          | 0                                         | 0                               | 0                                 | 770,638                 | 770,638            |
| Prepaid items                                      | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Land & Site Improvements                           | 1,711,454                                 | 1,378,637                       | 2,952,020                         | 0                       | 6,042,111          |
| Buildings (Net of Depreciation)                    | 2,786,314                                 | 4,494,674                       | 134,387,705                       | 2,939,830               | 144,608,522        |
| Other Improvements (Net of Depreciation)           | 649,614                                   | 0                               | 23,170,963                        | 24,962                  | 23,845,538         |
| Machinery & Equipment (Net of Depreciation)        | 68,936                                    | 0                               | 1,251,759                         | 10,906,097              | 12,226,793         |
| Other Assets                                       | 0                                         | 7,052                           | 1,554,847                         | 744,195                 | 2,306,094          |
| Restricted assets                                  |                                           |                                 |                                   |                         |                    |
| Temporarily restricted                             | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Unused bond proceeds                               | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Total Assets                                       | <u>9,499,603</u>                          | <u>8,349,388</u>                | <u>167,024,764</u>                | <u>19,492,631</u>       | <u>204,366,386</u> |
| <b>Liabilities And Fund Balances</b>               |                                           |                                 |                                   |                         |                    |
| <b>Liabilities</b>                                 |                                           |                                 |                                   |                         |                    |
| Accounts payable                                   | 770,461                                   | 92,418                          | 154,113,726                       | 341,145                 | 155,317,750        |
| Accrued liabilities                                | 0                                         | 1,195,000                       | 0                                 | 0                       | 1,195,000          |
| Due to other funds                                 | 201,401                                   | 5,265                           | 46,760                            | 3,282,767               | 3,536,193          |
| Due to other governmental agencies                 | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Deferred revenue                                   | 91,504                                    | 0                               | 0                                 | 389,302                 | 480,806            |
| Total Liabilities                                  | <u>1,063,366</u>                          | <u>1,292,683</u>                | <u>154,160,486</u>                | <u>4,013,214</u>        | <u>160,529,749</u> |
| <b>Fund balances</b>                               |                                           |                                 |                                   |                         |                    |
| Reserved                                           | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Unreserved                                         | 8,436,237                                 | 7,056,705                       | 12,864,278                        | 15,479,417              | 43,836,637         |
| Total Fund Balances                                | <u>8,436,237</u>                          | <u>7,056,705</u>                | <u>12,864,278</u>                 | <u>15,479,417</u>       | <u>43,836,637</u>  |
| Total Liabilities and Fund Balances                | <u>9,499,603</u>                          | <u>8,349,388</u>                | <u>167,024,764</u>                | <u>19,492,631</u>       | <u>204,366,386</u> |



Sources and Uses of Funds - Enterprise Funds  
July 1, 2005 - December 31, 2005

|                                                                    | Civic Auditorium<br>Coliseum/KCEC<br>Fund | Metropolitan<br>Parking<br>Fund | Knoxville<br>Convention<br>Center | Mass<br>Transit<br>Fund | Total<br>All Funds |
|--------------------------------------------------------------------|-------------------------------------------|---------------------------------|-----------------------------------|-------------------------|--------------------|
| <b>Operating Revenue</b>                                           |                                           |                                 |                                   |                         |                    |
| Taxes                                                              | 0                                         | 0                               | 1,890,323                         | 0                       | 1,890,323          |
| Licenses & Permits                                                 | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Intergovt. Revenue                                                 | 0                                         | 0                               | 1,249,670                         | 5,232,518               | 6,482,187          |
| Charges For Serv.                                                  | 513,205                                   | 83,582                          | 2,039,315                         | 2,487,427               | 5,123,529          |
| Fines & Forfeits                                                   | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Other Revenue                                                      | 39,454                                    | 108,335                         | 27,288                            | 27,942                  | 203,019            |
| <b>Total Oper. Revenues</b>                                        | <u>552,658</u>                            | <u>191,917</u>                  | <u>5,206,596</u>                  | <u>7,747,887</u>        | <u>13,699,058</u>  |
| <b>Operating Expenses</b>                                          |                                           |                                 |                                   |                         |                    |
| Personal Services                                                  | 1,010,455                                 | 0                               | 0                                 | 153,341                 | 1,163,797          |
| Supplies                                                           | 132,870                                   | 0                               | 0                                 | 1,460,433               | 1,593,303          |
| Other Expenses                                                     | 757,098                                   | 195,529                         | 7,803,551                         | 7,839,295               | 16,595,474         |
| Debt Service                                                       | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| Capital                                                            | 4,033                                     | 0                               | 0                                 | 1,042,000               | 1,046,033          |
| <b>Total Oper. Expenses</b>                                        | <u>1,904,457</u>                          | <u>195,529</u>                  | <u>7,803,551</u>                  | <u>10,495,070</u>       | <u>20,398,606</u>  |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u>(1,351,798)</u>                        | <u>(3,612)</u>                  | <u>(2,596,955)</u>                | <u>(2,747,183)</u>      | <u>(6,699,548)</u> |
| <b>Other Fin. Sources/(Uses)</b>                                   |                                           |                                 |                                   |                         |                    |
| Transfers-In                                                       | 853,788                                   | 0                               | 3,905,646                         | 2,864,094               | 7,623,528          |
| Transfers-Out                                                      | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| <b>Total Other Sources/Uses</b>                                    | <u>853,788</u>                            | <u>0</u>                        | <u>3,905,646</u>                  | <u>2,864,094</u>        | <u>7,623,528</u>   |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u>(498,010)</u>                          | <u>(3,612)</u>                  | <u>1,308,691</u>                  | <u>116,911</u>          | <u>923,980</u>     |
| <b>Beginning Fund Balance</b>                                      | 8,934,247                                 | 7,060,317                       | 11,555,587                        | 15,618,352              | 43,168,503         |
| <b>Prior Year Corrections</b>                                      | 0                                         | 0                               | 0                                 | 0                       | 0                  |
| <b>Est. Ending Fund Balance</b>                                    | <u>8,436,237</u>                          | <u>7,056,705</u>                | <u>12,864,278</u>                 | <u>15,735,263</u>       | <u>44,092,483</u>  |

