

Tennessee State School Bond Authority

A Component Unit of the State of Tennessee



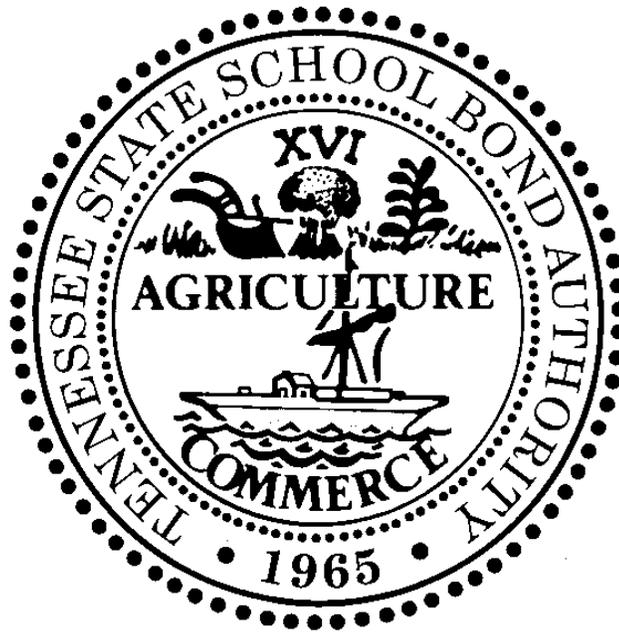
Annual Comprehensive Financial Report

For the Years Ended

June 30, 2022, and June 30, 2021

TENNESSEE STATE SCHOOL BOND AUTHORITY
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEARS ENDED
JUNE 30, 2022, AND JUNE 30, 2021

Bill Lee, Governor and Chairman



A COMPONENT UNIT OF THE STATE OF TENNESSEE

Prepared by the Comptroller of the Treasury,
Division of State Government Finance

Sandra Thompson
Director, Division of State Government Finance
and
Assistant Secretary, TSSBA

**TENNESSEE STATE SCHOOL BOND AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021**

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INTRODUCTORY SECTION





JASON E. MUMPOWER
Comptroller

December 7, 2022

The Honorable Bill Lee, Governor and Chairman
and
Members of the Tennessee State School Bond Authority

I am pleased to submit the Annual Comprehensive Financial Report of the Tennessee State School Bond Authority (the “Authority”), a component unit of the State of Tennessee, for the fiscal years ended June 30, 2022, and June 30, 2021. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority’s financial activities have been included.

This letter of transmittal is designed to complement Management’s Discussion and Analysis and should be read in conjunction with it. The Authority’s Management Discussion and Analysis can be found on pages 5- 12 of this report.

BUSINESS ENVIRONMENT

Legal Authority

The Tennessee State School Bond Authority, created in 1965, is a corporate governmental agency and instrumentality of the State of Tennessee whose purpose is to finance capital projects for public institutions of higher education located in Tennessee and to finance projects that were approved pursuant to the Qualified Zone Academy Bond Program and Qualified School Construction Bond Program of the federal government for local education agencies. The Authority has no taxing power. Pursuant to Section 49-3-1204, *Tennessee Code Annotated* (“T.C.A.”) (the “Act”), the Governor serves as Chairman, and the Comptroller of the Treasury serves as Secretary to the Authority.

Higher Education Facilities Programs. Pursuant to the Higher Educational Facilities General Bond Resolution adopted in May 1967 (“1967 Resolution”), bonds were issued to provide funds to make loans to the institutions of higher education. In April 1998, the Authority adopted the Higher Educational Facilities Second Program General Bond Resolution (“1998 Resolution”) with the same purpose and closed the 1967 Resolution. All higher education bonds are now issued pursuant to the 1998 Resolution, as amended. Projects financed by the Authority must generate revenue sufficient to pay the debt service on the bonds. The fee charged for financing a project includes both a debt service and an administrative component. The Authority has financed a variety of projects including dormitories, athletic facilities, parking facilities and major equipment purchases. These projects could be contrasted with certain capital projects for higher education needs such as classrooms and libraries that may be funded with the proceeds of the State’s general obligation bonds.

On March 20, 2014, the Authority entered into a Revolving Credit Agreement (“RCA”) with Wells Fargo Bank, National Association, and U.S. Bank, National Association (collectively the “Banks”). The RCA was amended and restated on June 2, 2021 and December 1, 2022. Through the RCA, the Banks have agreed to make loans to the Authority in an aggregate amount not to exceed \$300 million. The loan proceeds are used to fund the construction phase of certain projects for the higher education facilities. When a project is completed or near completion, long-term, fixed-rate debt may be issued to finance the project. The debt issued to finance a project may be amortized over its useful life but not to exceed 30 years and proceeds from the issuance of the debt are used to repay the RCA. Certain equipment and property acquisitions are financed solely within the RCA program. Equipment financed solely within the RCA program is deemed to have a useful life of less than ten years.

Qualified Zone Academy Bond Program. In 1999, the General Assembly authorized the Authority to issue Qualified Zone Academy Bonds (“QZAB”) pursuant to program requirements approved by the Congress of the United States in Section 226 of the Taxpayer’s Relief Act of 1997. These bonds were a part of a federal government program in which an investor receives a federal income tax credit in lieu of an interest payment on the bonds. The bonds were issued under the provisions of the Authority’s Qualified Zone Academy Bonds First Program Resolution and were not supported by either the 1967 Resolution or the 1998 Resolution for Higher Education Facilities. The QZAB program provided loans to local education agencies to fund the renovation of classroom buildings and to purchase equipment to enhance learning opportunities in connection with the establishment of special academic programs from kindergarten through secondary school. Funding for this program was eliminated on December 31, 2017, through the Tax Cuts and Jobs Act. As of December 2020, all of the QZAB bonds had matured.

Qualified School Construction Bond Program. In 2009, the General Assembly authorized the Authority to issue Qualified School Construction Bonds (“QSCB”) pursuant to program requirements approved by the Congress of the United States in Section 1521 of the American Recovery and Reinvestment Act of 2009. The QSCB program is a part of a federal government program designed to allow schools to borrow funds at minimal interest cost to the borrower. The bonds were issued under the provision of the Authority’s Qualified School Construction Bonds General Bond Resolution. The bonds are not supported by either the 1967 Resolution or the 1998 Resolution for Higher Education Facilities. The QSCB program provides loans to local governments to fund new construction, renovation, and rehabilitation of schools, as well as the purchase of land and equipment for use in a qualified project. The Series 2009 QSCBs were issued as tax credit bonds under which an eligible holder of a QSCB is generally allowed quarterly federal income tax credits in addition to quarterly supplemental interest payments from the issuer during the time the bond is outstanding. These credits compensate the bondholder for lending money to the borrower and function as partial payments of interest on the bonds. The Series 2010 QSCBs were issued as direct subsidy payment bonds under which the Authority has elected to receive direct interest subsidy payments from the United States Treasury rather than to provide a tax credit to the bondholder. The interest subsidy payments received by the Authority are then transferred to the borrowers as a reimbursement of the interest portion of their loan repayments. The U.S. Treasury allocated specific amounts of QSCBs for issuance in Tennessee in calendar years 2009 and 2010

Responsibility of Management

Management assumes responsibility for the fair presentation of the financial statements found in this report in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP); for compliance with applicable laws, regulations, and the provisions of contracts (including bond resolutions); and for establishing and maintaining effective internal control over financial reporting, operations, and compliance.

Internal Control. In developing the Authority’s accounting system, much consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute assurance regarding (1) preventing, deterring, and detecting fraudulent activity, and (2) the reliability of financial records used in preparing financial statements. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Independent Audit Committee. T.C.A. § 4-35-101 requires that a state governing board, council, commission, or equivalent body that (a) has the authority to hire and terminate its employees or (b) is responsible for the preparation of financial statements, whether included in the financial statements of other entities or free standing, shall create an audit committee. The Authority appointed an independent audit committee on August 12, 2004.

The Authority approved an Audit Charter created by the Audit Committee on September 14, 2006. The Audit Charter defines the responsibilities of the Audit Committee as follows:

- Overseeing the Authority’s financial reporting and related disclosures, especially when financial statements are issued;
- Reviewing the adequacy of the management’s process for assessment of risk, including fraud risk;
- Reviewing documentation of assessment results to determine that internal controls are sufficient to mitigate the assessed risks in the agency;

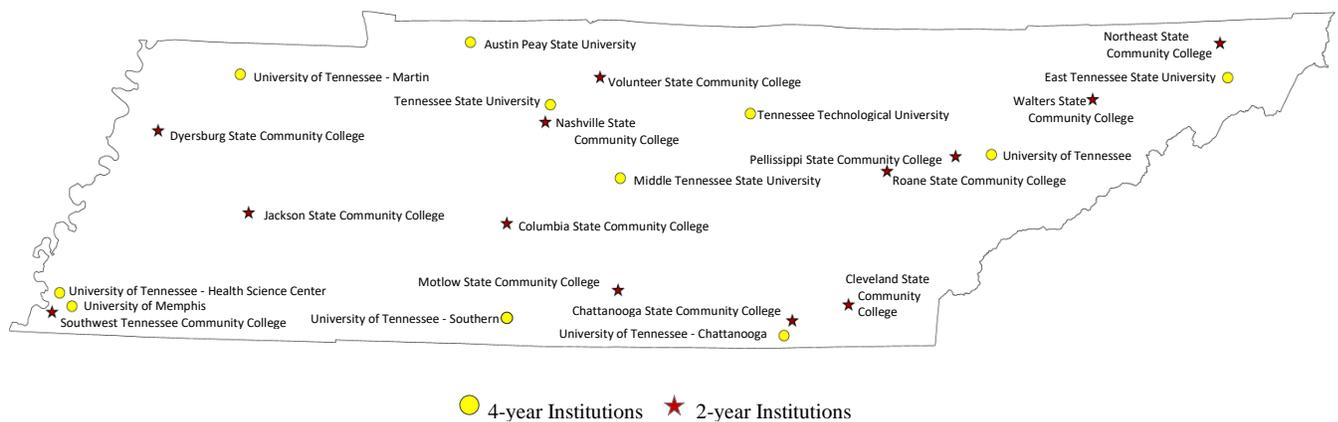
- Formally reiterating, on a regular basis, to the Authority or its management and staff, the responsibility of the Authority or its management and staff to prevent, detect and report fraud, waste, and abuse;
- Serving as a facilitator of any audits or investigations of the Authority, including advising auditors and investigators of any information the Committee may receive pertinent to audit or investigative matters;
- Promptly notifying the Comptroller of the Treasury of any indications of fraud; and
- Establishing a process by which employees, taxpayers, investors or other citizens may confidentially report suspected illegal, improper, wasteful or fraudulent activity and ensure procedures exist for the receipt, retention, and treatment of such complaints.

The Borrowers

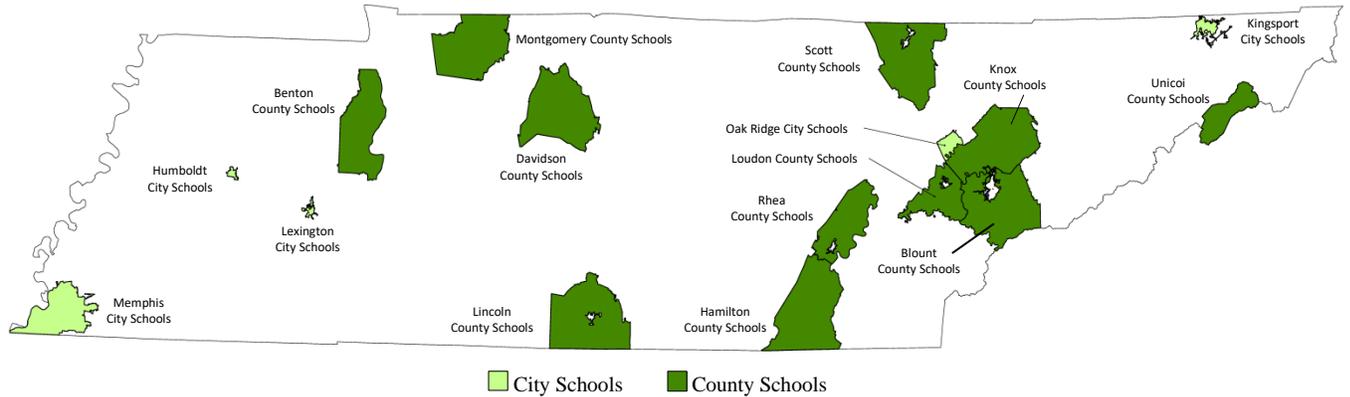
Higher Education Facilities Programs. Public higher education in Tennessee is coordinated by the Tennessee Higher Education Commission and consists of two systems: The University of Tennessee Board of Trustees (“Board of Trustees”) governs the University of Tennessee System and the Tennessee Board of Regents (“Board of Regents”) of the State University and Community College System of Tennessee governs the state universities, community colleges, and colleges of applied technology. The Board of Trustees and the Board of Regents are referred to collectively as the “Boards”. The Boards are the governing bodies for all public higher education in Tennessee.

The definition of “Institution” was amended by Chapter 174, Public Laws of 2013 to be “(i) the University of Tennessee system, including all of its branches and divisions wherever located, and the services, programs and activities provided therein, and the board of trustees of the University of Tennessee, in the aggregate, and (ii) the state university and community college system, including all of its constituent institutions, wherever located (whether or not conferring degrees), and the services, programs and activities provided therein, and the Board of Regents of the state university and community college system, in the aggregate;”.

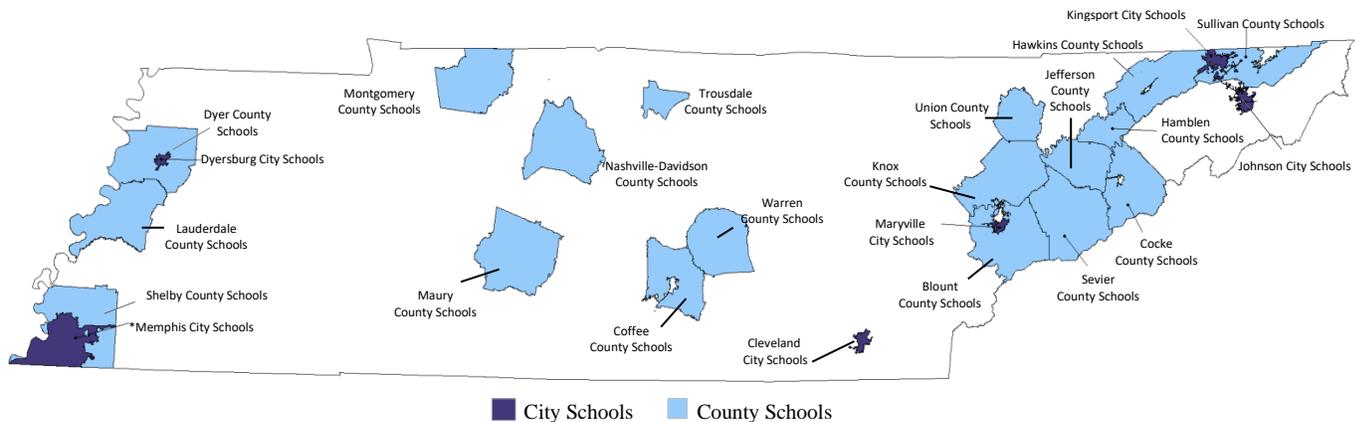
The University of Tennessee has five main campuses (at Knoxville, Martin, Health Science Center, Chattanooga and Southern), and the services, programs and activities provided therein constitute a single Institution. The Tennessee Board of Regents system includes 6 universities, 13 community colleges, and 24 colleges of applied technology, all of which constitute a single Institution. The colleges of applied technology are not permitted to borrow from the Authority.



Qualified Zone Academy Bond Program. The QZAB program is a capital financing program originally authorized by the federal government. The borrowers under the QZAB program are local government units that borrow on behalf of local education agencies that are governed by the Tennessee Department of Education. A total of 16 local education agencies have participated in the QZAB program. As of June 30, 2021, all borrowers had paid their debt in full.



Qualified School Construction Bond Program. The QSCB program is a capital financing program authorized by the federal government. The borrowers under the QSCB program are local government units that borrow on behalf of local education agencies that are governed by the Tennessee Department of Education. There are currently 23 local governments participating in the QSCB program.



*Shelby County borrowed QSCB funds from the Authority on behalf of both the Shelby County Schools and the Memphis City Schools.

The Programs

Higher Education Facilities Programs. The Authority and each Board have entered into separate financing agreements under which the Authority agrees to finance projects and the respective boards agree to make payments to the Authority. Under each financing agreement, the relevant board covenants and agrees to establish and collect fees and charges at each institution at a level sufficient to produce in each fiscal year no less than two times the amount required for the payment of the aggregate of financing charges. In the event a Board fails to make timely and full payment of amounts due and payable, the Commissioner of Finance and Administration, after notice from the Authority, shall deduct from the amounts appropriated by the General Assembly of the State of Tennessee for the operation and maintenance of the Institution for which such project was undertaken, the amount or amounts as may be required to make the Board current with respect to amounts due and payable.