Combined Balance Sheet - Internal Service Funds  
As of December 31, 2005

|                                                    | Office<br>Services<br>Fund | Fleet<br>Services<br>Fund | Risk<br>Management<br>Fund | Health<br>Care<br>Fund |
|----------------------------------------------------|----------------------------|---------------------------|----------------------------|------------------------|
| <b>Assets</b>                                      |                            |                           |                            |                        |
| Cash & temporary investments                       | 17,719                     | 345,271                   | 0                          | 272,586                |
| Investments                                        | 0                          | 13,032,820                | 8,795,081                  | 4,426,737              |
| Receivables (Net of allowances for uncollectibles) |                            |                           |                            |                        |
| Accounts                                           | 0                          | 0                         | (1,157)                    | 0                      |
| Taxes on real and personal property                | 0                          | 0                         | 0                          | 0                      |
| Due from other funds                               | 0                          | 0                         | 3,388,800                  | 4,894,540              |
| Due from component units                           | 0                          | 0                         | 0                          | 0                      |
| Inventory                                          | 69,842                     | 780,777                   | 0                          | 12,200                 |
| Prepaid items                                      | 0                          | 0                         | 945                        | 0                      |
| Land & Site Improvements                           | 0                          | 0                         | 0                          | 0                      |
| Buildings (Net of Depreciation)                    | 0                          | 0                         | 0                          | 0                      |
| Other Improvements (Net of Depreciation)           | 0                          | 0                         | 0                          | 0                      |
| Machinery & Equipment (Net of Depreciation)        | 1,310                      | 10,138,162                | 446                        | 0                      |
| Other Assets                                       | 0                          | 0                         | 0                          | 0                      |
| Restricted assets                                  |                            |                           |                            |                        |
| Temporarily restricted                             | 0                          | 0                         | 0                          | 0                      |
| Unused bond proceeds                               | 0                          | 0                         | 0                          | 0                      |
| Total Assets                                       | <u>88,872</u>              | <u>24,297,030</u>         | <u>12,184,116</u>          | <u>9,606,063</u>       |
| <b>Liabilities And Fund Balances</b>               |                            |                           |                            |                        |
| <b>Liabilities</b>                                 |                            |                           |                            |                        |
| Accounts payable                                   | 75,632                     | 350,060                   | 21,694                     | 9,272                  |
| Accrued liabilities                                | 0                          | 0                         | 0                          | 0                      |
| Due to other funds                                 | 24,240                     | 4,876,946                 | 134,566                    | 23,840                 |
| Due to other governmental agencies                 | 0                          | 0                         | 0                          | 0                      |
| Deferred revenue                                   | 0                          | 0                         | 5,592,171                  | 0                      |
| Total Liabilities                                  | <u>99,872</u>              | <u>5,227,005</u>          | <u>5,748,432</u>           | <u>33,112</u>          |
| <b>Fund balances</b>                               |                            |                           |                            |                        |
| Reserved                                           | 838                        | 118,856                   | 407,998                    | 21,363                 |
| Unreserved                                         | (11,839)                   | 18,951,169                | 6,027,686                  | 9,551,587              |
| Total Fund Balances                                | <u>(11,000)</u>            | <u>19,070,024</u>         | <u>6,435,684</u>           | <u>9,572,950</u>       |
| Total Liabilities and Fund Balances                | <u>88,872</u>              | <u>24,297,030</u>         | <u>12,184,116</u>          | <u>9,606,063</u>       |

Combined Balance Sheet - Internal Service Funds  
As of December 31, 2005

|                                                    | Equipment<br>Replacement<br>Fund | City<br>Building<br>Fund | Total<br>All Funds |
|----------------------------------------------------|----------------------------------|--------------------------|--------------------|
| <b>Assets</b>                                      |                                  |                          |                    |
| Cash & temporary investments                       | 257,335                          | 39,156                   | 932,068            |
| Investments                                        | 8,477,185                        | 478,740                  | 35,210,563         |
| Receivables (Net of allowances for uncollectibles) |                                  |                          |                    |
| Accounts                                           | 0                                | 0                        | (1,157)            |
| Taxes on real and personal property                | 0                                | 0                        | 0                  |
| Due from other funds                               | 917,050                          | 515,515                  | 9,715,905          |
| Due from component units                           | 0                                | 0                        | 0                  |
| Inventory                                          | 254,708                          | 0                        | 1,117,527          |
| Prepaid items                                      | 0                                | 0                        | 945                |
| Land & Site Improvements                           | 0                                | 0                        | 0                  |
| Buildings (Net of Depreciation)                    | 0                                | 0                        | 0                  |
| Other Improvements (Net of Depreciation)           | 0                                | 0                        | 0                  |
| Machinery & Equipment (Net of Depreciation)        | 4,581,929                        | 0                        | 14,721,847         |
| Other Assets                                       | 0                                | 0                        | 0                  |
| Restricted assets                                  |                                  |                          |                    |
| Temporarily restricted                             | 0                                | 0                        | 0                  |
| Unused bond proceeds                               | 0                                | 0                        | 0                  |
| Total Assets                                       | <u>14,488,207</u>                | <u>1,033,411</u>         | <u>61,697,698</u>  |
| <b>Liabilities And Fund Balances</b>               |                                  |                          |                    |
| <b>Liabilities</b>                                 |                                  |                          |                    |
| Accounts payable                                   | 28,142                           | 0                        | 484,801            |
| Accrued liabilities                                | 0                                | 0                        | 0                  |
| Due to other funds                                 | 0                                | 11,789                   | 5,071,381          |
| Due to other governmental agencies                 | 0                                | 0                        | 0                  |
| Deferred revenue                                   | 0                                | 0                        | 5,592,171          |
| Total Liabilities                                  | <u>28,142</u>                    | <u>11,789</u>            | <u>11,148,353</u>  |
| <b>Fund balances</b>                               |                                  |                          |                    |
| Reserved                                           | 90,850                           | 58,837                   | 698,742            |
| Unreserved                                         | <u>14,369,215</u>                | <u>962,785</u>           | <u>49,850,603</u>  |
| Total Fund Balances                                | <u>14,460,065</u>                | <u>1,021,622</u>         | <u>50,549,345</u>  |
| Total Liabilities and Fund Balances                | <u>14,488,207</u>                | <u>1,033,411</u>         | <u>61,697,698</u>  |

## Sources and Uses of Funds - Internal Service Funds

July 1, 2005 - December 31, 2005

|                                                                    | Office<br>Services<br>Fund | Fleet<br>Services<br>Fund | Risk<br>Management<br>Fund | Health<br>Care<br>Fund |
|--------------------------------------------------------------------|----------------------------|---------------------------|----------------------------|------------------------|
| <b>Operating Revenue</b>                                           |                            |                           |                            |                        |
| Taxes                                                              | 0                          | 0                         | 0                          | 0                      |
| Licenses & Permits                                                 | 0                          | 0                         | 0                          | 0                      |
| Intergovt. Revenue                                                 | 0                          | 0                         | 0                          | 0                      |
| Charges For Serv.                                                  | 0                          | 4,939,951                 | 6,794,310                  | 11,528,954             |
| Fines & Forfeits                                                   | 0                          | 0                         | 0                          | 0                      |
| Other Revenue                                                      | 718                        | 358,263                   | 97,052                     | 53,475                 |
| Total Oper. Revenues                                               | <u>718</u>                 | <u>5,298,214</u>          | <u>6,891,362</u>           | <u>11,582,429</u>      |
| <b>Operating Expenses</b>                                          |                            |                           |                            |                        |
| Personal Services                                                  | 56,540                     | 1,188,397                 | 192,790                    | 82,419                 |
| Supplies                                                           | (39,971)                   | 1,680,955                 | 3,160                      | 4,425                  |
| Other Expenses                                                     | 34,679                     | 574,608                   | 2,772,943                  | 7,174,666              |
| Debt Service                                                       | 0                          | 0                         | 0                          | 0                      |
| Capital                                                            | 0                          | 4,527                     | 0                          | 0                      |
| Total Oper. Expenses                                               | <u>51,248</u>              | <u>3,448,487</u>          | <u>2,968,893</u>           | <u>7,261,510</u>       |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u>(50,530)</u>            | <u>1,849,727</u>          | <u>3,922,470</u>           | <u>4,320,919</u>       |
| <b>Other Fin. Sources/(Uses)</b>                                   |                            |                           |                            |                        |
| Transfers-In                                                       | 0                          | 0                         | 301,782                    | 173,628                |
| Transfers-Out                                                      | 0                          | 0                         | 0                          | 0                      |
| Total Other Sources/Uses                                           | <u>0</u>                   | <u>0</u>                  | <u>301,782</u>             | <u>173,628</u>         |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u>(50,530)</u>            | <u>1,849,727</u>          | <u>4,224,252</u>           | <u>4,494,547</u>       |
| <b>Beginning Fund Balance</b>                                      | 39,530                     | 17,220,297                | 2,211,433                  | 5,078,403              |
| <b>Prior Year Corrections</b>                                      | 0                          | 0                         | 0                          | 0                      |
| <b>Est. Ending Fund Balance</b>                                    | <u>(11,000)</u>            | <u>19,070,024</u>         | <u>6,435,685</u>           | <u>9,572,950</u>       |