Qualified Zone Academy Bond Program. To receive a QZAB loan, a local education agency, in cooperation with its city or county, completed an application provided by the Tennessee Department of Education. The Department of Education recommended to the Authority the projects deemed worthy of funding. Each local education agency and the respective city or county entered into a loan agreement with the Authority under which the Authority agreed to finance the projects and the respective city or county agreed to repay the loan. As of June 30, 2021, all loans have been repaid.

Qualified School Construction Bond Program. To receive a QSCB loan, a local education agency, in cooperation with its city or county, completed an application provided by the Authority. The Tennessee Advisory Commission on Intergovernmental Relations (“TACIR”) recommended to the Authority the projects deemed worthy of funding. Each local education agency and respective city or county entered into a loan agreement with the Authority under which the Authority agreed to finance the projects and the respective city or county agreed to repay the loan.

For both the QZAB and QSCB programs, local education agencies received their funding through the city and/or county where they are located. Debt service for these two federal programs is secured by the general obligation pledge of the borrower and the pledge of the borrower’s unobligated state-shared taxes. In the event the city or county should fail to make timely debt service payments, the Commissioner of Finance and Administration, after notice from the Authority, shall intercept a portion of the state-shared taxes sufficient to cover the debt service payment. Local education agencies do not have taxing power in Tennessee. The power to tax is vested in cities and counties.

Future Outlook

Enrollment Trends in Higher Education.

Enrollment in higher education facilities surged due to the economic downturn that began in 2008. In 2010, enrollment reached its highest level, up 15% compared to before the recession. Enrollment in universities and community colleges increased by 5% and 10%, respectively. The COVID-19 pandemic, however, has dampened growth. Since 2019, enrollment has declined at community colleges by 18% and in the university sector by 1%, Tennessee continues to lead the nation in financial aid opportunities and, with recent access-focused investments in dual enrollment grants fully funding up to four postsecondary courses for high school students, the state anticipates enrollment to rebound in the coming years. A shining example of state investment in financial aid is the Tennessee Education Lottery Scholarship program (“TELS”), which has enabled more Tennesseans to attend college since it was created nearly two decades ago. In the 2021-2022 academic year, the Tennessee Lottery provided over \$370 million in scholarships to nearly 140,000 students. Reported as part of the TELS program, the Tennessee Promise program provides two years of tuition-free attendance at any of the state’s community colleges or colleges of applied technology for graduates of Tennessee high schools. The Tennessee Promise is a last-dollar scholarship, meaning it covers tuition and mandatory fees remaining once the federal Pell Grant, the HOPE scholarship (a TELS award), and the Tennessee Student Assistance Award (a state-funded grant program) are applied. In 2021-22, the Tennessee Promise program distributed over \$25 million to nearly 14,000 students. Beginning in 2018, Tennessee expanded the Promise program to adult students pursuing an associate degree, technical degree or technical diploma at a Tennessee community or technical college through the creation of TN Reconnect. In 2021-22 the Reconnect grant program distributed \$24 million to nearly 11,000 adults. The importance of receiving training beyond high school remains, especially during time of economic growth. The long-term demand for higher education guarantees that the higher education system in Tennessee can sustain its long-term debt commitments into the future.

FINANCIAL INFORMATION

Budget. The Authority has no formally approved operating budget. However, controls are in place to assure financial compliance for each project. All loans made and bonds issued must be approved by the Authority in public meetings. T.C.A. § 49-3-1201 et. seq. permits the Authority to make and collect charges from the borrowers for all administrative fees that it determines to be reasonable. These administrative fees include, but are not limited to costs relating to, the issuance and payment of debt, liquidity facilities, trustee fees, and administrative costs of staff. All such fees and charges are subject to independent audit for reporting and compliance purposes.

Financial Statements. The financial statements included in this report present information on the financial condition of the Authority and whether resources were adequate to cover the costs of providing services during the reporting period. A

discussion of the financial statements is included on pages 9 - 11 in the Management's Discussion and Analysis section of this Annual Comprehensive Financial Report.

Relevant Financial Policies. The Authority adopted a Debt Management Policy (the "Policy") on November 14, 2011. The Policy is reviewed annually. The Policy provides written guidance about the amount and type of debt issued as well as the method used for issuing the debt. The Policy governs the issuance of revolving credit facility loans as short-term debt as well the issuance of long-term debt. During the fiscal year ending June 30, 2022, the Authority borrowed \$40,000,000 from the revolving credit facility. During the fiscal year ending June 30, 2021, the Authority borrowed \$45,000,000 from the revolving credit facility and issued 2021 Series A bonds in the amount of \$713,365,000.

OTHER INFORMATION

Securities and Exchange Commission Disclosures. The Tennessee State School Bond Authority has entered into Continuing Disclosure Undertakings ("Undertakings") with respect to certain debt issues. The Undertakings were made for the benefit of the holders of the debt pursuant to U.S. Securities and Exchange Commission Rule 15c2-12. The Authority has covenanted to provide certain annual financial information, including audited financial statements, as well as certain additional financial and operating data. However, certain financial and operating data required pursuant to the Undertakings are included in the Annual Comprehensive Financial Report of the State of Tennessee, not in this report.

Independent Audit. T.C.A. § 4-3-304 requires that the Department of Audit perform a post-audit of all accounts and other financial records of the state government, and any department, institution, office or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the Comptroller of the Treasury.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tennessee State School Bond Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the twentieth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of the annual comprehensive financial report was made possible by the dedication of the staff of the Division of State Government Finance in the Office of the Comptroller of the Treasury.

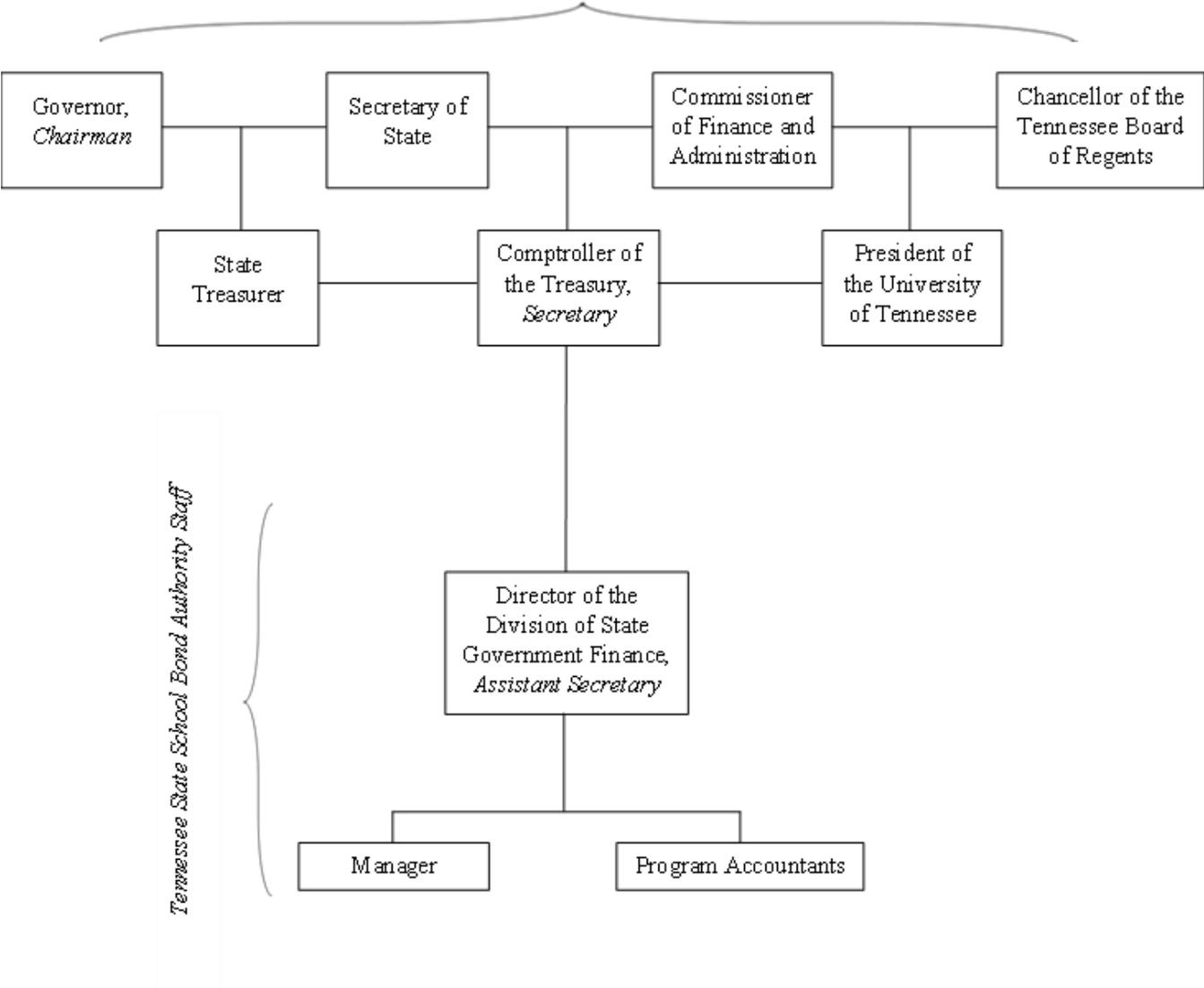
Respectfully submitted,



Sandra Thompson, Assistant Secretary
Tennessee State School Bond Authority

Tennessee State School Bond Authority Organization Chart

Tennessee State School Bond Authority Members





TENNESSEE STATE SCHOOL BOND AUTHORITY

MEMBERS

Bill Lee, Governor, *Chairman*

Jason E. Mumpower, Comptroller of the Treasury, *Secretary*

Tre Hargett, Secretary of State

David H. Lillard Jr., State Treasurer

Jim Bryson, Commissioner of Finance and Administration

Randy Boyd, President of the University of Tennessee

Dr. Flora W. Tydings, Chancellor of the Tennessee Board of Regents

STAFF

Sandra Thompson, Director of the Division of State Government Finance, *Assistant Secretary*



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Tennessee State School Bond Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION





JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

The Honorable Bill Lee, Governor
Members of the General Assembly
Members of the Tennessee State School Bond Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Tennessee State School Bond Authority, a component unit of the State of Tennessee, as of and for the years ended June 30, 2022, and June 30, 2021, and the related notes to the financial statements, which collectively comprise the Tennessee State School Bond Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tennessee State School Bond Authority as of June 30, 2022, and June 30, 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tennessee State School Bond Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Tennessee statutes, in addition to audit responsibilities, entrust certain other responsibilities to the Comptroller of the Treasury. Those responsibilities include serving as a member of the board of directors of Tennessee State School Bond Authority. We do not believe that the Comptroller's service in this capacity affected our ability to conduct an independent audit of the Tennessee State School Bond Authority.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tennessee State School Bond Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tennessee State School Bond Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tennessee State School Bond Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tennessee State School Bond Authority's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tennessee State School Bond Authority's basic financial statements. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such

information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of the Tennessee State School Bond Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tennessee State School Bond Authority's internal control over financial reporting and compliance.



Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit
December 7, 2022

Management's Discussion and Analysis

As management of the Tennessee State School Bond Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities as presented in the financial statements and notes to the financial statements of the Authority for the fiscal year ended June 30, 2022. These activities are compared to the results of the fiscal years ended June 30, 2021, and June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal along with the Independent Auditor's Report, the audited financial statements and accompanying notes of this report.

Program Activity Highlights

The Authority's purpose is to provide loans to the state's higher educational institutions by issuing bonds and notes of the Authority and to local governments on behalf of local education agencies (LEAs) through Qualified Zone Academy Bonds (QZABs) and Qualified School Construction Bonds (QSCBs). As of June 30, 2021, all the bonds for the QZAB program have fully matured and the program is no longer active. The tables below summarize this business activity.

	Higher Educational Facilities Program		
	2022	2021	2020
Number of higher educational facilities with outstanding loans	16	17	19
Balance of outstanding loans	\$ 1,804,131,803	\$ 1,849,746,998	\$ 1,821,926,834
Total number of projects with outstanding loans*	192	195	211
Number of projects approved in fiscal year	9	3	4
Dollar amount of loans approved in fiscal year	\$ 161,648,000	\$ 28,600,000	\$ 24,610,000
Dollar amount of loans approved in fiscal year - unspent	\$ 160,458,035	\$ 14,150,000	\$ 22,414,449
Dollar amount of loans financed in fiscal year	\$ 42,437,847	\$ 118,792,617	\$ 75,865,359
Balance of outstanding debt	\$ 1,866,136,785	\$ 1,929,187,212	\$ 1,943,336,361
Bonds issued in fiscal year	\$ -	\$ 713,365,000	\$ 207,170,000
Revolving credit facility loans issued in fiscal year	\$ 40,000,000	\$ 45,000,000	\$ 50,000,000

*Includes projects that have not yet started spending.

	Qualified Zone Academy Bond Program		
	2022	2021	2020
Number of LEAs with outstanding loans	-	-	9
Total number of outstanding loans	-	-	11
Balance of outstanding loans	\$ -	\$ -	\$ 636,924
Balance held in Sinking Fund	\$ -	\$ -	\$ 29,508,076
Balance of outstanding debt	\$ -	\$ -	\$ 30,145,000

	Qualified School Construction Bond Program		
	2022	2021	2020
Number of LEAs with outstanding loans	23	23	23
Total number of outstanding loans	28	28	28
Balance of outstanding loans	\$ 113,783,149	\$ 138,083,337	\$ 162,399,687
Balance held in Sinking Fund	\$ 274,411,616	\$ 274,715,760	\$ 260,168,122
Balance of outstanding debt	\$ 389,440,000	\$ 389,440,000	\$ 389,440,000

The financial statements and the analysis provided in the remainder of this report reflect the financial results of this activity.

Debt Administration

Pursuant to *Tennessee Code Annotated*, Section 49-3-1201 et seq., the General Assembly of the state created the Tennessee State School Bond Authority to issue revenue bonds and notes to financed capital projects for the higher educational institutions including both four-year institutions and two-year community colleges. Such loans are payable from fees and charges, or in the case of energy conservation projects, the cost savings generated from the projects. The statute was amended in 1999 to authorize the Authority to issue QZABs and in 2009 to authorize the Authority to issue QSCBs on behalf of LEAs throughout the State. For more specific financial information on long-term debt activity, see **Note 5, Debt Payable, on pages 22 - 27 in the Notes to the Financial Statements.**

The State is not liable on the bonds, and the bonds are not a debt of the State of Tennessee.

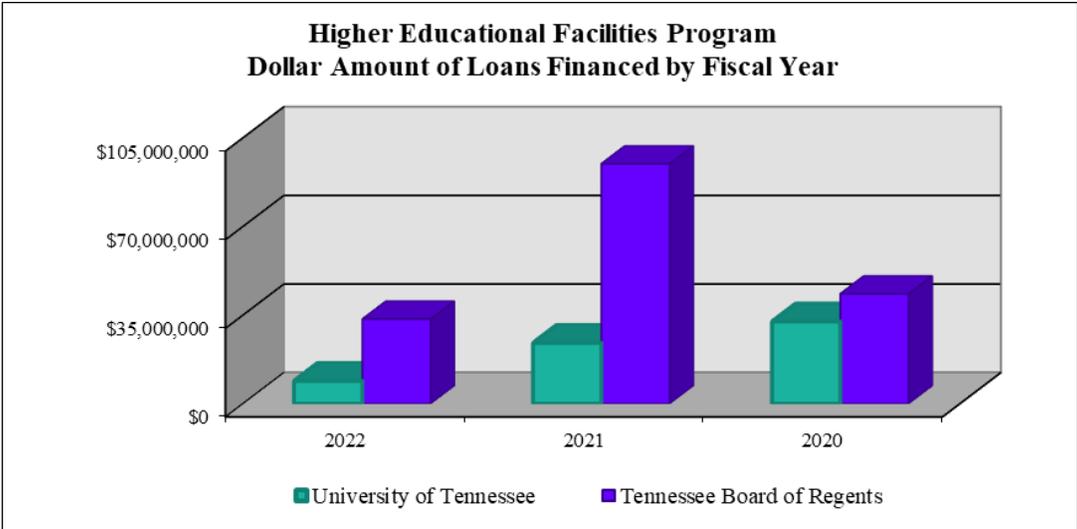
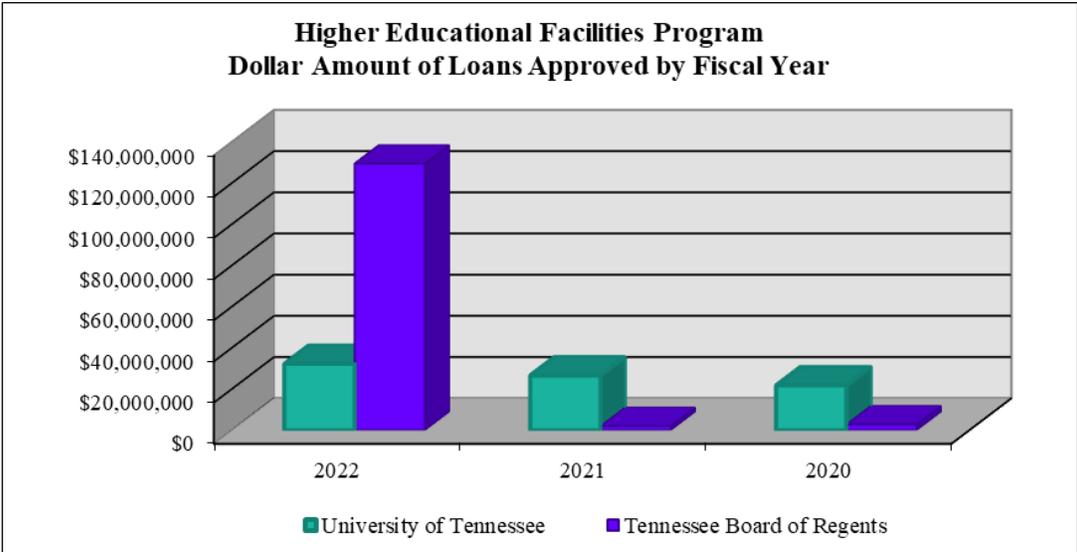
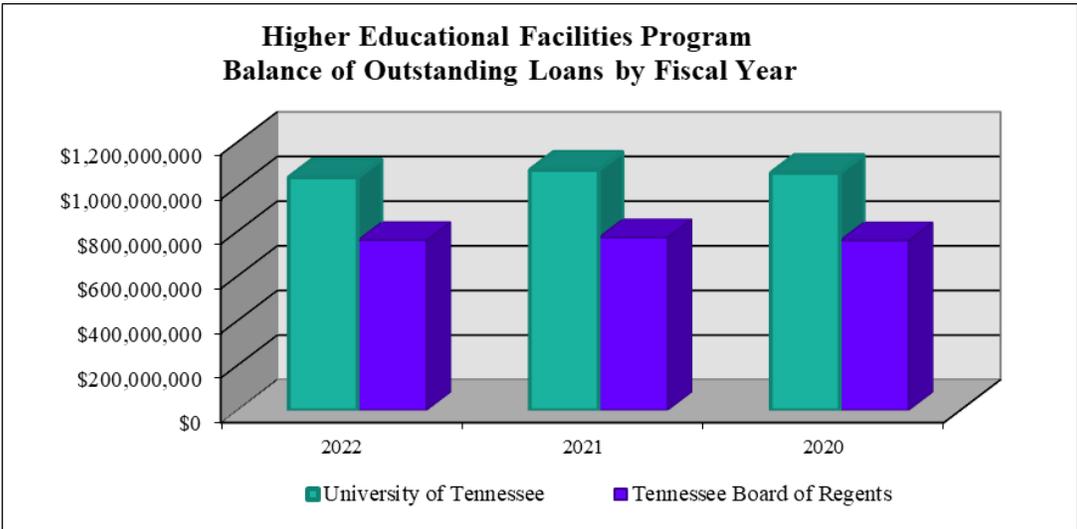
Higher Educational Facilities Programs. When a higher educational facility applies for project funding through the Authority, the financial feasibility of each loan request is evaluated by comparing the projected debt service to the pledged revenue prior to submission to the Authority for approval. Once approved by the Authority, the project is included in the Financing Agreement between the Authority and the respective higher educational system (the Board of Trustees of the University of Tennessee and the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee, referred to collectively as the Boards). The agreement with the Tennessee Board of Regents covers all entities included in the State University and Community College System. The Boards covenant and agree in the Financing Agreements to establish and collect fees and charges at each institution at a level sufficient to generate in each fiscal year no less than two times the amount required for the payment of total debt service. Fees and charges include all revenues, fees, rentals, and other charges received by or on behalf of an institution which are available to pay debt service. In addition, the Boards agree in the Financing Agreements that the Commissioner of Finance and Administration, after notice from the Authority that a Board has failed to pay its annual financing charges or administrative fees, shall deduct from the institution’s appropriations the amount required to make it current with respect to the unpaid annual financing charges and administrative fees.

On June 2, 2021, the Authority entered into an Amended and Restated Revolving Credit Agreement (RCA) with Wells Fargo Bank, National Association, and U.S. Bank, National Association. The original RCA dated March 20, 2014, as amended and extended, expired upon the issuance of the new RCA. Projects are funded through the RCA during the construction phase. For projects in the construction phase that are completed or near completion, the Authority may fix the interest rate for the term of the projects by issuing long-term debt. The range of RCA interest rates are shown below for the fiscal year ended June 30, 2022, as compared to fiscal years 2021 and 2020.

Higher Educational Facilities Program Revolving Credit Facility Interest Rates Ranges				
Fiscal Year	Tax-Exempt		Federally Taxable	
	Low	High	Low	High
2022	0.486%	1.269%	0.612%	1.592%
2021	0.494%	0.557%	0.622%	0.701%
2020	0.558%	2.342%	0.703%	2.932%

For the fiscal year ended June 30, 2022, the interest rates on the higher educational facilities long-term, fixed-rate, tax-exempt bonds are 5.00%, and the interest rates on the higher educational facilities long-term, fixed-rate, federally taxable bonds ranged from a low of 0.167% to a high of 4.207%. By pooling the financing of the capital needs for all public higher educational facilities, management believes that economic efficiency is achieved through a single borrowing administered by one agency. The creditworthiness of the program is based on the strong debt service coverage from the gross revenue pledge of the Boards. In addition, should the Boards fail to pay their annual financing charges, the Authority is authorized to intercept the Boards’ state appropriations. This financing mechanism provides for a lower cost of borrowing for the program and the borrowers.

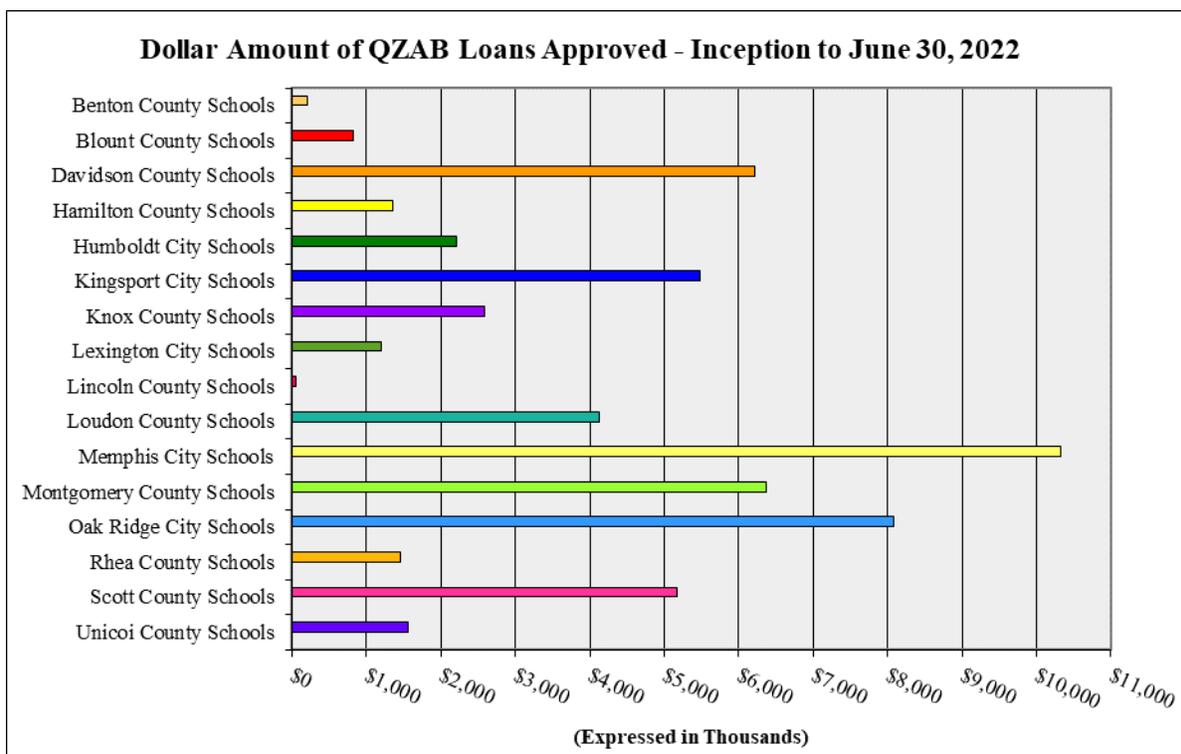
Higher Educational Facilities Programs Debt Ratings. As of the fiscal year ended June 30, 2022, the Authority’s higher educational facilities program is rated AA+ and AA+ by Fitch and S&P Global Ratings, respectively. Moody’s Investors Service has assigned the Authority’s bonds a Aa1 enhanced rating and a Aa1 programmatic rating.



Qualified Zone Academy Bond Program. The QZAB program is a capital financing program authorized by the federal government under the Taxpayer Relief Act of 1997, Section 227(a). A QZAB was a taxable bond issued by the Authority, the proceeds of which were used to finance certain eligible public schools’ renovation projects and equipment purchases. During the term that the bond was outstanding, an eligible holder of a QZAB was generally allowed annual federal income tax credits in lieu of receiving periodic interest payments from the issuer. These credits compensated the holder for lending money to the borrower and functioned as payments of interest on the bonds. The Tennessee Department of Education distributed the application for a QZAB allocation to all LEAs in the State. The Department of Education recommended those projects that best met the requirements of the program to the Authority for funding.

The LEA and the city or county supporting the agency pledged its full faith and credit and unlimited taxing power to the Authority for the repayment of its loans. Had the LEA/local government failed to repay its loan timely, the Authority was authorized to intercept the local government’s unobligated state-shared taxes.

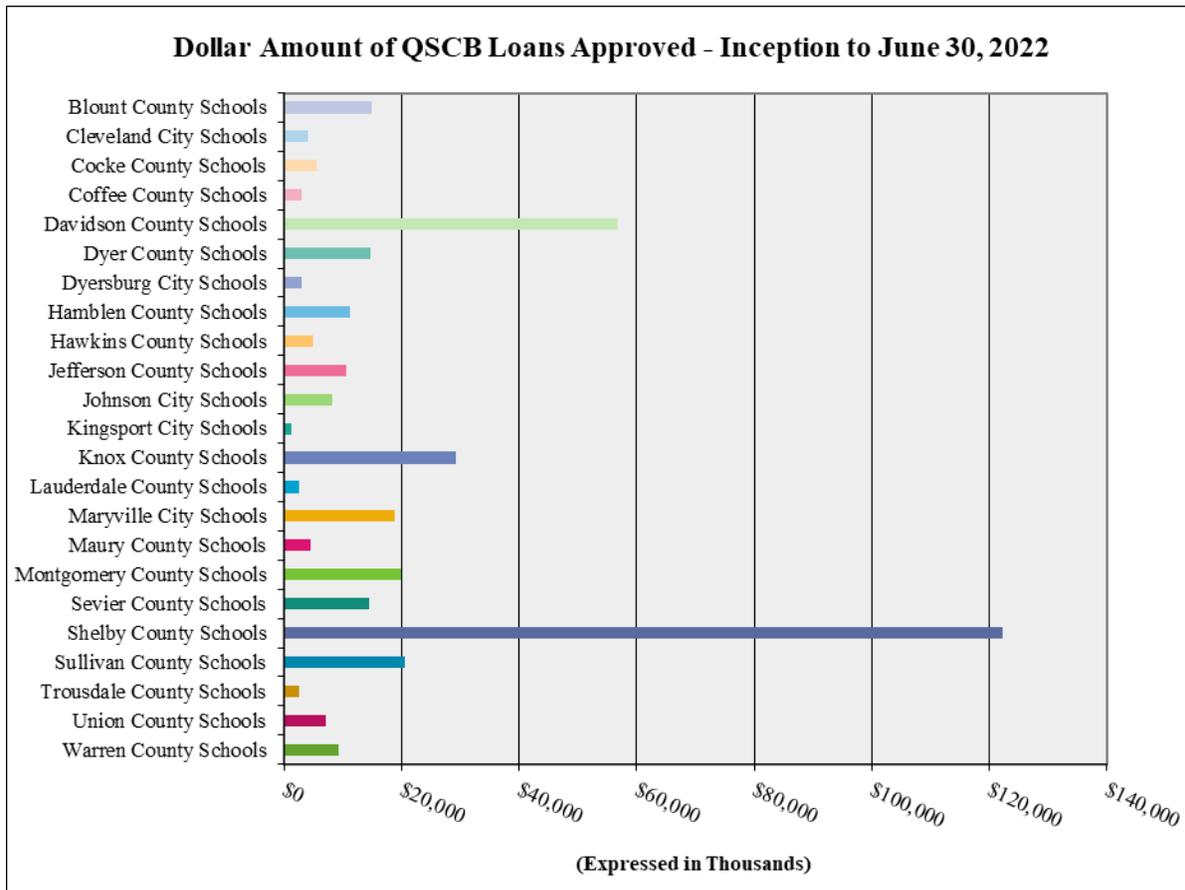
As of June 30, 2021, the QZAB program had no unused allocations, and the bonds have fully matured. While the program was active, the State had up to two years after the yearly allocations were made by the federal government to issue bonds or the allocations would be forfeited. The Authority last issued bonds for the QZAB program on December 28, 2005. The implementation of the 2017 Tax Cuts and Jobs Act on State and Local Bonds eliminated all tax credit bonds, including QZAB bonds.



Qualified Zone Academy Bond Program Debt Ratings. All the QZABs were placed with private investors. The QZABs were not rated.

Qualified School Construction Bond Program. The QSCB program is a capital financing program originally authorized by the federal government under the American Recovery and Reinvestment Act of 2009 and *Tennessee Code Annotated*, Section 49-3-12, as amended. The QSCBs are bonds issued by the Authority, the proceeds of which are used to finance certain eligible public schools’ renovation and rehabilitation projects, equipment purchases, new building construction and land acquisition. The Series 2009 QSCB is structured as a tax credit bond under which an eligible holder of a QSCB is generally allowed quarterly federal income tax credits in addition to quarterly supplemental interest payments from the issuer during the period the bond is outstanding. These credits compensate the bondholder for lending money to the Authority and function as partial payments of interest on the bonds. The Series 2010 QSCB is structured as a direct subsidy payment bond under which the holder of the bond is compensated with a semi-annual cash interest payment that is subsidized by the federal government. The Authority elects to receive the direct interest subsidy payments from the United States Treasury, and the loan agreements provide that the subsidy payments received by the Authority will then be transferred to the borrowers.

The local government supporting the LEA must pledge its full faith and credit and unlimited taxing power to the Authority for the repayment of its loans. Should the LEA/local government fail to repay its loan timely, the Authority is authorized to intercept the local government’s unobligated state-shared taxes.



Qualified School Construction Bonds Program Debt Ratings. As of the fiscal year ended June 30, 2022, the Authority’s Series 2009 QSCB were rated Aa1 and AA+ by Moody’s Investors Service, Inc. and S&P Global Ratings respectively, and the Series 2010 QSCB were rated Aa1, AA+, and AA, by Moody’s Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, respectively.

Overview of the Financial Statements

The Authority is a discretely presented component unit of the State of Tennessee and uses proprietary fund accounting. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting and the flow of economic resources measurement focus. This basis recognizes revenues when earned and expenses at the time liabilities are incurred regardless of the timing of related cash flows. Using the economic resources measurement focus, a reader is presented information that allows him/her to determine the transactions and events that have increased or decreased the total economic resources for the period.

This discussion and analysis are intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements are comprised of two components: 1) the financial statements and 2) the notes to the financial statements. The financial statements consist of the Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

The Statements of Net Position on **page 15** present the Authority’s financial position at June 30, 2022, and June 30, 2021. The Statements of Revenues, Expenses and Changes in Net Position on **page 16** set forth the results of operations and the change in net position for the years presented. The Statements of Cash Flows on **pages 17 - 18** summarize the sources and uses of cash for the fiscal years presented. These statements are accompanied by notes to the financial statements that provide information that is essential to the reader’s understanding of the financial statements. The Authority’s basic financial statements are followed by supplementary information containing the financial statement information at the program level.

Financial Analysis of the Authority

Standard indicators of financial success are not applicable to the Authority. The financial goals of the Authority are to provide timely access to the capital markets for public higher educational institutions and local governments on behalf of LEAs at the lowest possible cost, to repay debt timely and to achieve the highest possible rating for its debt. During the fiscal year ended June 30, 2021, the Authority issued one (1) series of bonds. At no time did the Authority deny approval of a loan application due to its inability to access the capital market. For long-term debt, the Authority made all debt service payments timely without having to intercept the state appropriations for the higher educational institutions. For short-term debt, No Event of Default, as defined in the RCA, had occurred. The Authority maintained its long-term credit ratings with all rating agencies.