## Sources and Uses of Funds - Internal Service Funds

July 1, 2005 - December 31, 2005

|                                                                    | Equipment<br>Replacement<br>Fund | City<br>Building<br>Fund | Total<br>All Funds |
|--------------------------------------------------------------------|----------------------------------|--------------------------|--------------------|
| <b>Operating Revenue</b>                                           |                                  |                          |                    |
| Taxes                                                              | 0                                | 0                        | 0                  |
| Licenses & Permits                                                 | 0                                | 0                        | 0                  |
| Intergovt. Revenue                                                 | 0                                | 0                        | 0                  |
| Charges For Serv.                                                  | 1,834,100                        | 1,191,186                | 26,288,500         |
| Fines & Forfeits                                                   | 0                                | 0                        | 0                  |
| Other Revenue                                                      | 122,973                          | 4,505                    | 636,986            |
| Total Oper. Revenues                                               | <u>1,957,073</u>                 | <u>1,195,690</u>         | <u>26,925,486</u>  |
| <b>Operating Expenses</b>                                          |                                  |                          |                    |
| Personal Services                                                  | 0                                | 0                        | 1,520,146          |
| Supplies                                                           | 227,987                          | 0                        | 1,876,555          |
| Other Expenses                                                     | 0                                | 668,928                  | 11,225,825         |
| Debt Service                                                       | 0                                | 0                        | 0                  |
| Capital                                                            | 0                                | 0                        | 4,527              |
| Total Oper. Expenses                                               | <u>227,987</u>                   | <u>668,928</u>           | <u>14,627,052</u>  |
| <b>Excess/Deficiency Revenues<br/>Over (Under) Expenses</b>        | <u>1,729,086</u>                 | <u>526,762</u>           | <u>12,298,434</u>  |
| <b>Other Fin. Sources/(Uses)</b>                                   |                                  |                          |                    |
| Transfers-In                                                       | 0                                | 0                        | 475,410            |
| Transfers-Out                                                      | 0                                | 0                        | 0                  |
| Total Other Sources/Uses                                           | <u>0</u>                         | <u>0</u>                 | <u>475,410</u>     |
| <b>Revenues &amp; Sources Over<br/>(Under) Expenses &amp; Uses</b> | <u>1,729,086</u>                 | <u>526,762</u>           | <u>12,773,844</u>  |
| <b>Beginning Fund Balance</b>                                      | 12,730,979                       | 494,860                  | 37,775,502         |
| <b>Prior Year Corrections</b>                                      | 0                                | 0                        | 0                  |
| <b>Est. Ending Fund Balance</b>                                    | <u>14,460,065</u>                | <u>1,021,622</u>         | <u>50,549,346</u>  |