Statements of Net Position Summary			
(in thousands of dollars)			
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 168,320	\$ 160,032	\$ 255,723
Noncurrent assets	<u>2,074,444</u>	<u>2,158,758</u>	<u>2,139,121</u>
Total assets	<u>2,242,764</u>	<u>2,318,790</u>	<u>2,394,844</u>
Deferred outflows of resources	<u>34,408</u>	<u>38,486</u>	<u>31,794</u>
Current liabilities	109,478	97,467	131,437
Noncurrent liabilities	<u>2,163,577</u>	<u>2,230,789</u>	<u>2,254,722</u>
Total liabilities	<u>2,273,055</u>	<u>2,328,256</u>	<u>2,386,159</u>
Deferred inflows of resources	<u>1,468</u>	<u>1,313</u>	<u>1,187</u>
Net position (unrestricted)	<u>\$ 2,649</u>	<u>\$ 27,707</u>	<u>\$ 39,292</u>
<i>Note: The Authority owns no capital assets.</i>			

As of June 30, 2022, current assets included \$10,754,735 of unexpended proceeds from prior debt issued that will fund approved higher educational loans as compared to \$16,680,584 at June 30, 2021, and \$68,814,125 at June 30, 2020. During the fiscal year ended June 30, 2021, the Authority issued \$713,365,000 in Higher Educational Facilities Second Program Bonds which were used to refund \$605,615,000 of the Authority’s outstanding long-term debt with the balance of the bond proceeds to be used to fund various project costs and costs of issuance. The Authority did not issue any bonds during the fiscal year ended June 30, 2022. During the fiscal year ended June 30, 2020, the Authority issued \$207,170,000 in Higher Educational Facilities Second Program Bonds which were used to redeem \$146,318,221 of the Authority’s revolving credit facility with the balance of the bond proceeds to be used to fund various project costs and costs of issuance.

Principal was repaid on the higher educational outstanding long-term bonds in the amounts of \$78,960,000 in 2022; \$78,055,000 in 2021; and \$73,980,000 in 2020. Deposits to the Sinking Fund for the QZABs were made in the amounts of \$2,379,852 in 2020. No deposits were made to the Sinking Fund in the fiscal years ended June 30, 2022, and June 30, 2021. QZAB Series 2004 Bonds and Series 2005 Bonds in the amount of \$30,145,000 were retired during the fiscal year ended June 30, 2021. No QZAB Bonds were retired in fiscal year 2020. Deposits to the Sinking Fund for the QSCBs were made in the amounts of \$24,300,789 in fiscal year 2022; \$24,316,090 in fiscal year 2021; and \$24,304,421 in fiscal year 2020. No QSCB bonds were retired during the fiscal years 2022, 2021, or 2020.

Net position is available to fund ongoing operations and other expenses necessary to meet the goals of the Authority. Assets and liabilities increase and decrease together in correlation to the issuance and repayment of debt and the resulting loans. The change in net position from fiscal year ended June 30, 2021, to fiscal year June 30, 2022, was primarily due to the unrealized loss on the QSCB investments. The change in net position from fiscal year ended June 30, 2020, to fiscal year ended June 30, 2021, was due primarily to the unrealized loss on the QSCB investments. The change in net position from fiscal year ended June 30, 2019, to fiscal year ended June 30, 2020, was due primarily to the unrealized gain on the QSCB investments.

Statements of Revenues, Expenses, and Changes in Net Position Summary (in thousands of dollars)			
	2022	2021	2020
Operating Revenues			
Revenue from loans	\$ 60,640	\$ 62,959	\$ 82,284
Investment earnings (loss)	(21,655)	(7,043)	27,723
Total operating revenues	<u>38,985</u>	<u>55,916</u>	<u>110,007</u>
Operating Expenses			
Interest expense	60,291	61,861	81,142
Subsidy to borrowers	12,693	13,131	14,489
Other expenses	771	2,217	2,223
Total operating expenses	<u>73,755</u>	<u>77,209</u>	<u>97,854</u>
Operating gain (loss)	<u>(34,770)</u>	<u>(21,293)</u>	<u>12,153</u>
Nonoperating Revenues			
Federal subsidy on bonds	9,712	9,708	9,685
Total nonoperating revenues	<u>9,712</u>	<u>9,708</u>	<u>9,685</u>
Increase (decrease) in net position	<u>(25,058)</u>	<u>(11,585)</u>	<u>21,838</u>
Net Position			
Net position, July 1	<u>27,707</u>	<u>39,292</u>	<u>17,454</u>
Net position, June 30	<u>\$ 2,649</u>	<u>\$ 27,707</u>	<u>\$ 39,292</u>

The Authority's operating revenues include revenue from loans in the form of administrative fees, interest on loans, and income earned on investments. Operating expenses include interest expense on outstanding short-term and long-term debt and administrative expenses. The change in operating revenues and expenses for fiscal year ended June 30, 2022, can primarily be attributed to the QSCB program. The QSCB had a loss on investments which resulted in a significant decrease in unrealized investment earnings and decrease in net position. In addition, due to the bond refunding and lower interest rates in the Higher Educational Program, revenue from loans and interest expenses for fiscal year ended June 30, 2021, had decreased.

The change in operating revenues and expenses for fiscal years ended June 30, 2021, and June 30, 2020, can primarily be attributed to the QSCB program. For fiscal year ended June 30, 2021, the QSCB had a loss on investments which resulted in a significant decrease in unrealized investment earnings and decrease in net position. In addition, due to the bond refunding and lower interest rates in the Higher Educational Program, revenue from loans and interest expenses for fiscal year ended June 30, 2021, had decreased. For fiscal year ended June 30, 2020, the QSCB had an increase in value in the Sinking Fund which resulted in a significant increase in unrealized investment earnings and increase in net position. In addition, other expenses were higher due to bond issuance costs paid.

Pursuant to the supplemental bond resolutions for the 2004 and 2005 Series QZABs, Sinking Fund payments were invested in Forward Delivery Agreements which guaranteed a fixed rate of interest of 3.00% and 3.64%, respectively, on investments. The investments were held by the State Treasurer in the Authority's name. Investment earnings related to the QZAB program were held by the Authority for the benefit of the LEAs participating in the program and were applied as a subsidy toward each LEA's individual debt service Sinking Fund payment on an annual basis.

Investment earnings related to the QSCB program are held by the Authority for the benefit of the local governments participating in the program and are applied as a subsidy toward the amounts due on each LEA's individual debt service principal and interest payments.

Future Financing Activities

Higher Educational Facilities Programs. As Tennessee continues into an economic era that emphasizes the human capital potential of its citizens rather than physical capital and natural resources, the higher education system must be positioned to serve the broader-based need for access to post-secondary education and to produce degree and certificate holding work-ready citizens. A host of policy and environmental factors influence the demands for access and completion, and the means through which this demand will be met. Tennessee has implemented two programs to increase the number of Tennesseans with a postsecondary credential – Tennessee Promise and Tennessee Reconnect. With these programs, Tennessee is the first state to offer all high school graduates and adults two years of community or technical college free of tuition and mandatory fees.

Tennessee has also greatly increased its dual enrollment financial aid opportunities, leading to expansion in dual enrolled students across the State – in communities that previously had less access to higher education. As the State continues to promote educational attainment to its citizens, we anticipate an increased need for funding of various facilities through the Authority.

Qualified Zone Academy Bonds and Qualified School Construction Bonds Programs. The issuance of bonds within the QZAB and QSCB programs was limited to the amounts allocated by the federal government. As of December 31, 2017, the Tax Cuts and Jobs Act eliminated the ability to issue QZABs. The QSCB program only received allocations for 2009 and 2010.

COVID-19

COVID-19 is not expected to have a significant impact on the Authority's loan collections. Higher Education borrowers have included their debt service in their budgets and have made sure funds will be available for payment. Loans are secured by a pledge of revenues and are further secured by unrestricted state appropriations. QSCB loans are secured solely by the payments made by the borrowers, including amounts collected from unobligated state-shared taxes in the event of non-payment by the local governments, the full faith and credit and unlimited taxing power of the local government, and by certain funds held under the Qualified School Construction Bond Resolution. Therefore, sufficient funds are available to meet debt service requirements on the bonds in the event of a loan default.

Contacting the Authority's Management Team

This discussion and analysis is designed to provide our citizens, educational agencies, investors and creditors with a general overview of the Authority's finances and to demonstrate its accountability for the monies it receives. If you have questions about this report or need additional financial information, contact the Director of the Division of State Government Finance, State of Tennessee, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, Tennessee 37243-3400, visit our website at <https://www.comptroller.tn.gov/boards/tennessee-state-school-bond-authority>, or call (615) 747-5369.

BASIC FINANCIAL STATEMENTS



TENNESSEE STATE SCHOOL BOND AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2022, AND JUNE 30, 2021

(Expressed in Thousands)

	June 30, 2022	June 30, 2021
ASSETS		
Current assets:		
Cash (Note 2)	\$ 32,310	\$ 36,752
Cash with fiscal agent (Note 2)	27	26
Loans receivable (Note 3)	123,167	109,144
Interest receivable (Note 3)	9,876	11,100
Federal subsidy receivable	2,833	2,833
Receivables for administrative fees (Note 3)	107	177
Total current assets	168,320	160,032
Noncurrent assets:		
Restricted cash (Notes 2 and 4)	6,669	6,665
Restricted investments (Notes 2 and 4)	273,027	273,406
Loans receivable (Note 3)	1,794,748	1,878,687
Total noncurrent assets	2,074,444	2,158,758
Total assets	2,242,764	2,318,790
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow - Deferred amount on refunding	34,408	38,486
Total deferred outflows of resources	34,408	38,486
LIABILITIES		
Current liabilities:		
Accounts payable	700	162
Due to local education authorities	-	45
Accrued liabilities	2,836	2,979
Accrued interest payable	11,770	13,148
Unearned revenue (Note 6)	2,172	2,173
Bonds payable (Note 5)	92,000	78,960
Total current liabilities	109,478	97,467
Noncurrent liabilities:		
Revolving credit facility (Note 5)	152,661	115,521
Bonds payable (Note 5)	2,010,916	2,115,268
Total noncurrent liabilities	2,163,577	2,230,789
Total liabilities	2,273,055	2,328,256
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow - Deferred amount on refunding	1,468	1,313
Total deferred inflows of resources	1,468	1,313
NET POSITION		
Unrestricted	\$ 2,649	\$ 27,707

The notes to the financial statements are an integral part of this statement.

TENNESSEE STATE SCHOOL BOND AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021

(Expressed in Thousands)

	Year Ended June 30, 2022	Year Ended June 30, 2021
OPERATING REVENUES		
Revenue from loans	\$ 60,640	\$ 62,959
Investment earnings (loss)	<u>(21,655)</u>	<u>(7,043)</u>
Total operating revenues	<u>38,985</u>	<u>55,916</u>
OPERATING EXPENSES		
Interest expense-revolving credit facility	927	581
Interest expense-bonds	59,364	61,280
Subsidy to borrowers	12,693	13,131
Administrative expense	<u>771</u>	<u>2,217</u>
Total operating expenses	<u>73,755</u>	<u>77,209</u>
Operating income (loss)	<u>(34,770)</u>	<u>(21,293)</u>
NONOPERATING REVENUES		
Federal subsidy on bonds	<u>9,712</u>	<u>9,708</u>
Total nonoperating revenues	<u>9,712</u>	<u>9,708</u>
Increase (decrease) in net position	<u>(25,058)</u>	<u>(11,585)</u>
NET POSITION		
Net position, July 1	<u>27,707</u>	<u>39,292</u>
Net position, June 30	<u>\$ 2,649</u>	<u>\$ 27,707</u>

The notes to the financial statements are an integral part of this statement.

TENNESSEE STATE SCHOOL BOND AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021

(Expressed in Thousands)

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from borrowers for administrative fees	\$ 880	\$ 916
Payment to suppliers	(938)	(1,064)
Net cash used in operating activities	<u>(58)</u>	<u>(148)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from sale of bonds	-	14,450
Proceeds from sale of refunding bonds	-	698,915
Proceeds from the sale of revolving credit facility	40,000	45,000
Bond interest subsidy from federal government	9,712	9,702
Bond issuance costs paid	-	(1,040)
Refunding bond proceeds placed in escrow	-	(697,860)
Principal paid - bonds and revolving credit facility	(81,820)	(112,160)
Interest paid - bonds and revolving credit facility	(69,668)	(72,333)
Subsidy to borrowers	(9,712)	(9,702)
Net cash used in noncapital financing activities	<u>(111,488)</u>	<u>(125,028)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(24,300)	(58,326)
Proceeds from sales and maturities of investments	-	61,856
Interest received on investments	3,025	4,201
Loans issued	(42,438)	(118,793)
Collections of loan principal	103,180	104,084
Refund to borrower	(45)	(955)
Interest received on loans	67,687	70,809
Net cash provided by investing activities	<u>107,109</u>	<u>62,876</u>
Net increase (decrease) in cash	(4,437)	(62,300)
Cash, July 1	43,443	105,743
Cash, June 30	<u>\$ 39,006</u>	<u>\$ 43,443</u>
Reconciliation of cash to the Statement of Net Position:		
Cash	\$ 32,310	\$ 36,752
Cash with fiscal agent	27	26
Restricted cash	6,669	6,665
Cash, June 30	<u>\$ 39,006</u>	<u>\$ 43,443</u>

TENNESSEE STATE SCHOOL BOND AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021

(Expressed in Thousands)

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	<u>\$ (34,770)</u>	<u>\$ (21,293)</u>
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Investment (earnings) loss	21,655	7,043
Recognition of administrative earnings through refund reduction	-	(2)
Accrual for administrative earnings in prior year	-	5
Interest expense	60,291	61,861
Subsidy to borrowers	12,693	13,086
Bond issuance costs	-	1,040
Interest income from loans	(59,830)	(62,015)
Changes in assets and liabilities:		
(Increase) decrease in receivables for administrative fees	70	(30)
Increase (decrease) in payables for administrative fees	(167)	112
Increase (decrease) in due to local education authorities	-	45
Total adjustments	<u>34,712</u>	<u>21,145</u>
Net cash used in operating activities	<u>\$ (58)</u>	<u>\$ (148)</u>
Noncash investing activities:		
Increase (decrease) in fair value of investments	<u>\$ (12,655)</u>	<u>\$ 15,456</u>

The notes to the financial statements are an integral part of this statement.

Tennessee State School Bond Authority

Notes to the Financial Statements

June 30, 2022, and June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Tennessee State School Bond Authority (the Authority) was created to provide a mechanism for financing capital projects for the State of Tennessee's higher education institutions. During 1999, the General Assembly empowered the Authority to issue Qualified Zone Academy Bonds (QZABs) for local governments to borrow for financing improvement projects on behalf of local education agencies pursuant to the federal program authorized in the Taxpayer Relief Act of 1997. In addition, under the American Recovery and Reinvestment Act of 2009, the Authority was authorized to issue Qualified School Construction Bonds (QSCBs) for local governments to borrow on behalf of local education agencies at nominal or zero percent interest for financing renovation and rehabilitation projects, equipment purchases, new building construction and land acquisition.

The Authority is a component unit of the State of Tennessee and a separate legal entity. In accordance with the Governmental Accounting Standards Board's (GASB) Statement No. 14 (as amended), *The Financial Reporting Entity*, the Authority is discretely presented in the *Tennessee Annual Comprehensive Financial Report* (posted on the state's website at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>) because a majority of the Authority's board consists of state officials which include the Governor, the State Treasurer, the Secretary of State, the Commissioner of Finance and Administration, the Comptroller of the Treasury, the Chancellor of the Tennessee Board of Regents, and the President of the University of Tennessee. The Governor serves as chairman, and the Comptroller of the Treasury serves as secretary. The Director of the Division of State Government Finance serves as the assistant secretary; the finance staff within the Division of State Government Finance provide administrative and financial services to the Authority. Therefore, the State has the ability to affect the day-to-day operations of the Authority.

The Authority does not have any employees. The members serve without salary but are entitled to reimbursement for their actual and necessary expenses incurred in the performance of their official duty.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting and the flow of economic resources measurement focus. Under this basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. The Authority's principal ongoing operation is to provide loans for constructing capital projects, renovating and rehabilitating facilities, and acquiring land and equipment to higher educational facilities and to local government units pursuant to the criteria set by the federal government for the QZAB and QSCB programs. Therefore, the Authority also recognizes income on investments as operating revenue. The Authority's operating expenses include interest paid on borrowings, subsidies to borrowers, bond issuance costs, arbitrage, and administrative expenses. Any revenues and expenses not meeting this definition would be reported as nonoperating revenues and expenses.

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

Investments

Investments for the Higher Education, and QSCB Programs are stated at fair value.

Amortized Amounts

- A. *Bond Discounts, Premiums, and Deferred Amount on Refundings.* The Authority amortizes bond discounts and premiums using the straight-line method over the life of the bonds. The deferred amount on refundings is amortized using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Amortization of bond discount, premium, and deferred amount on refundings is reported with bond interest expense in the financial statements.

- B. *Unearned Revenue.* The Authority requires the QSCB borrowers to prepay bondholder interest to the Debt Service Fund as outlined in the loan agreements. The interest earned on the investments in the Debt Service Fund is credited back to the borrower as bondholder interest payments are made. The prepaid interest is reported on the statement of net position as unearned revenue and is not amortized.

NOTE 2. DEPOSITS AND INVESTMENTS

Moneys pertaining to the Higher Education Second Program General Bond Resolution and the Qualified School Construction Bonds General Bond Resolution of the Tennessee State School Bond Authority, pursuant to Section 49-3-1205, *Tennessee Code Annotated*, may be invested, pursuant to each respective Bond Resolution listed above, in obligations of the United States or its agencies under flexible repurchase agreements which are fully collateralized by obligations of the United States or obligations, the timely payment of the principal of and interest on which are guaranteed by the United States, the State's pooled investment fund as provided in Section 9-4-603, *Tennessee Code Annotated*, and any other investment authorized by the State Investment Policy adopted by the State Funding Board pursuant to Section 9-4-602, *Tennessee Code Annotated*.

Deposits

The Authority has cash on deposit in the State Pooled Investment Fund (SPIF) administered by the State Treasurer. The funds are very liquid; there are no minimum amounts or lengths of time for investment. The pooled investment fund's investment policy and required risks disclosures are presented in the SPIF financial statements and notes, which are available on the state's website at <https://treasury.tn.gov/Explore-Your-TN-Treasury/About-the-Treasury/Department-Reports>.

The Authority has deposits held in a financial institution that participates in the bank collateral pool administered by the State Treasurer. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

Investments

As of June 30, 2022, the Authority has the following investments:

Investment	Maturity	Fair Value (Level 1)
U.S. Treasury Notes	August 15, 2026	\$ 47,312,585
	August 15, 2027	44,223,843
U.S. Treasury Securities:		
Agency Zeroes & Strips	August 15, 2026	83,974,404
	August 15, 2027	97,516,167
Total Level 1 Investments		\$ 273,026,999

As of June 30, 2021, the Authority had the following investments:

Investment	Maturity	Fair Value (Level 1)
U.S. Treasury Notes	August 15, 2026	\$ 52,339,570
	August 15, 2027	49,643,944
U.S. Treasury Securities:		
Agency Zeroes & Strips	August 15, 2026	78,941,200
	August 15, 2027	92,481,252
Total Level 1 Investments		\$ 273,405,966

Debt and equity securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk

Interest rate risk is the risk that future changes in prevailing market rates of interest will have an adverse effect on the fair value of debt investments. The State's Investment Policy does not formally address interest rate risk. As a matter of practice, higher education investments are invested no longer than five years to reduce the interest rate risk. QSCB investments are intended to be held to maturity at which time par value will be received, which significantly alleviates the concerns related to interest rate risk. The Authority's investments are specifically identified above.

NOTE 3. LOANS RECEIVABLE

Higher Education Facilities Programs

The Authority has entered into financing agreements with both the Board of Trustees of the University of Tennessee (the Board of Trustees) and the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee (the Tennessee Board of Regents). The agreement with the Tennessee Board of Regents covers all entities included in the State University and Community College System. The Second Financing Agreement, (the "Agreement"), is dated November 1, 1997, and was amended and restated on May 9, 2013. Under the Agreement, the Authority agrees to finance

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

construction projects for the Board of Trustees or the Tennessee Board of Regents. Annual financing charges payable under the Agreement must be sufficient to pay the debt obligations of the Authority and the costs of administering the program.

When the Authority issues bonds to finance capital projects for the higher education institutions and local governments, the principal amount of the loan may differ from the actual amount of funds available for capital expenditures because the par amount of the bonds is adjusted for any bond discounts and premiums in order to provide the amount of bond proceeds needed for capital expenditures. These discounts and premiums are amortized on a straight-line basis over the life of the related bond because the higher education institutions and the local governments either receive the benefit or bear the cost of this difference. These differences are included in loans receivable on the statement of net position.

Qualified School Construction Bonds Program

The Authority has entered into loan agreements with the local governments on behalf of local education agencies for the 2009 QSCBs, dated December 1, 2009, and the 2010 QSCBs, dated October 1, 2010. Under the agreements, the Authority agrees to finance renovation and rehabilitation projects, equipment purchases, new building construction, and land acquisition for the local education agencies. On the dates designated in the agreements, monthly financing charges must be paid by the borrower that are sufficient to pay the monthly principal payment, interest payment, and the costs of administering the program. The principal payments are deposited into a bond sinking fund held by the State Treasurer that will pay the bonds at maturity.

NOTE 4. RESTRICTED ASSETS

Cash and Investments

The Higher Education Facilities Second Program General Bond Resolution, effective for all bonds issued in 1998 and thereafter, permits the Authority to satisfy the debt service reserve requirement by either placing an amount equal to the maximum semiannual debt service requirement in a debt service reserve account or by maintaining a Reserve Fund Credit Facility. The Authority elected to establish a separate debt service reserve fund solely for the 2012 Series A, B, and C; 2013 Series A; 2014 Series A and B; 2015 Series A and B; 2017 Series A, B, and C; 2019 Series A and B; and 2021A bonds with no current funding requirement.

The first program bond resolution of the QSCBs requires the establishment of a special trust fund, the bond Sinking Fund account. This account represents the funds set aside to redeem the QSCBs at maturity.

NOTE 5. DEBT PAYABLE

The State of Tennessee shall not be liable on the bonds issued by the Authority, and the bonds shall not be a debt of the State.

Higher Education Facilities Programs

- A. *Bonds.* The principal, Sinking Fund installments, if any, and redemption price of and interest on the bonds are payable solely from the annual financing charges, legislative appropriations, and other moneys and securities held or set aside under the resolutions.
- B. *Revolving Credit Facility.* Revolving credit facility constitutes a special obligation of the Authority. Principal and interest on the revolving credit facility is payable from the following sources: (i) as to principal only, the proceeds of the draw on the revolving credit facility to pay the principal of other outstanding revolving credit facility, (ii) available revenues, (iii) the money and securities (if any) on deposit in the Reimbursement Fund and in the Debt Service Fund, (iv) the moneys and securities

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

(if any) on deposit in the Project Construction Account for such projects, and (v) the proceeds of bonds or notes issued to make such payments.

Qualified School Construction Bonds Program

On November 5, 2009, the Authority adopted a Qualified School Construction Bond Resolution authorizing the issuance of QSCBs to make loans to local governments on behalf of local education agencies for the purpose of financing eligible costs of certain projects. The Tennessee Advisory Commission on Intergovernmental Relations recommended the projects to be funded by the Authority under the QSCB program. The American Recovery and Reinvestment Act of 2009 provided this financial tool whereby interest on QSCBs, Series 2009, is paid by the federal government in the form of a quarterly tax credit to the financial institutions that hold the QSCBs. Market conditions at the time of issuance demanded the borrowers pay an additional quarterly interest payment to supplement the tax credit to the investors. The 2010 QSCBs were issued as direct subsidy payment bonds, a financial tool whereby the interest on the QSCBs is intended to be fully subsidized by the federal government. The bonds are secured solely by the payments made by the borrowers under the Loan Agreements, including amounts collected from unobligated state-shared taxes in the event of non-payment by the local governments and by certain funds held under the Qualified School Construction Bond Resolution. The March 15, 2022, federal interest subsidy payment for the 2010 QSCBs was reduced by 5.7%, or \$293,524, as a part of the Budget Control Act of 2011. The sequestration reduction rate was applicable until the end of the federal fiscal year, September 30, 2022. On September 24, 2020, the Internal Revenue Service announced that federal subsidy payments will be cut by 5.7% during the 2021-2030 federal fiscal years.

Changes in debt payable for the years ended June 30, 2022, and June 30, 2021, are as follows (expressed in thousands):

	Balance		Balance		Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
Revolving Credit Facility Loans	\$ 115,521	\$ 40,000	\$ 2,860	\$ 152,661	\$ -
Bonds payable	\$ 2,050,570	\$ -	\$ 78,960	\$ 1,971,610	\$ 92,000
Bonds from direct placement	-	-	-	-	-
Less: unamortized bond discount	(18)	-	(2)	(16)	-
Add: unamortized bond premium	143,676	-	12,354	131,322	-
Total bonds payable	\$ 2,194,228	\$ -	\$ 91,312	\$ 2,102,916	\$ 92,000

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

	Balance			Balance	Amounts
	July 1, 2020	Additions	Reductions	June 30, 2021	Due Within
					One Year
Revolving Credit Facility Loans	\$ 74,481	\$ 45,000	\$ 3,960	\$ 115,521	\$ -
Bonds payable	\$ 2,020,875	\$ 713,365	\$ 683,670	\$ 2,050,570	\$ 78,960
Bonds from direct placement	30,145	-	30,145	-	-
Less: unamortized bond discount	(41)	-	(23)	(18)	-
Add: unamortized bond premium	237,462	-	93,786	143,676	-
Total bonds payable	\$ 2,288,441	\$ 713,365	\$ 807,578	\$ 2,194,228	\$ 78,960

Bonds and revolving credit facility loans at June 30, 2022, and June 30, 2021, are as follows (expressed in thousands):

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Bonds Payable:		
2012 Series A at interest rates from 2.50% to 5.00% maturing to 2022 (original par - \$208,295)	-	5,775
2012 Series B (Federally Taxable) at interest rates from 2.379% to 3.845% maturing to 2042 (original par - \$103,790)	60,875	65,055
2012 Refunding Series C at interest rates from 3.00% to 5.00% maturing to 2022 (original par - \$125,635)	-	7,715
2013 Series A at interest rates of 5.00% maturing to 2023 (original par - \$149,130)	3,695	7,210
2014 Series A (Federally Taxable) at interest rates from 1.861% to 4.207% maturing to 2029 (original par - \$132,450)	37,360	42,315
2014 Refunding Series B at interest rates of 5.000% maturing to 2026 (original par - \$212,200)	64,190	82,190
2015 Series A (Federally Taxable) at interest rates from 1.599% to 3.950% maturing to 2046 (original par - \$75,550)	40,605	48,270
2015 Series B at interest rates of 5.00% maturing to 2029 (original par - \$388,615)	106,980	120,460
2017 Series A at interest rates of 5.00% maturing to 2048 (original par - \$247,570)	226,065	231,850
2017 Series B at interest rates of 5.00% maturing to 2040 (original par - \$139,740)	124,225	124,225
2017 Series C (Federally Taxable) at interest rates from 1.593% to 3.424% maturing to 2040 (original par - \$15,150)	11,790	12,450

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

2019 Series A at interest rates of 5.00% maturing to 2050 (original par - \$146,915)	137,395	142,275
2019 Series B (Federally Taxable) at interest rates from 2.00% to 3.00% maturing to 2045 (original par - \$60,255)	55,625	57,975
2021 Series A (Federally Taxable) at interest rates from 0.167% to 2.661% maturing to 2046 (original par - \$713,365)	713,365	713,365
2009 Qualified School Construction Bonds at an interest rate of 1.515% and a federal tax credit rate of 5.86% maturing in 2027 (original par - \$177,000)	177,000	177,000
2010 Qualified School Construction Bonds at an interest rate of 4.848% maturing in 2028 (original par - \$212,440)	<u>212,440</u>	<u>212,440</u>
Total Par Amount of Bonds Payable	<u>1,971,610</u>	<u>2,050,570</u>
Plus: Unamortized Premium/Less Unamortized Discount	<u>131,306</u>	<u>143,658</u>
Net Bonds Payable	<u>\$ 2,102,916</u>	<u>\$ 2,194,228</u>
Revolving Credit Facility Loans, at interest rates from 0.486% to 1.592%	<u>\$ 152,661</u>	<u>\$ 115,521</u>

Debt service requirements to maturity of the bonds payable at June 30, 2022, are as follows (expressed in thousands):

For the Year(s) Ending June 30	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 92,000	\$ 63,114	\$ 155,114
2024	88,755	60,078	148,833
2025	90,020	57,093	147,113
2026	91,270	53,878	145,148
2027	263,620	48,680	312,300
2028-2032	597,960	153,112	751,072
2033-2037	312,540	101,050	413,590
2038-2042	269,425	55,245	324,670
2043-2047	143,120	17,408	160,528
2048-2050	<u>22,900</u>	<u>1,278</u>	<u>24,178</u>
	<u>\$ 1,971,610</u>	<u>\$ 610,936</u>	<u>\$ 2,582,546</u>

The Authority may issue taxable and/or tax-exempt bonds. Proceeds for the tax-exempt bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The Authority invests, records, and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. Arbitrage liabilities, when applicable, are reported as a current accrued liability. For the year ended June 30, 2022, and June 30, 2021, the Authority did not have a liability for arbitrage.

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

On February 24, 2021, the Authority issued the 2021 Series A Bonds (Federally Taxable) (“2021A”). The 2021A taxable bond proceeds in the amount of \$713,365,000 were issued to advance refund \$115,125,000 of the 2012 Series A bonds; \$42,245,000 of the 2012 Series C bonds; \$98,525,000 of the 2013 Series A Bonds; \$47,245,000 of the 2014 Series A bonds; \$76,325,000 of the 2014 Series B bonds; and \$226,150,000 of the 2015 Series B bonds. The balance of the proceeds of the 2021A bonds will be used to pay for construction costs of a certain project and various costs of issuance. The 2021 Series A refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$24,188,644. This amount is reported as a deferred outflow of resources and is being charged to operations through the year 2046 using the straight-line method. The 2021 Series A refunding resulted in a reduction of total debt service payments of \$134,393,335 over the next 26 years and an economic gain (difference between the present values of the old and new debt service payments) of \$112,382,633.33. The funds provided for the advance refundings were placed in an irrevocable refunding trust fund to pay the principal and interest on the refunded bonds on each principal and interest payment date to and including the respective redemption date for the respective redemption price then due on the refunded bonds.

Revolving Credit Facility

The Authority issues short-term debt to finance certain capital projects for the State’s higher education institutions. On June 2, 2021, the Authority entered into an Amended and Restated Revolving Credit Agreement (RCA) with Wells Fargo Bank, National Association, and U.S. Bank, National Association. The original RCA dated March 20, 2014, as amended and extended, expired upon the issuance of the new RCA. The RCA permits loans (the Revolving Credit Facility or RCF) to be made from time to time (and prepayments and reborrowings) in an aggregate principal amount outstanding at any time not to exceed \$300,000,000. As of June 30, 2022, the unused portion of the RCF was \$147,339,310. As of June 30, 2021, the unused portion of the RCF was \$184,479,310. The RCF may be issued as tax-exempt or as taxable loans. As of June 30, 2022, \$119,947,265 of tax-exempt RCF loans and \$32,713,425 of taxable RCF loans were outstanding. As of June 30, 2021, \$82,607,265 of tax-exempt RCF loans and \$32,913,425 of taxable RCF loans were outstanding.

Events of Default

Debt under the Higher Education Facilities Programs is secured by a payment from the annual financing charges by the Tennessee Board of Regents and the Board of Trustees of the University of Tennessee (the “Boards”). In the event the Authority has been notified that one of the Boards has insufficient funds to make a full payment, the Assistant Secretary to the Authority will notify the Commissioner of Finance and Administration that the Board has failed to pay and request the Commissioner to intercept sufficient available appropriations. The Commissioner will, within one business day, notify his accounting staff to withhold the Legislative appropriations as may be required to make the Board whole with respect to the unpaid annual financing charges.

Debt under the Qualified School Construction Bond Program is secured by a monthly payment from each borrower. A borrower is a Local Government Unit. In the event a borrower has failed to make a loan repayment in full, the Assistant Secretary to the Authority will notify the Commissioner of Finance and Administration that the borrower has failed to pay and request the Commissioner to intercept sufficient available state-shared taxes to the borrower. The Commissioner will notify the Division of Accounts, to withhold the state-shared taxes due and payable to the Local Government Unit starting with the payment due to the Local Government Unit on the 20th day of the current month in the amount of the unpaid loan payment to the Authority. The Division of Accounts will deposit such available state-shared tax, as soon as available, with the representatives of the TSSBA and prior to releasing any remaining funds to the Local Government Unit. The Division of Accounts will continue such monthly deposits to the Authority’s account until notified by the Commissioner of Finance and Administration that the Local Government Unit is current on all of its obligations to the TSSBA. The TSSBA will use

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

the proceeds of the state-shared tax intercept to timely fund debt service and sinking fund payments due on the Bond Debt Service Payment Dates and to fully fund the Local Government Unit's portion of the Sinking Fund.

If the Authority should default in the payment of the principal, sinking fund installments, or interest the bond resolutions contain a provision that the Trustee may proceed, (1) by suit, action or proceeding at law or in equity in any court of competent jurisdiction, enforce all rights of the Bondowners, including the right to require the Authority to enforce the Agreements and collect the Annual Financing Charges and Legislative Appropriations payable thereunder, or to carry out any other covenant or agreement with Bondowners under the Resolution and to perform its duties under the Act, the Agreements and the Resolution; (2) bring suit upon the Bonds; (3) by action or suit, require the Authority to account as if it were the trustee of an express trust for the Owners of the Bonds; (4) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds; or (5) in accordance with the provisions of the Act, declare all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Owners of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, to annul such declaration and consequences, but no such annulment shall extend to or effect any subsequent default or impair or exhaust any right or power consequent thereon.