City of Knoxville, Tennessee  
Investment Portfolio  
December 31, 2005

| Maturity Date | Investment Description                           | Investment Amount | Yield  | Market Value  |
|---------------|--------------------------------------------------|-------------------|--------|---------------|
| 01/01/2006    | LGIP                                             | 93,879,540.07     | 3.970% | 93,879,540.07 |
| 01/01/2006    | Greater Dickson Gas Authority                    | 202,704.45        | 2.621% | 195,000.00    |
| 01/05/2006    | Certificate of Deposit - Suntrust Bank           | 500,000.00        | 2.600% | 500,000.00    |
| 01/06/2006    | FHLB                                             | 700,000.00        | 1.710% | 699,783.00    |
| 01/09/2006    | Cooper Association Tractor Commercial Paper      | 993,052.78        | 4.220% | 1,000,000.00  |
| 01/13/2006    | Zions Commercial Paper                           | 992,416.67        | 4.326% | 1,000,000.00  |
| 01/17/2006    | Cooper Association Tractor Commercial Paper      | 986,066.67        | 3.939% | 1,000,000.00  |
| 01/18/2006    | FHLB                                             | 499,900.00        | 3.020% | 499,690.00    |
| 01/20/2006    | FCAR Commercial Paper                            | 994,750.00        | 4.316% | 1,000,000.00  |
| 01/23/2006    | Lockhart Funding Commercial Paper                | 994,280.00        | 4.411% | 1,000,000.00  |
| 01/27/2006    | FHLB                                             | 500,000.00        | 2.020% | 499,065.00    |
| 01/27/2006    | Zions Commercial Paper                           | 993,788.89        | 4.423% | 1,000,000.00  |
| 01/30/2006    | FHLB                                             | 500,000.00        | 2.110% | 499,065.00    |
| 01/30/2006    | FHLB                                             | 500,000.00        | 2.160% | 499,065.00    |
| 02/03/2006    | Beethoven Funding Commercial Paper               | 993,067.50        | 4.354% | 1,000,000.00  |
| 02/06/2006    | Three Crowns Funding Commercial Paper            | 992,697.78        | 4.366% | 1,000,000.00  |
| 02/09/2006    | FNMA                                             | 500,312.50        | 1.966% | 498,750.00    |
| 02/10/2006    | FHLB                                             | 500,000.00        | 3.100% | 499,220.00    |
| 02/10/2006    | Lockhart Funding Commercial Paper                | 992,061.67        | 4.462% | 1,000,000.00  |
| 02/13/2006    | Lockhart Funding Commercial Paper                | 991,700.83        | 4.463% | 1,000,000.00  |
| 02/17/2006    | FNMA                                             | 250,000.00        | 2.250% | 249,297.50    |
| 02/17/2006    | FHLMC                                            | 222,679.69        | 2.662% | 224,291.25    |
| 02/17/2006    | Sydney Cap. Corp. Commercial Paper               | 991,361.67        | 4.393% | 1,000,000.00  |
| 02/21/2006    | Golden Fish Commercial Paper                     | 993,475.00        | 4.476% | 1,000,000.00  |
| 02/23/2006    | FHLMC                                            | 500,000.00        | 2.000% | 498,125.00    |
| 02/24/2006    | Manhattan Asset Commercial Paper                 | 993,144.17        | 4.457% | 1,000,000.00  |
| 02/27/2006    | FHLB                                             | 250,000.00        | 2.170% | 249,062.50    |
| 02/27/2006    | Hitachi America Commercial Paper                 | 992,833.33        | 4.427% | 1,000,000.00  |
| 02/28/2006    | FHLB                                             | 149,274.00        | 2.460% | 149,437.50    |
| 03/03/2006    | FHLMC                                            | 250,000.00        | 2.160% | 248,977.50    |
| 03/03/2006    | Zions Commercial Paper                           | 992,195.56        | 4.449% | 1,000,000.00  |
| 03/06/2006    | Lockhart Funding Commercial Paper                | 991,792.50        | 4.471% | 1,000,000.00  |
| 03/15/2006    | FFCC                                             | 500,000.00        | 1.930% | 497,345.00    |
| 03/17/2006    | FHLB                                             | 501,406.25        | 1.856% | 497,345.00    |
| 03/23/2006    | FHLB                                             | 173,113.28        | 3.022% | 174,070.75    |
| 03/23/2006    | FHLB                                             | 780,000.00        | 3.020% | 777,316.80    |
| 03/30/2006    | FHLB                                             | 250,000.00        | 2.100% | 248,515.00    |
| 04/06/2006    | FHLB                                             | 500,000.00        | 2.000% | 496,565.00    |
| 04/17/2006    | FHLB                                             | 271,238.00        | 3.010% | 272,937.50    |
| 04/19/2006    | FNMA                                             | 500,000.00        | 2.100% | 496,405.00    |
| 04/26/2006    | FHLMC                                            | 1,000,000.00      | 1.950% | 991,750.00    |
| 04/28/2006    | FFCB                                             | 350,000.00        | 2.340% | 347,483.50    |
| 04/30/2006    | U. S. Treasury Note                              | 148,848.02        | 3.500% | 149,022.00    |
| 05/01/2006    | Knox County, Tenn. Taxable G. O. Bonds           | 110,000.00        | 3.650% | 109,576.50    |
| 05/05/2006    | FHLB                                             | 247,500.00        | 3.064% | 248,047.50    |
| 05/12/2006    | FFCC                                             | 500,000.00        | 2.350% | 495,940.00    |
| 05/15/2006    | FHLB                                             | 499,245.00        | 2.830% | 496,565.00    |
| 06/01/2006    | Public Building Authority of Blount County Bonds | 165,000.00        | 3.150% | 163,965.45    |
| 06/02/2006    | FNMA                                             | 500,000.00        | 3.000% | 496,720.00    |
| 06/05/2006    | FHLB                                             | 311,076.00        | 3.569% | 302,907.00    |
| 06/09/2006    | FHLB                                             | 781,675.80        | 3.220% | 786,302.70    |
| 06/16/2006    | FHLB                                             | 491,935.00        | 3.518% | 494,375.00    |
| 06/23/2006    | FHLB                                             | 335,271.88        | 2.980% | 336,175.00    |
| 06/30/2006    | FNMA                                             | 501,680.00        | 2.251% | 496,565.00    |
| 07/07/2006    | FHLB                                             | 493,770.00        | 3.595% | 494,845.00    |
| 07/17/2006    | FFCB                                             | 492,720.00        | 3.080% | 493,440.00    |