NOTE 6. UNEARNED REVENUE

Changes in unearned revenue for the years ended June 30, 2022, and June 30, 2021, are as follows (expressed in thousands):

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Prepaid Interest	\$ 2,173	\$ 2,172	\$ 2,173	\$ 2,172
Total unearned revenue	\$ 2,173	\$ 2,172	\$ 2,173	\$ 2,172

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Prepaid Interest	\$ 2,158	\$ 2,173	\$ 2,158	\$ 2,173
Total unearned revenue	\$ 2,158	\$ 2,173	\$ 2,158	\$ 2,173

NOTE 7. SUBSEQUENT EVENTS

The September 15, 2022, federal interest subsidy payment for the 2010 QSCBs was reduced by 5.7%, or \$293,524, as a part of the Budget Control Act of 2011. The sequestration reduction rate was applicable until the end of the federal fiscal year, September 30, 2022. On September 24, 2020, the Internal Revenue Service announced that federal subsidy payments will be cut by 5.7% during the 2021-2030 federal fiscal years.

On November 15, 2022, the Authority issued the 2022 Series A bonds ("2022A") and the 2022 Series B Bonds (Federally Taxable) ("2022B"). The 2022A tax-exempt bond proceeds in the amount of \$282,330,000 were sold with an original issue premium of \$16,692,958. The 2022B taxable bond proceeds in the amount of \$25,235,000 were sold at par. The 2022A and 2022B bonds were issued to prepay \$152,072,693 of the principal amount of the revolving credit loans outstanding. The balance of

Tennessee State School Bond Authority
Notes to the Financial Statements (cont.)
June 30, 2022, and June 30, 2021

the proceeds of the 2022A and 2022B bonds will be used to pay for construction costs of certain projects and various costs of issuance.

As of December 7, 2022, the Authority has \$11,616,673 outstanding in tax-exempt RCF loans and \$8,971,323 in taxable RCF loans. Between June 30, 2022, and December 7, 2022, the Authority has drawn \$20,000,000 in RCF loans to pay construction expenditures.

SUPPLEMENTARY SCHEDULES



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TENNESSEE STATE SCHOOL BOND AUTHORITY
SUPPLEMENTARY SCHEDULES OF NET POSITION - PROGRAM LEVEL
JUNE 30, 2022, AND JUNE 30, 2021
(Expressed in Thousands)

	June 30, 2022			
	Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
ASSETS				
Current assets:				
Cash	\$ 28,967	\$ -	\$ 3,343	\$ 32,310
Cash with fiscal agent	-	-	27	27
Loans receivable	98,867	-	24,300	123,167
Interest receivable	8,771	-	1,105	9,876
Federal subsidy receivable	-	-	2,833	2,833
Receivables for administrative fees	107	-	-	107
Total current assets	136,712	-	31,608	168,320
Noncurrent assets:				
Restricted cash	-	-	6,669	6,669
Restricted investments	-	-	273,027	273,027
Loans receivable	1,705,265	-	89,483	1,794,748
Total noncurrent assets	1,705,265	-	369,179	2,074,444
Total assets	1,841,977	-	400,787	2,242,764
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - deferred amount on refunding	34,408	-	-	34,408
Total deferred outflows of resources	34,408	-	-	34,408
LIABILITIES				
Current liabilities:				
Accounts payable	700	-	-	700
Due to local education authorities	-	-	-	-
Accrued liabilities	4	-	2,832	2,836
Accrued interest payable	8,618	-	3,152	11,770
Unearned revenue	-	-	2,172	2,172
Bonds payable	92,000	-	-	92,000
Total current liabilities	101,322	-	8,156	109,478
Noncurrent liabilities:				
Revolving credit facility	152,661	-	-	152,661
Bonds payable	1,621,476	-	389,440	2,010,916
Total noncurrent liabilities	1,774,137	-	389,440	2,163,577
Total liabilities	1,875,459	-	397,596	2,273,055
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - deferred amount on refunding	1,468	-	-	1,468
Total deferred inflows of resources	1,468	-	-	1,468
NET POSITION				
Unrestricted	\$ (542)	\$ -	\$ 3,191	\$ 2,649

TENNESSEE STATE SCHOOL BOND AUTHORITY
SUPPLEMENTARY SCHEDULES OF NET POSITION - PROGRAM LEVEL
JUNE 30, 2022, AND JUNE 30, 2021
(Expressed in Thousands)

June 30, 2021

Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
\$ 33,582	\$ 45	\$ 3,125	\$ 36,752
-	-	26	26
84,843	-	24,301	109,144
9,996	-	1,104	11,100
-	-	2,833	2,833
177	-	-	177
<u>128,598</u>	<u>45</u>	<u>31,389</u>	<u>160,032</u>
-	-	6,665	6,665
-	-	273,406	273,406
1,764,904	-	113,783	1,878,687
<u>1,764,904</u>	<u>-</u>	<u>393,854</u>	<u>2,158,758</u>
<u>1,893,502</u>	<u>45</u>	<u>425,243</u>	<u>2,318,790</u>
38,486	-	-	38,486
<u>38,486</u>	<u>-</u>	<u>-</u>	<u>38,486</u>
162	-	-	162
-	45	-	45
146	-	2,833	2,979
9,996	-	3,152	13,148
-	-	2,173	2,173
78,960	-	-	78,960
<u>89,264</u>	<u>45</u>	<u>8,158</u>	<u>97,467</u>
115,521	-	-	115,521
<u>1,725,828</u>	<u>-</u>	<u>389,440</u>	<u>2,115,268</u>
<u>1,841,349</u>	<u>-</u>	<u>389,440</u>	<u>2,230,789</u>
<u>1,930,613</u>	<u>45</u>	<u>397,598</u>	<u>2,328,256</u>
1,313	-	-	1,313
<u>1,313</u>	<u>-</u>	<u>-</u>	<u>1,313</u>
<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 27,645</u>	<u>\$ 27,707</u>

TENNESSEE STATE SCHOOL BOND AUTHORITY
SUPPLEMENTARY SCHEDULES OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION - PROGRAM LEVEL
FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021
(Expressed in Thousands)

	Year ended June 30, 2022			
	Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
OPERATING REVENUES				
Revenue from loans	\$ 47,312	\$ -	\$ 13,328	\$ 60,640
Investment earnings (loss)	66	-	(21,721)	(21,655)
Total operating revenues	47,378	-	(8,393)	38,985
OPERATING EXPENSES				
Interest expense-revolving credit facility	927	-	-	927
Interest expense-bonds	46,384	-	12,980	59,364
Subsidy to borrowers	38	-	12,655	12,693
Administrative expense	633	-	138	771
Total operating expenses	47,982	-	25,773	73,755
Operating income (loss)	(604)	-	(34,166)	(34,770)
NONOPERATING REVENUES				
Federal subsidy on bonds	-	-	9,712	9,712
Total nonoperating revenues	-	-	9,712	9,712
Increase (decrease) in net position	(604)	-	(24,454)	(25,058)
NET POSITION				
Net position, July 1	62	-	27,645	27,707
Net position, June 30	\$ (542)	\$ -	\$ 3,191	\$ 2,649

TENNESSEE STATE SCHOOL BOND AUTHORITY
 SUPPLEMENTARY SCHEDULES OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION - PROGRAM LEVEL
 FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021
 (Expressed in Thousands)

Year ended June 30, 2021

Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
\$ 49,627	\$ 4	\$ 13,328	\$ 62,959
60	(455)	(6,648)	(7,043)
<u>49,687</u>	<u>(451)</u>	<u>6,680</u>	<u>55,916</u>
581	-	-	581
48,299	-	12,981	61,280
37	45	13,049	13,131
<u>2,016</u>	<u>73</u>	<u>128</u>	<u>2,217</u>
<u>50,933</u>	<u>118</u>	<u>26,158</u>	<u>77,209</u>
<u>(1,246)</u>	<u>(569)</u>	<u>(19,478)</u>	<u>(21,293)</u>
-	-	9,708	9,708
-	-	9,708	9,708
<u>(1,246)</u>	<u>(569)</u>	<u>(9,770)</u>	<u>(11,585)</u>
1,308	569	37,415	39,292
<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 27,645</u>	<u>\$ 27,707</u>

TENNESSEE STATE SCHOOL BOND AUTHORITY
SUPPLEMENTARY SCHEDULES OF CASH FLOWS - PROGRAM LEVEL
FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021
(Expressed in Thousands)

	Year ended June 30, 2022			
	Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from borrowers for administrative fees	\$ 533	\$ -	\$ 347	\$ 880
Payment to suppliers	(800)	-	(138)	(938)
Net cash provided by (used in) operating activities	(267)	-	209	(58)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from sale of bonds	-	-	-	-
Proceeds from the sale of refunding bonds	-	-	-	-
Proceeds from sale of revolving credit facility	40,000	-	-	40,000
Bond interest subsidy from federal government	-	-	9,712	9,712
Bond issuance costs paid	-	-	-	-
Refunding bond proceeds placed in escrow	-	-	-	-
Principal paid - bonds and revolving credit facility	(81,820)	-	-	(81,820)
Interest paid - bonds and revolving credit facility	(56,687)	-	(12,981)	(69,668)
Subsidy to borrowers	-	-	(9,712)	(9,712)
Net cash provided by (used in) noncapital financing activities	(98,507)	-	(12,981)	(111,488)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	-	(24,300)	(24,300)
Proceeds from sales and maturities of investments	-	-	-	-
Interest received on investments	66	-	2,959	3,025
Loans issued	(42,438)	-	-	(42,438)
Collections of loan principal	81,820	-	21,360	103,180
Refund to borrower	-	(45)	-	(45)
Interest received on loans	54,711	-	12,976	67,687
Net cash provided by (used in) investing activities	94,159	(45)	12,995	107,109
Net increase (decrease) in cash	(4,615)	(45)	223	(4,437)
Cash, July 1	33,582	45	9,816	43,443
Cash, June 30	\$ 28,967	\$ -	\$ 10,039	\$ 39,006
Reconciliation of cash to the Statement of Net Position:				
Cash	\$ 28,967	\$ -	\$ 3,343	\$ 32,310
Cash with fiscal agent	-	-	27	27
Restricted cash	-	-	6,669	6,669
Cash, June 30	\$ 28,967	\$ -	\$ 10,039	\$ 39,006
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (604)	\$ -	\$ (34,166)	\$ (34,770)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Investment earnings (loss)	(66)	-	21,721	21,655
Recognition of administrative earnings through refund reduction	-	-	-	-
Accrual for administrative earnings in prior year	-	-	-	-
Interest expense	47,311	-	12,980	60,291
Subsidy to borrowers	38	-	12,655	12,693
Bond issuance costs	-	-	-	-
Interest income (loss) from loans	(46,849)	-	(12,981)	(59,830)
Changes in assets and liabilities:				
(Increase) decrease in receivables for administrative fees	70	-	-	70
Increase (decrease) in payables for administrative fees	(167)	-	-	(167)
Increase (decrease) in due to local education authorities	-	-	-	-
Total adjustments	337	-	34,375	34,712
Net cash provided by (used in) operating activities	\$ (267)	\$ -	\$ 209	\$ (58)
Noncash investing activities:				
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ (12,655)	\$ (12,655)

TENNESSEE STATE SCHOOL BOND AUTHORITY
 SUPPLEMENTARY SCHEDULES OF CASH FLOWS - PROGRAM LEVEL
 FOR THE YEARS ENDED JUNE 30, 2022, AND JUNE 30, 2021
 (Expressed in Thousands)

Year ended June 30, 2021			
Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
\$ 562	\$ 7	\$ 347	\$ 916
(863)	(73)	(128)	(1,064)
<u>(301)</u>	<u>(66)</u>	<u>219</u>	<u>(148)</u>
14,450	-	-	14,450
698,915	-	-	698,915
45,000	-	-	45,000
-	-	9,702	9,702
(1,040)	-	-	(1,040)
(697,860)	-	-	(697,860)
(82,015)	(30,145)	-	(112,160)
(59,352)	-	(12,981)	(72,333)
-	-	(9,702)	(9,702)
<u>(81,902)</u>	<u>(30,145)</u>	<u>(12,981)</u>	<u>(125,028)</u>
-	(17,510)	(40,816)	(58,326)
-	45,625	16,231	61,856
60	511	3,630	4,201
(118,793)	-	-	(118,793)
82,015	1,083	20,986	104,084
-	(955)	-	(955)
57,824	-	12,985	70,809
<u>21,106</u>	<u>28,754</u>	<u>13,016</u>	<u>62,876</u>
(61,097)	(1,457)	254	(62,300)
94,679	1,502	9,562	105,743
<u>\$ 33,582</u>	<u>\$ 45</u>	<u>\$ 9,816</u>	<u>\$ 43,443</u>
\$ 33,582	\$ 45	\$ 3,125	\$ 36,752
-	-	26	26
-	-	6,665	6,665
<u>\$ 33,582</u>	<u>\$ 45</u>	<u>\$ 9,816</u>	<u>\$ 43,443</u>
<u>\$ (1,246)</u>	<u>\$ (569)</u>	<u>\$ (19,478)</u>	<u>\$ (21,293)</u>
(60)	455	6,648	7,043
-	(2)	-	(2)
-	5	-	5
48,880	-	12,981	61,861
38	-	13,048	13,086
1,040	-	-	1,040
(49,035)	-	(12,980)	(62,015)
(30)	-	-	(30)
112	-	-	112
-	45	-	45
<u>945</u>	<u>503</u>	<u>19,697</u>	<u>21,145</u>
<u>\$ (301)</u>	<u>\$ (66)</u>	<u>\$ 219</u>	<u>\$ (148)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,456</u>	<u>\$ 15,456</u>

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STATISTICAL SECTION



INDEX TO STATISTICAL SECTION

The Statistical Section provides additional historical information as a context for understanding what the information in the financial statements, notes to the financial statements and required supplementary information says about the Tennessee State School Bond Authority's overall financial health.

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TENNESSEE STATE SCHOOL BOND AUTHORITY
SCHEDULES OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR FISCAL YEARS ENDED 2013 TO 2022
(Expressed in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
OPERATING REVENUES			
Revenue from loans	\$ 60,640	\$ 62,959	\$ 82,284
Investment earnings (loss)	(21,655)	(7,043)	27,723
Total operating revenues	<u>38,985</u>	<u>55,916</u>	<u>110,007</u>
OPERATING EXPENSES			
Interest expense-commercial paper	-	-	-
Interest expense-revolving credit facility	927	581	1,574
Interest expense-bonds	59,364	61,280	79,568
Subsidy to borrowers	12,693	13,131	14,489
Administrative expense	771	2,217	2,223
Total operating expenses	<u>73,755</u>	<u>77,209</u>	<u>97,854</u>
Operating income (loss)	<u>(34,770)</u>	<u>(21,293)</u>	<u>12,153</u>
NONOPERATING REVENUES			
Federal subsidy on bonds	9,712	9,708	9,685
Total nonoperating revenues	<u>9,712</u>	<u>9,708</u>	<u>9,685</u>
Increase (decrease) in net position	<u>(25,058)</u>	<u>(11,585)</u>	<u>21,838</u>
NET POSITION			
Net position, July 1 before change in accounting principle	27,707	39,292	17,454
Cumulative effect of a change in accounting principle	-	-	-
Net position, July 1	<u>27,707</u>	<u>39,292</u>	<u>17,454</u>
Net position, June 30	<u>\$ 2,649</u>	<u>\$ 27,707</u>	<u>\$ 39,292</u>

TENNESSEE STATE SCHOOL BOND AUTHORITY
SCHEDULES OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR FISCAL YEARS ENDED 2013 TO 2022
(Expressed in Thousands)

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 79,961	\$ 76,516	\$ 73,984	\$ 75,210	\$ 66,092	\$ 66,625	\$ 62,496
20,068	(1,309)	(6,471)	15,146	5,697	2,571	1,725
100,029	75,207	67,513	90,356	71,789	69,196	64,221
-	-	-	-	-	173	244
3,570	1,598	1,137	470	679	224	-
76,592	73,921	71,823	75,109	63,944	65,636	60,761
16,404	13,168	10,282	13,939	13,341	12,097	12,314
884	2,054	719	994	2,473	1,864	2,334
97,450	90,741	83,961	90,512	80,437	79,994	75,653
2,579	(15,534)	(16,448)	(156)	(8,648)	(10,798)	(11,432)
9,652	9,645	9,590	9,589	9,549	9,264	10,299
9,652	9,645	9,590	9,589	9,549	9,264	10,299
12,231	(5,889)	(6,858)	9,433	901	(1,534)	(1,133)
5,223	11,112	17,970	8,537	7,636	9,170	10,303
-	-	-	-	-	-	-
5,223	11,112	17,970	8,537	7,636	9,170	10,303
\$ 17,454	\$ 5,223	\$ 11,112	\$ 17,970	\$ 8,537	\$ 7,636	\$ 9,170

**TENNESSEE STATE SCHOOL BOND AUTHORITY
OUTSTANDING LOANS TO BORROWERS*
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

Fiscal Year	Higher Education Facilities Programs	Qualified Zone Academy Bonds Program	Qualified School Construction Bonds Program	Total
2022	\$ 1,804,132	\$ -	\$ 113,783	\$ 1,917,915
2021	1,849,747	-	138,084	1,987,831
2020	1,821,927	637	162,399	1,984,963
2019	1,830,847	3,017	186,701	2,020,565
2018	1,773,613	5,198	211,860	1,990,671
2017	1,685,658	7,506	235,032	1,928,196
2016	1,595,683	9,975	259,597	1,865,255
2015	1,480,595	12,984	284,021	1,777,600
2014	1,391,547	16,010	308,234	1,715,791
2013	1,301,314	18,963	330,122	1,594,266

*The outstanding loans to borrowers represent the portion of the total outstanding debt allocable to the borrowers in each program. Differences in the amounts shown as total outstanding debt and total outstanding loans arise from the following:

- Higher Education Facilities Programs - Debt Service Reserve Funds, unspent proceeds, and capitalized interest
- Qualified Zone Academy Bonds Program - funds on deposit in the sinking fund
- Qualified School Construction Bonds Program - funds on deposit in the sinking fund

TENNESSEE STATE SCHOOL BOND AUTHORITY
SCHEDULE OF RATIOS OF OUTSTANDING DEBT PAYABLE
FOR THE LAST TEN YEARS
(Expressed in Thousands)

	Higher Education			QZAB Bonds	QSCB Bonds	Total Debt Outstanding	Per Capita	As a percentage of personal income
	Bonds ¹	Commercial Paper ²	Revolving Credit Facility					
2022	\$ 1,713,476	\$ -	\$ 152,661	\$ -	\$ 389,440	\$ 2,255,577	\$ 326	0.65%
2021	1,804,788	-	115,521	-	389,440	2,309,749	335	0.66%
2020	1,868,856	-	74,481	30,145	389,440	2,362,922	346	0.71%
2019	1,705,956	-	178,739	30,145	389,440	2,304,280	337	0.74%
2018	1,785,973	-	95,299	32,590	389,440	2,303,302	340	0.77%
2017	1,580,357	-	188,152	32,590	389,440	2,190,539	326	0.78%
2016	1,655,194	-	84,480	32,586	389,440	2,161,700	325	0.83%
2015	1,722,510	-	61,682	43,914	389,440	2,217,546	339	0.73%
2014	1,347,205	-	157,584	43,913	389,440	1,938,142	298	0.71%
2013	1,242,712	209,429	-	43,911	389,440	1,885,492	292	0.66%

¹ Total principal outstanding, net of related premium, discounts, and adjustments

² Revolving Credit Facility replaced the commercial paper program in fiscal year 2014

ALLOCABLE DEBT TO BORROWERS

The Tennessee State School Bond Authority (“Authority”) is a corporate governmental agency and instrumentality of the State of Tennessee which was created to provide a means of financing projects for its borrowers through the issuance of debt. The Authority consists of three different programs: Higher Education Facilities Program, Qualified Zone Academy Bond Program, and Qualified School Construction Bond Program. The following charts present each borrower’s allocable amount of the outstanding debt of each program under the Authority. The allocable debt to the borrower is equal to the amount of outstanding loans to the borrowers. The allocable debt would not include certain debt proceeds issued by the Authority that are held on deposit for the borrowers in the form of debt service reserve funds, capitalized interest funds, and unspent construction funds. In addition, the allocable debt would not include borrowers’ debt service payments held on deposit in sinking funds. Amounts held on deposit are available for the Authority to pay debt service when needed.

The following charts present the allocable debt for each borrower on a per capita basis. In the case of the Higher Education Facilities Program, this amount is expressed on a per student basis – as measured by the Fall Term Full-Time Enrollment (“FTE”) of each respective higher education institution. In the case of the Qualified Zone Academy Bonds Program and Qualified School Construction Bonds Program, this amount is expressed on a per resident basis for the county of each respective school district.

TENNESSEE STATE SCHOOL BOND AUTHORITY ALLOCABLE DEBT TO BORROWERS PER FTE* HIGHER EDUCATION FACILITIES PROGRAMS FOR THE LAST TEN YEARS

(Expressed in Thousands)

Fiscal Year	University of Tennessee		Tennessee Board of Regents	
	Total Allocable Debt	Debt Per FTE	Total Allocable Debt	Debt Per FTE
2022	\$ 1,049,727	\$ 22.41	\$ 754,405	\$ 6.55
2021	1,085,715	23.33	764,032	6.26
2020	1,063,460	22.85	758,467	6.21
2019	1,062,111	23.26	768,736	5.92
2018	1,071,016	23.86	702,597	5.39
2017	978,663	22.03	706,995	5.48
2016	896,747	20.56	698,936	5.43
2015	767,865	17.63	712,729	5.50
2014	694,598	16.01	696,948	5.47
2013	633,813	14.58	667,501	5.12

*The Debt per FTE is based on previous year’s FTE; as the current FTE was not available by the date of the ACFR.

**TENNESSEE STATE SCHOOL BOND AUTHORITY
ALLOCABLE DEBT TO BORROWERS PER CAPITA
QUALIFIED ZONE ACADEMY BONDS PROGRAM**

FOR THE LAST TEN YEARS

(Debt Expressed in Thousands)

	2022		2021		2020		2019		2018	
	Loans	Debt Per Capita ¹	Loans	Debt Per Capita ¹	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²
Benton County	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 0.70	\$ 28	\$ 1.75	\$ 44	\$ 2.78
Blount County	-	-	-	-	-	-	14	0.11	75	0.61
Hamilton County	-	-	-	-	-	-	-	-	-	-
Humboldt City	-	-	-	-	-	-	-	-	-	-
Kingsport City	-	-	-	-	273	5.68	667	13.90	1,054	21.96
Knox County	-	-	-	-	-	-	-	-	-	-
Lexington City	-	-	-	-	64	8.04	156	19.46	246	30.70
Lincoln County	-	-	-	-	-	-	-	-	-	-
Loudon County	-	-	-	-	226	4.62	567	11.58	900	18.37
Memphis City	-	-	-	-	-	-	-	-	-	-
Montgomery County	-	-	-	-	152	0.89	474	2.76	789	4.59
Nashville-Davidson County	-	-	-	-	-	-	49	0.08	557	0.89
Oak Ridge City	-	-	-	-	376	12.96	1,047	36.09	1,654	57.03
Rhea County	-	-	-	-	-	-	14	0.45	31	0.97
Scott County	-	-	-	-	-	-	-	-	-	-
Unicoi County	-	-	-	-	-	-	-	-	-	-

	2017		2016		2015		2014		2013	
	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²
Benton County	\$ 60	\$ 4.75	\$ 76	\$ 4.75	\$ 90	\$ 5.63	\$ 106	\$ 7.38	\$ 118	\$ 8.19
Blount County	135	1.56	192	1.56	248	2.02	302	2.88	354	3.33
Hamilton County	20	0.37	123	0.37	223	0.66	321	1.25	419	1.54
Humboldt City	-	-	-	-	156	19.50	314	58.88	471	78.63
Kingsport City	1,429	119.48	1,790	37.29	2,141	44.60	2,488	58.50	2,808	65.54
Knox County	-	-	-	-	-	-	-	-	-	-
Lexington City	333	52.13	417	52.13	499	62.38	578	82.00	656	92.13
Lincoln County	-	-	-	-	-	-	-	-	-	-
Loudon County	1,221	31.20	1,529	31.20	1,826	37.27	2,137	48.76	2,389	54.20
Memphis City	-	-	-	-	410	0.63	957	2.32	1,503	3.17
Montgomery County	1,092	20.73	1,381	8.03	1,838	10.69	2,307	15.82	2,721	18.31
Nashville-Davidson County	1,047	2.41	1,513	2.41	1,961	3.13	2,428	4.48	2,808	5.12
Oak Ridge City	2,244	13.03	2,812	96.97	3,363	115.97	3,905	152.31	4,417	171.00
Rhea County	46	6.00	192	6.00	229	7.16	268	9.34	299	10.41
Scott County	-	-	-	-	-	-	-	-	-	-
Unicoi County	-	-	-	-	-	-	-	-	-	-

Note: QZAB Bonds were last issued in fiscal year 2006; All borrowers have paid off their loans

¹ Per Capita for Fiscal Year ending June 30, 2021, through June 30, 2022, calculated based on the 2020 Census

² Per Capita for Fiscal Years ending June 30, 2013, through June 30, 2020, are calculated based on the 2010 Census

**TENNESSEE STATE SCHOOL BOND AUTHORITY
ALLOCABLE DEBT TO BORROWERS PER CAPITA
QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM**

FOR THE LAST TEN YEARS

(Debt Expressed in Thousands)

	2022		2021		2020		2019		2018	
	Loans	Debt Per Capita ¹	Loans	Debt Per Capita ¹	Loans	Debt Per Capita ¹	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²
Blount County	\$ 4,736	\$ 35.01	\$ 5,663	\$ 41.86	\$ 6,590	\$ 53.57	\$ 7,517	\$ 61.11	\$ 8,491	\$ 69.03
Cocke County	1,777	49.36	2,125	59.03	2,473	69.35	2,821	79.10	3,187	89.37
Coffee County	965	16.67	1,170	20.21	1,359	25.74	1,547	29.30	1,736	32.88
Cleveland	1,067	22.53	1,326	28.00	1,586	38.42	1,845	44.69	2,121	51.37
Dyer County	4,106	111.57	5,019	136.38	5,932	154.74	6,845	178.56	7,811	203.76
Dyersburg	759	46.96	944	58.40	1,128	65.79	1,313	76.58	1,509	88.01
Hamblen County	2,892	44.84	3,596	55.75	4,300	68.75	5,004	80.01	5,751	91.95
Hawkins County	1,421	25.05	1,731	30.52	2,041	35.91	2,352	41.38	2,680	47.16
Jefferson County	3,433	62.78	4,094	74.87	4,755	92.50	5,416	105.36	6,077	118.21
Johnson City	2,092	29.45	2,602	36.62	3,111	49.26	3,620	57.32	4,160	65.87
Kingsport	318	5.74	395	7.12	473	9.81	550	11.41	632	13.11
Knox County	9,473	19.78	11,297	23.59	13,122	30.36	14,946	34.58	16,770	38.80
Lauderdale County	817	32.49	975	38.78	1,132	40.70	1,290	46.38	1,447	52.02
Maryville	4,800	150.44	5,968	187.04	7,136	259.82	8,305	302.38	9,545	347.53
Maury County	1,405	13.91	1,680	16.64	1,955	24.15	2,231	27.56	2,520	31.13
Montgomery County	5,232	23.77	6,480	29.45	7,728	44.84	8,976	52.09	10,197	59.17
Nashville-Davidson County	17,045	24.72	20,582	29.85	24,119	38.49	27,655	44.13	31,163	49.73
Sevier County	4,624	47.00	5,529	56.20	6,434	71.58	7,339	81.65	8,291	92.24
Shelby County	35,578	38.27	43,214	46.48	50,850	54.82	58,487	63.05	66,550	71.74
Sullivan County	5,586	35.32	6,869	43.43	8,152	51.98	9,434	60.16	10,792	68.82
Trousdale County	804	69.22	962	82.82	1,119	142.19	1,277	162.26	1,442	183.23
Union County	1,836	92.72	2,283	115.29	2,730	142.86	3,176	166.20	3,651	191.06
Warren County	3,013	73.57	3,594	87.76	4,174	104.77	4,754	119.33	5,335	133.91

	2017		2016		2015		2014		2013	
	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²	Loans	Debt Per Capita ²
Blount County	\$ 9,371	\$ 76.18	\$ 10,305	\$ 83.77	\$ 11,229	\$ 91.29	\$ 12,155	\$ 98.81	\$ 13,057	\$ 106.15
Cocke County	3,517	98.62	3,867	108.43	4,214	118.16	4,562	127.92	4,909	137.66
Coffee County	1,925	36.46	2,114	40.04	2,303	43.62	2,492	47.20	2,617	49.56
Cleveland	2,365	57.28	2,627	63.63	2,886	69.90	3,145	76.18	3,404	82.46
Dyer County	8,672	226.22	9,593	250.24	10,503	273.98	11,416	297.79	12,328	321.58
Dyersburg	1,682	98.10	1,869	109.01	2,053	119.74	2,238	130.53	2,422	141.28
Hamblen County	6,412	102.52	7,122	113.87	7,824	125.10	8,528	136.35	9,231	147.59
Hawkins County	2,972	52.29	3,285	57.80	3,595	63.26	3,905	68.71	4,170	73.37
Jefferson County	6,683	130.00	7,350	142.98	8,009	155.80	8,670	168.65	9,330	181.49
Johnson City	4,683	74.15	5,152	81.58	5,660	89.63	6,169	97.68	6,678	105.74
Kingsport	705	14.63	783	16.24	860	17.84	937	19.44	1,015	21.05
Knox County	18,594	43.02	20,419	47.24	22,243	51.46	24,067	55.68	24,527	56.74
Lauderdale County	1,605	57.70	1,762	63.35	1,920	69.03	2,077	74.67	1,885	67.77
Maryville	10,641	387.44	11,820	430.37	12,985	472.78	14,152	515.27	15,319	557.77
Maury County	2,781	34.35	3,058	37.77	3,332	41.16	3,607	44.56	3,787	46.77
Montgomery County	11,368	65.97	12,628	73.28	13,968	81.05	15,216	88.30	16,464	95.54
Nashville-Davidson County	34,618	55.24	38,264	61.06	41,800	66.70	45,337	72.35	48,495	77.38
Sevier County	9,149	101.78	10,061	111.93	11,035	122.76	11,868	132.03	12,772	142.09
Shelby County	73,759	79.51	81,460	87.81	89,078	96.03	96,707	104.25	104,334	112.47
Sullivan County	11,999	76.51	13,293	84.76	14,573	92.93	15,854	101.09	17,135	109.26
Trousdale County	1,592	202.29	1,750	222.36	1,907	242.31	2,064	262.26	2,150	273.16
Union County	4,070	212.99	4,521	236.59	4,967	259.93	5,413	283.27	5,859	306.62
Warren County	5,915	148.47	6,495	163.03	7,075	177.59	7,656	192.17	8,236	206.73

¹ Per Capita for Fiscal Years ending June 30, 2021, through June 30, 2022, are calculated based on the 2020 Census

² Per Capita for Fiscal Years ending June 30, 2013, through June 30, 2020, are calculated based on the 2010 Census

**TENNESSEE STATE SCHOOL BOND AUTHORITY
COLLEGE AND UNIVERSITY FUNDS
SCHEDULE OF FEES/CHARGES, LEGISLATIVE APPROPRIATIONS AND DEBT SERVICE
(EXCLUDING COMMERCIAL PAPER)
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

UNIVERSITY OF TENNESSEE SYSTEM

Fiscal Year	Total Fees and Charges	Legislative Appropriations ¹	Prior and Subordinate Debt Service Requirements (Non Authority)	Debt Service Requirements ² (Authority Bonds)
2022	\$ 940,588	\$ 690,956	\$ -	\$ 71,606
2021	818,094	643,823	-	72,059
2020	817,336	636,000	-	84,562
2019	817,648	612,411	-	83,887
2018	802,063	572,915	-	76,662
2017	778,509	532,161	-	73,722
2016	746,986	503,606	-	70,543
2015	700,757	479,221	-	55,553
2014	691,600	471,104	-	55,821
2013	658,079	435,446	-	52,859

TENNESSEE BOARD OF REGENTS SYSTEM

Fiscal Year	Total Fees and Charges	Legislative Appropriations ¹	Prior and Subordinate Debt Service Requirements (Non Authority)	Debt Service Requirements ² (Authority Bonds)
2022	\$ 1,567,223	\$ 1,026,416	\$ -	\$ 63,183
2021	1,390,548	916,824	-	64,832
2020	1,430,945	892,751	-	62,355
2019	1,467,540	840,812	-	57,292
2018	1,385,505	784,012	-	56,107
2017	1,131,352	720,388	-	57,511
2016	1,102,572	675,048	-	56,299
2015	1,158,289	644,099	-	52,404
2014	1,057,701	646,251	-	53,350
2013	1,035,821	608,454	-	49,484

Source - Tennessee State School Bond Authority and Universities and Colleges (Unaudited)

¹ Appropriations for operation and maintenance, including employer social security and retirement contributions, for the respective systems (including the respective schools and Boards).

² Debt Service Requirements consist of only principal and interest.

**TENNESSEE STATE SCHOOL BOND AUTHORITY
COLLEGE AND UNIVERSITY FUNDS
COVERAGE OF ANNUAL FINANCING CHARGES
LONG-TERM DEBT SECURED BY FINANCING AGREEMENTS¹
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

UNIVERSITY OF TENNESSEE SYSTEM

Fiscal Year	Total Fees and Charges	Legislative Appropriations ²	Annual Financing Charges ³	Coverage By:	
				Fees & Charges	Fees, Charges, & Appropriations
2022	\$ 940,588	\$ 690,956	\$ 72,882	12.91 X	22.39 X
2021	818,094	643,823	73,384	9.51 X	16.91 X
2020	817,336	636,000	85,929	9.55 X	16.70 X
2019	817,348	612,411	85,606	9.43 X	16.17 X
2018	802,063	573,017	85,031	10.44 X	17.49 X
2017	780,867	527,569	74,793	9.96 X	16.63 X
2016	746,986	499,862	74,965	12.33 X	20.90 X
2015	700,757	475,416	56,855	12.18 X	20.43 X
2014	691,600	467,845	56,764	11.32 X	19.35 X
2013	609,399	432,636	53,855	11.24 X	19.16 X

TENNESSEE BOARD OF REGENTS SYSTEM

Fiscal Year	Total Fees and Charges	Legislative Appropriations ²	Annual Financing Charges ³	Coverage By:	
				Fees & Charges	Fees, Charges, & Appropriations
2022	\$ 1,567,223	\$ 1,026,416	\$ 64,318	24.37 X	40.33 X
2021	1,390,548	916,824	66,005	22.46 X	36.47 X
2020	1,430,945	892,751	63,716	24.94 X	39.23 X
2019	1,467,541	840,812	58,846	23.78 X	35.57 X
2018	1,385,505	687,307	58,271	19.44 X	32.66 X
2017	1,131,352	769,801	58,212	18.77 X	30.01 X
2016	1,102,572	660,789	58,754	21.57 X	32.34 X
2015	1,158,289	578,734	53,707	19.46 X	31.32 X
2014	1,057,701	644,437	54,346	20.50 X	32.81 X
2013	1,035,821	621,841	50,530	26.43 X	37.33 X

Source - Tennessee State School Bond Authority and Universities and Colleges (Unaudited)

¹ Includes Bonds. Excludes Revolving Credit Facility.