City of Knoxville, Tennessee  
Investment Portfolio  
December 31, 2005

| Maturity<br>Date | Investment<br>Description                 | Investment<br>Amount  | Yield  | Market<br>Value       |
|------------------|-------------------------------------------|-----------------------|--------|-----------------------|
| 07/24/2006       | FHLB                                      | 191,983.59            | 3.034% | 192,441.60            |
| 07/28/2006       | FHLB                                      | 248,750.00            | 2.773% | 247,032.50            |
| 08/04/2006       | FHLMC                                     | 996,978.00            | 2.928% | 989,210.00            |
| 08/11/2006       | FNMA                                      | 498,980.00            | 2.855% | 494,375.00            |
| 08/16/2006       | FHLMC                                     | 159,630.00            | 3.270% | 152,484.00            |
| 08/25/2006       | FHLB                                      | 500,000.00            | 3.170% | 495,315.00            |
| 08/28/2006       | FHLB                                      | 649,593.75            | 3.059% | 643,097.00            |
| 08/30/2006       | FHLB                                      | 159,750.00            | 3.134% | 158,350.40            |
| 09/08/2006       | Certificate of Deposit - Amsouth Bank     | 500,000.00            | 3.100% | 500,000.00            |
| 09/14/2006       | FHLB                                      | 497,890.63            | 3.193% | 494,065.00            |
| 09/15/2006       | FHLB                                      | 500,000.00            | 3.470% | 495,940.00            |
| 09/25/2006       | FHLB                                      | 196,312.00            | 3.240% | 196,376.00            |
| 09/29/2006       | FHLMC                                     | 500,000.00            | 3.000% | 493,630.00            |
| 10/02/2006       | FFCB                                      | 497,656.25            | 2.621% | 491,565.00            |
| 10/20/2006       | FHLB                                      | 496,171.88            | 3.268% | 492,815.00            |
| 10/25/2006       | FHLB                                      | 155,415.00            | 3.320% | 150,657.00            |
| 11/03/2006       | FHLB                                      | 500,000.00            | 3.000% | 492,970.00            |
| 11/09/2006       | FNMA                                      | 495,781.25            | 3.327% | 492,345.00            |
| 11/17/2006       | FHLMC                                     | 533,464.55            | 3.150% | 527,140.85            |
| 11/22/2006       | FNMA                                      | 500,000.00            | 3.000% | 492,500.00            |
| 11/24/2006       | FNMA                                      | 498,400.00            | 3.222% | 492,655.00            |
| 12/01/2006       | FFCB                                      | 500,000.00            | 3.125% | 492,815.00            |
| 12/01/2006       | Memphis City Center Corp. Municipal Bonds | 235,000.00            | 3.480% | 232,097.75            |
| 12/22/2006       | FHLMC                                     | 500,000.00            | 3.200% | 492,635.00            |
| 12/29/2006       | FHLB                                      | 500,000.00            | 3.810% | 495,315.00            |
| 12/29/2006       | FHLB                                      | 500,000.00            | 4.700% | 499,065.00            |
| 01/10/2007       | FHLB                                      | 499,250.00            | 3.531% | 493,440.00            |
| 01/12/2007       | FHLB                                      | 246,922.50            | 3.742% | 245,625.00            |
| 01/19/2007       | FNMA                                      | 493,906.25            | 3.884% | 491,875.00            |
| 02/02/2007       | FHLB                                      | 500,000.00            | 3.500% | 493,280.00            |
| 02/05/2007       | FHLB                                      | 500,000.00            | 4.030% | 496,095.00            |
| 02/23/2007       | FNMA                                      | 495,000.00            | 3.490% | 490,315.00            |
| 05/01/2007       | Knox County, Tenn. Taxable G. O. Bonds    | 105,000.00            | 4.030% | 104,009.85            |
| 06/06/2007       | FNMA                                      | 300,000.00            | 4.009% | 296,814.00            |
| 08/10/2007       | FFCB                                      | 499,525.47            | 4.250% | 495,780.00            |
| 12/28/2007       | FHLMC                                     | 500,000.00            | 5.000% | 499,485.00            |
|                  | Total                                     | <u>141,838,936.08</u> |        | <u>141,756,159.97</u> |

Changes to the Budget Ordinance  
FY 05-06

| Fund/Organ<br>Number |                                        | Adopted<br>FY 05-06<br>Budget<br>O-113-05 | Ordinance<br>O-282-05 | Ordinance<br>O-1-06 | Amended<br>FY 05-06<br>Budget |
|----------------------|----------------------------------------|-------------------------------------------|-----------------------|---------------------|-------------------------------|
| 5100                 | Local Taxes                            | 124,959,370                               | 0                     | 0                   | 124,959,370                   |
| 5200                 | Licenses and Permits                   | 269,540                                   | 0                     | 0                   | 269,540                       |
| 5300                 | Intergovernmental Revenue              | 16,205,650                                | 0                     | 0                   | 16,205,650                    |
| 5400                 | Charges for Services                   | 920,700                                   | 0                     | 0                   | 920,700                       |
| 5500                 | Fines and Forfeits                     | 3,254,610                                 | 0                     | 0                   | 3,254,610                     |
| 5600                 | Other Revenues                         | 698,730                                   | 0                     | 1,707,680           | 2,406,410                     |
|                      | <b>Total General Fund Revenues</b>     | <b>146,308,600</b>                        | <b>0</b>              | <b>1,707,680</b>    | <b>148,016,280.21</b>         |
| 10000                | Administration                         | 2,061,890                                 | 0                     | 1,002               | 2,062,892                     |
| 20000                | Finance and Accountability             | 6,381,420                                 | 0                     | 95,606              | 6,477,026                     |
| 30000                | Operations and Engineering             | 5,170,500                                 | 0                     | 54,697              | 5,225,197                     |
| 40000                | Community and Neighborhood Services    | 24,098,790                                | 0                     | 557,891             | 24,656,681                    |
| 50000                | Law                                    | 1,503,090                                 | 0                     | 26,841              | 1,529,931                     |
| 60000                | Police                                 | 39,252,210                                | 0                     | 313,525             | 39,565,735                    |
| 70000                | Fire                                   | 27,517,840                                | 0                     | 63,886              | 27,581,726                    |
| 81500                | Legislative                            | 821,830                                   | 0                     | 170,632             | 992,462                       |
| 81700                | Civil Service                          | 946,310                                   | 0                     | 0                   | 946,310                       |
| 91900                | City Elections                         | 265,000                                   | 0                     | 0                   | 265,000                       |
| 93900                | Knoxville Partnership                  | 696,580                                   | 0                     | 0                   | 696,580                       |
| 95100                | Metropolitan Planning Commission       | 737,550                                   | 0                     | 0                   | 737,550                       |
| 95200                | Knoxville Zoo                          | 864,210                                   | 0                     | 0                   | 864,210                       |
| 95300                | Community Agency Grants                | 1,197,700                                 | 0                     | 0                   | 1,197,700                     |
| 95600                | Waterfront                             | 359,380                                   | 0                     | 0                   | 359,380                       |
| 95900                | Community Action Committee             | 444,980                                   | 0                     | 0                   | 444,980                       |
| 98100                | Reserve                                | 1,965,000                                 | 0                     | 0                   | 1,965,000                     |
| 99100                | Transfers                              | 32,024,320                                | 0                     | 423,600             | 32,447,920                    |
|                      | <b>Total General Fund Expenditures</b> | <b>146,308,600</b>                        | <b>0</b>              | <b>1,707,680</b>    | <b>148,016,280.21</b>         |
| 201                  | State Street Aid                       | 4,915,000                                 | 0                     | 0                   | 4,915,000                     |
| 202                  | Community Improvement                  | 90,000                                    | 0                     | 0                   | 90,000                        |
| 209                  | Abandoned Vehicles                     | 593,880                                   | 0                     | 20,771              | 614,651                       |
| 213                  | City Court                             | 3,678,500                                 | 0                     | 0                   | 3,678,500                     |
| 216                  | City Inspections                       | 2,004,740                                 | 0                     | 0                   | 2,004,740                     |
| 220                  | Stormwater                             | 1,910,930                                 | 0                     | 44,875              | 1,955,805                     |
| 230                  | Solid Waste                            | 10,309,250                                | 0                     | 956,790             | 11,266,040                    |
| 240                  | Miscellaneous Special Revenue          | 3,415,500                                 | 0                     | 0                   | 3,415,500                     |
| 250                  | Miscellaneous Grant Fund               | 456,630                                   | 0                     | 0                   | 456,630                       |
| 264                  | Home Grants                            | 1,731,340                                 | 0                     | 0                   | 1,731,340                     |
| 269                  | Emergency Shelter Grants               | 82,730                                    | 0                     | 0                   | 82,730                        |
| 270                  | Empowerment Zone                       | 666,000                                   | 0                     | 0                   | 666,000                       |
| 290                  | Community Development Block Grant      | 4,067,940                                 | 0                     | 1,618,943           | 5,686,883                     |
| 305                  | Debt Services                          | 20,671,840                                | 1,000,000             | 0                   | 21,671,840                    |
| 401                  | Capital Projects                       | 30,772,000                                | 1,000,000             | 464,100             | 32,236,100                    |
| 451                  | Chilhowee Park Capital Projects        | 55,400                                    | 0                     | 0                   | 55,400                        |
| 503                  | Public Assembly Facilities             | 3,638,070                                 | 0                     | 131,901             | 3,769,971                     |
| 504                  | Metro Parking                          | 1,059,820                                 | 0                     | 0                   | 1,059,820                     |
| 506                  | Convention Center                      | 20,299,240                                | 0                     | 185,758             | 20,484,998                    |
| 507                  | Mass Transportation                    | 14,467,100                                | 0                     | 0                   | 14,467,100                    |
| 701                  | Office Services                        | 454,500                                   | 0                     | 0                   | 454,500                       |
| 702                  | Fleet Services                         | 9,640,670                                 | 0                     | 34,041              | 9,674,711                     |
| 704                  | Risk Management                        | 7,625,160                                 | 0                     | 291,364             | 7,916,524                     |
| 705                  | Health Care                            | 15,103,880                                | 0                     | 20,073              | 15,123,953                    |
| 706                  | Equipment Replacement                  | 1,588,160                                 | 0                     | 318,837             | 1,906,997                     |
| 707                  | City Building                          | 1,403,860                                 | 0                     | 99,469              | 1,503,329                     |
|                      | <b>Grand Total</b>                     | <b>307,010,740</b>                        | <b>2,000,000</b>      | <b>5,894,602</b>    | <b>314,905,341.95</b>         |
|                      | <b>Capital Projects</b>                |                                           |                       |                     |                               |
| 061101               | South Knoxville Master Plan            | 400,000                                   | 0                     | 214,100             | 614,100                       |
| 061103               | Jackson Ave. Redevelopment             | 525,000                                   | 0                     | 0                   | 525,000                       |
| 061104               | Drainage Master Plan Phase 1           | 150,000                                   | 0                     | 0                   | 150,000                       |



Changes to the Budget Ordinance  
FY 05-06

| Fund/Organ<br>Number | Adopted<br>FY 05-06<br>Budget               | Ordinance<br>O-282-05 | Ordinance<br>O-1-06 | Amended            |                      |
|----------------------|---------------------------------------------|-----------------------|---------------------|--------------------|----------------------|
|                      |                                             |                       |                     | FY 05-06<br>Budget |                      |
| 051201               | Market Square Phase 2                       | 0                     | (500,000)           | 0                  | (500,000)            |
| 061201               | Market Square Phase 3                       | 1,000,000             | 1,500,000           | 0                  | 2,500,000            |
| 021101               | ADA Curb Cuts                               | 250,000               | 0                   | 0                  | 250,000              |
| 033002               | Sidewalk Safety Program                     | 200,000               | 0                   | 0                  | 200,000              |
| 033102               | TEA-21 Roadway Improvements                 | 3,250,000             | 0                   | 0                  | 3,250,000            |
| 033103               | High Mast Lighting                          | 200,000               | 0                   | 0                  | 200,000              |
| 053303               | Citywide Traffic Calming Devices            | 200,000               | 0                   | 0                  | 200,000              |
| 063301               | Gay Street Bridge                           | 750,000               | 0                   | 0                  | 750,000              |
| 063302               | Gay Street Sidewalk - 100 Block             | 62,000                | 0                   | 0                  | 62,000               |
| 063303               | Dynalect Machine                            | 55,500                | 0                   | 0                  | 55,500               |
| 063304               | Northeast Corridor Road Improvements        | 400,000               | 0                   | 0                  | 400,000              |
| 063305               | 1st Creek Improvements - Phase 2 Lower      | 1,000,000             | 0                   | 0                  | 1,000,000            |
| 063306               | Church Street Viaduct                       | 540,000               | 0                   | 0                  | 540,000              |
| 063307               | Citywide New Sidewalk Construction          | 200,000               | 0                   | 0                  | 200,000              |
| 063308               | Emily Avenue                                | 450,000               | 0                   | 250,000            | 700,000              |
| 063371               | State Street Garage                         | 50,000                | 0                   | 0                  | 50,000               |
| 063501               | Wash Bay Extensions                         | 200,000               | 0                   | 0                  | 200,000              |
| 063502               | Fleet Management Software                   | 200,000               | 0                   | 0                  | 200,000              |
| 233001               | Bridge Replacement Program                  | 650,000               | 0                   | 0                  | 650,000              |
| 532001               | Citywide Resurfacing Program                | 3,200,000             | 0                   | 0                  | 3,200,000            |
| 633005               | Drainage Improvements                       | 250,000               | 0                   | 0                  | 250,000              |
| 733006               | Traffic Signals                             | 175,000               | 0                   | 0                  | 175,000              |
| 063101               | Roof and HVAC Maintenance                   | 250,000               | 0                   | 0                  | 250,000              |
| 063701               | Lonsdale Public Improvements                | 200,000               | 0                   | 0                  | 200,000              |
| 063702               | Center City Business Neighborhood           | 100,000               | 0                   | 0                  | 100,000              |
| 063703               | Burlington Public Improvements              | 150,000               | 0                   | 0                  | 150,000              |
| 063704               | Sidewalk Improvements - Parental Resp. Zone | 200,000               | 0                   | 0                  | 200,000              |
| 064301               | Lower Second Creek                          | 2,685,000             | 0                   | 0                  | 2,685,000            |
| 064302               | Lonsdale Park Improvements                  | 400,000               | 0                   | 0                  | 400,000              |
| 064303               | Tennis Court/Ballfield Improvements         | 200,000               | 0                   | 0                  | 200,000              |
| 064304               | Skate Park                                  | 450,000               | 0                   | 0                  | 450,000              |
| 064305               | Love's Creek Geenway                        | 100,000               | 0                   | 0                  | 100,000              |
| 064306               | Krutch Park Electrical Improvements         | 20,000                | 0                   | 0                  | 20,000               |
| 066101               | Downtown Transit Center                     | 5,232,500             | 0                   | 0                  | 5,232,500            |
| 066102               | KAT Buses                                   | 2,000,000             | 0                   | 0                  | 2,000,000            |
| 062301               | Crisis Negotiation Phone                    | 11,500                | 0                   | 0                  | 11,500               |
| 062302               | In-Car Digital Video System                 | 700,000               | 0                   | 0                  | 700,000              |
| 062303               | Laser Measuring Tool                        | 13,000                | 0                   | 0                  | 13,000               |
| 062304               | Safety City Park Improvement                | 400,000               | 0                   | 0                  | 400,000              |
| 062501               | Thermal Imaging Camers                      | 150,000               | 0                   | 0                  | 150,000              |
| 062502               | KFD Station Exhaust Systems                 | 150,000               | 0                   | 0                  | 150,000              |
| 065721               | Auditorium Curtain Replacement              | 25,000                | 0                   | 0                  | 25,000               |
| 065722               | Renovation - Coliseum Sound System          | 25,000                | 0                   | 0                  | 25,000               |
| 065723               | Portable Seating                            | 80,000                | 0                   | 0                  | 80,000               |
| 065724               | Half House Curtain - Coliseum               | 30,000                | 0                   | 0                  | 30,000               |
| 065725               | Door Replacement - Coliseum                 | 50,000                | 0                   | 0                  | 50,000               |
| 065726               | Kawasaki Mule - Coliseum                    | 7,500                 | 0                   | 0                  | 7,500                |
| 065731               | World's Fair Park Improvements - Phase 2    | 1,827,600             | 0                   | 0                  | 1,827,600            |
| 065741               | Ornamental Fence - Chilhowee Park           | 55,400                | 0                   | 0                  | 55,400               |
| 061601               | ADA Improvements - City Court               | 10,000                | 0                   | 0                  | 10,000               |
| 065751               | Surveillance Camera                         | 50,000                | 0                   | 0                  | 50,000               |
| 065752               | Window Film                                 | 70,000                | 0                   | 0                  | 70,000               |
| 065753               | Computer Upgrades                           | 10,000                | 0                   | 0                  | 10,000               |
| 065754               | Combi-Oven                                  | 12,000                | 0                   | 0                  | 12,000               |
| 065201               | Knoxville Zoo                               | 750,000               | 0                   | 0                  | 750,000              |
|                      | Transfer to Capital Projects Fund           | 55,400                | 0                   | 0                  | 55,400               |
|                      | Total - Capital Projects                    | <u>30,827,400</u>     | <u>1,000,000</u>    | <u>464,100</u>     | <u>32,291,500.00</u> |