² Appropriations for operation and maintenance, including employer social security and retirement contributions, for the respective systems (including the respective schools and Boards).

³ Annual Financing Charges consist of principal, interest and administrative fees.

**DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED ZONE ACADEMY BONDS PROGRAM²
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

BENTON COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	62	62	3,494	56.35 X
2021	-	62	76	3,441	45.27 X
2020	14	62	76	3,605	47.44 X
2019	14	62	76	3,602	47.39 X
2018	14	62	76	3,496	46.00 X
2017	14	62	76	3,471	45.67 X
2016	14	62	76	3,486	45.87 X
2015	14	62	76	3,394	44.66 X
2014	14	62	76	3,285	43.23 X
2013	14	62	76	3,322	43.72 X

BLOUNT COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	1,647	1,647	5,843	3.55 X
2021	-	1,647	1,698	6,446	3.80 X
2020	51	1,647	1,698	5,936	3.50 X
2019	51	1,647	1,698	5,172	3.05 X
2018	51	1,647	1,698	5,118	3.01 X
2017	51	1,647	1,698	5,110	3.01 X
2016	51	1,647	1,698	5,069	2.99 X
2015	51	1,647	1,698	4,765	2.81 X
2014	51	1,647	1,698	4,862	2.86 X
2013	51	1,647	1,698	4,766	2.81 X

HAMILTON COUNTY SCHOOLS¹

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	-	-	9,418	0.00 X
2021	-	-	-	9,917	0.00 X
2020	-	-	-	10,760	0.00 X
2019	-	-	-	9,958	0.00 X
2018	91	-	91	9,573	105.20 X
2017	91	153	244	10,141	41.56 X
2016	91	153	244	9,950	40.83 X
2015	91	596	687	9,382	13.66 X
2014	91	596	687	9,073	13.21 X
2013	91	596	687	8,884	12.94 X

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**DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED ZONE ACADEMY BONDS PROGRAM²
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

HUMBOLDT CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	1,363	1,363	1,224	0.90 X
2021	-	1,363	1,363	1,219	0.89 X
2020	-	185	185	1,131	6.11 X
2019	-	185	185	1,115	6.03 X
2018	-	76	76	1,083	14.17 X
2017	-	76	76	1,078	14.11 X
2016	-	279	279	1,055	3.78 X
2015	158	279	437	1,019	2.33 X
2014	158	279	437	934	2.13 X
2013	158	279	437	948	2.17 X

KINGSPORT CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	902	902	8,939	9.91 X
2021	-	984	984	8,102	6.19 X
2020	324	903	1,227	7,924	6.46 X
2019	324	902	1,226	7,816	6.38 X
2018	324	883	1,207	7,670	6.35 X
2017	324	883	1,207	7,841	6.50 X
2016	324	988	1,312	7,705	5.87 X
2015	324	96	420	7,197	17.15 X
2014	324	96	420	6,820	16.26 X
2013	324	1,876	2,200	6,552	2.98 X

LEXINGTON CITY SCHOOLS¹

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	-	-	-	1,216	0.00 X
2021	-	-	76	1,113	14.64 X
2020	76	-	76	1,037	13.65 X
2019	76	-	76	1,030	13.55 X
2018	76	-	76	1,008	13.26 X
2017	76	-	76	1,030	13.55 X
2016	76	-	76	999	13.14 X
2015	76	-	76	931	12.25 X
2014	76	-	76	886	11.66 X
2013	76	-	76	848	11.15 X

LOUDON COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	203	203	3,433	16.91 X
2021	-	203	478	3,577	7.48 X
2020	275	203	478	4,006	8.38 X
2019	275	203	478	4,020	8.41 X
2018	275	234	509	4,353	8.55 X
2017	275	234	509	4,142	8.13 X
2016	275	313	588	4,154	7.07 X
2015	275	-	275	3,646	13.26 X
2014	275	-	275	3,723	13.54 X
2013	275	-	275	3,592	13.06 X

MEMPHIS CITY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	11,850	11,850	109,000	9.20 X
2021	-	11,850	11,850	102,429	8.64 X
2020	-	5,634	5,634	100,274	17.80 X
2019	-	6,275	6,275	100,865	16.07 X
2018	-	6,827	6,827	98,009	14.36 X
2017	-	6,827	6,827	99,485	14.57 X
2016	72	7,019	7,091	100,038	14.11 X
2015	547	-	547	90,692	165.80 X
2014	547	-	547	85,750	156.76 X
2013	547	-	547	80,902	147.90 X

MONTGOMERY COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	1,551	1,551	5,754	3.71 X
2021	-	1,551	1,811	5,186	2.86 X
2020	260	1,551	1,811	5,363	2.96 X
2019	260	1,551	1,811	5,300	2.93 X
2018	260	1,551	1,811	5,187	2.86 X
2017	260	1,551	1,811	5,148	2.84 X
2016	260	1,551	1,811	5,125	2.83 X
2015	436	1,551	1,987	4,945	2.49 X
2014	436	1,551	1,987	4,824	2.43 X
2013	436	1,551	1,987	4,815	2.42 X

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**DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED ZONE ACADEMY BONDS PROGRAM²
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

NASHVILLE - DAVIDSON COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	7,994	7,994	137,659	17.22 X
2021	-	6,821	7,236	101,402	14.01 X
2020	415	5,580	5,995	113,860	18.99 X
2019	415	5,580	5,995	114,132	19.04 X
2018	415	5,580	5,995	105,040	17.52 X
2017	415	5,580	5,995	99,009	16.52 X
2016	415	5,580	5,995	100,038	16.69 X
2015	415	5,580	5,995	90,280	15.06 X
2014	415	5,580	5,995	86,077	14.36 X
2013	415	5,580	5,995	77,201	12.88 X

OAK RIDGE CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations ³	Total Obligations	State Shared Taxes	Coverage
2022	-	1,990	1,990	4,993	2.51 X
2021	-	1,990	2,499	4,512	1.81 X
2020	510	1,207	1,717	4,339	2.53 X
2019	510	1,068	1,578	4,440	2.81 X
2018	510	1,068	1,578	4,417	2.80 X
2017	510	1,068	1,578	4,600	2.91 X
2016	510	1,068	1,578	4,612	2.92 X
2015	510	188	698	4,256	6.10 X
2014	510	1,203	1,713	3,998	2.33 X
2013	510	1,203	1,713	3,880	2.26 X

RHEA COUNTY SCHOOLS¹

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QZAB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	-	-	-	3,004	0.00 X
2021	-	-	-	2,951	0.00 X
2020	34	-	34	3,062	90.06 X
2019	34	-	34	3,266	96.05 X
2018	34	-	34	3,365	98.97 X
2017	34	-	34	3,455	101.61 X
2016	34	-	34	3,635	106.90 X
2015	34	-	34	3,511	103.26 X
2014	34	-	34	3,434	101.01 X
2013	34	-	34	3,447	101.37 X

Source: Data on State-Shared Taxes is provided by Tennessee Department of Revenue.

¹ Coverage for current and/or prior years is zero due to no QZAB loans or other obligations.

² All borrowers have paid-off their QZAB loans.

³ Other Pledged Obligations includes Qualified School Construction Bonds (QSCB) and Tennessee Local Development Authority (TLDA)

**DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM
FOR THE LAST TEN YEARS**

(Expressed in Thousands)

BLOUNT COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QSCB Obligations	Other Pledged Obligations ¹	Total Obligations	State Shared Taxes	Coverage
2022	1,647	-	1,647	5,843	3.55 X
2021	1,647	-	1,647	6,446	3.91 X
2020	1,647	51	1,698	5,936	3.50 X
2019	1,647	51	1,698	5,172	3.05 X
2018	1,647	51	1,698	5,118	3.01 X
2017	1,647	51	1,698	5,110	3.01 X
2016	1,647	51	1,698	5,069	2.99 X
2015	1,647	51	1,698	4,765	2.81 X
2014	1,647	51	1,698	4,862	2.86 X
2013	1,647	51	1,698	4,766	2.81 X

CLEVELAND CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QSCB Obligations	Other Pledged Obligations ^{1,2}	Total Obligations	State Shared Taxes	Coverage
2022	323	2,324	2,647	7,432	2.81 X
2021	323	2,374	2,697	6,415	2.38 X
2020	323	1,836	2,159	6,151	2.85 X
2019	323	1,836	2,159	6,163	2.86 X
2018	323	1,745	2,068	5,998	2.90 X
2017	323	1,057	1,380	6,422	4.65 X
2016	323	993	1,316	7,471	5.68 X
2015	323	833	1,156	5,738	4.97 X
2014	323	584	907	5,658	6.24 X
2013	323	584	907	5,557	6.13 X

COCKE COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QSCB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	618	-	618	2,778	4.49 X
2021	618	-	618	2,728	4.41 X
2020	618	-	618	2,811	4.55 X
2019	618	-	618	2,833	4.58 X
2018	618	-	618	2,803	4.54 X
2017	618	-	618	2,765	4.47 X
2016	618	-	618	2,753	4.45 X
2015	618	-	618	2,648	4.28 X
2014	618	-	618	2,595	4.20 X
2013	618	-	618	2,601	4.21 X

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DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM
FOR THE LAST TEN YEARS

(Expressed in Thousands)

COFFEE COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal</u> <u>Year</u>	<u>QSCB</u> <u>Obligations</u>	<u>Other Pledged</u> <u>Obligations</u>	<u>Total</u> <u>Obligations</u>	<u>State Shared</u> <u>Taxes</u>	<u>Coverage</u>
2022	336	-	336	3,242	9.66 X
2021	336	-	336	3,359	10.01 X
2020	336	-	336	3,297	9.82 X
2019	336	-	336	3,176	9.46 X
2018	336	-	336	3,157	9.41 X
2017	336	-	336	3,150	9.38 X
2016	336	-	336	3,022	9.00 X
2015	336	-	336	2,957	8.81 X
2014	336	-	336	2,950	8.79 X
2013	298	-	298	2,987	10.01 X

DYER COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal</u> <u>Year</u>	<u>QSCB</u> <u>Obligations</u>	<u>Other Pledged</u> <u>Obligations</u>	<u>Total</u> <u>Obligations</u>	<u>State Shared</u> <u>Taxes</u>	<u>Coverage</u>
2022	1,324	-	1,324	2,896	2.19 X
2021	1,324	-	1,324	2,887	2.18 X
2020	1,324	-	1,324	2,962	2.24 X
2019	1,324	-	1,324	2,996	2.26 X
2018	1,324	-	1,324	2,949	2.23 X
2017	1,324	-	1,324	2,944	2.22 X
2016	1,324	-	1,324	2,929	2.21 X
2015	1,324	-	1,324	2,786	2.10 X
2014	1,324	-	1,324	2,714	2.05 X
2013	1,324	-	1,324	2,700	2.04 X

DYERSBURG CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal</u> <u>Year</u>	<u>QSCB</u> <u>Obligations</u>	<u>Other Pledged</u> <u>Obligations</u> ¹	<u>Total</u> <u>Obligations</u>	<u>State Shared</u> <u>Taxes</u>	<u>Coverage</u>
2022	230	404	634	2,700	4.26 X
2021	230	404	634	2,594	4.09 X
2020	230	-	230	2,448	10.66 X
2019	230	-	230	2,414	10.51 X
2018	230	-	230	2,330	10.15 X
2017	230	-	230	2,417	10.53 X
2016	230	-	230	2,360	10.28 X
2015	230	-	230	2,205	9.60 X
2014	230	-	230	2,066	9.00 X
2013	230	-	230	2,034	8.86 X

HAMBLEN COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QSCB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	875	-	875	2,852	3.26 X
2021	875	-	875	2,835	3.24 X
2020	875	-	875	2,988	3.42 X
2019	875	-	875	2,950	3.37 X
2018	875	-	875	2,894	3.31 X
2017	875	-	875	2,980	3.41 X
2016	875	-	875	2,904	3.32 X
2015	875	-	875	2,791	3.19 X
2014	875	-	875	2,705	3.09 X
2013	875	-	875	2,687	3.07 X

HAWKINS COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QSCB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	463	-	463	3,557	7.68 X
2021	463	-	463	3,522	7.60 X
2020	463	-	463	3,636	7.85 X
2019	463	-	463	3,654	7.89 X
2018	463	-	463	3,612	7.80 X
2017	463	-	463	3,679	7.94 X
2016	463	-	463	3,741	8.07 X
2015	463	-	463	3,730	8.05 X
2014	463	-	463	3,711	8.01 X
2013	463	-	463	3,733	8.06 X

JEFFERSON COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QSCB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	1,175	-	1,175	3,134	2.67 X
2021	1,175	-	1,175	3,196	2.72 X
2020	1,175	-	1,175	3,184	2.71 X
2019	1,175	-	1,175	3,133	2.67 X
2018	1,175	-	1,175	3,079	2.62 X
2017	1,175	-	1,175	3,132	2.67 X
2016	1,175	-	1,175	2,952	2.51 X
2015	1,175	-	1,175	3,236	2.75 X
2014	1,175	-	1,175	2,955	2.52 X
2013	1,175	-	1,175	2,956	2.52 X

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DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM
FOR THE LAST TEN YEARS

(Expressed in Thousands)

JOHNSON CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations¹</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	633	848	1,481	11,990	8.10 X
2021	633	-	633	10,408	16.45 X
2020	633	-	633	9,903	15.65 X
2019	633	-	633	9,931	15.69 X
2018	633	-	633	9,752	15.41 X
2017	633	-	633	9,896	15.64 X
2016	633	-	633	9,067	14.33 X
2015	633	-	633	8,439	13.34 X
2014	633	-	633	8,167	12.91 X
2013	633	-	633	7,914	12.51 X

KINGSPORT CITY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations¹</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	96	806	902	8,939	9.91 X
2021	96	1,130	1,226	8,102	6.61 X
2020	96	1,130	1,226	7,924	6.46 X
2019	96	1,130	1,226	7,816	6.37 X
2018	96	1,111	1,207	7,680	6.36 X
2017	96	1,111	1,207	7,841	6.50 X
2016	96	1,216	1,312	7,705	5.87 X
2015	96	324	420	7,197	17.13 X
2014	96	324	420	6,820	16.23 X
2013	96	2,104	2,200	6,552	2.98 X

KNOX COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	3,242	-	3,242	11,344	3.50 X
2021	3,242	-	3,242	13,557	4.18 X
2020	3,242	-	3,242	12,704	3.92 X
2019	3,242	-	3,242	13,827	4.27 X
2018	3,242	-	3,242	14,002	4.32 X
2017	3,242	-	3,242	14,069	4.34 X
2016	3,242	-	3,242	14,014	4.32 X
2015	3,242	-	3,242	11,435	3.53 X
2014	3,242	-	3,242	12,085	3.73 X
2013	3,242	-	3,242	11,659	3.60 X

LAUDERDALE COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QSCB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	280	-	280	2,609	9.33 X
2021	280	-	280	2,566	9.17 X
2020	280	-	280	2,644	9.45 X
2019	280	-	280	2,682	9.59 X
2018	280	-	280	2,625	9.38 X
2017	280	-	280	2,617	9.36 X
2016	280	-	280	2,581	9.22 X
2015	280	-	280	2,489	8.90 X
2014	280	-	280	2,426	8.67 X
2013	280	-	280	2,424	8.67 X

MARYVILLE CITY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QSCB Obligations	Other Pledged Obligations ¹	Total Obligations	State Shared Taxes	Coverage
2022	1,452	141	1,593	5,152	3.23 X
2021	1,452	141	1,593	4,428	2.78 X
2020	1,452	141	1,593	4,328	2.72 X
2019	1,452	141	1,593	4,283	2.69 X
2018	1,452	141	1,593	4,153	2.61 X
2017	1,452	141	1,593	4,226	2.65 X
2016	1,452	141	1,593	4,137	2.60 X
2015	1,452	141	1,593	3,758	2.36 X
2014	1,452	141	1,593	3,650	2.29 X
2013	1,452	141	1,593	3,395	2.13 X

MAURY COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

Fiscal Year	QSCB Obligations	Other Pledged Obligations ¹	Total Obligations	State Shared Taxes	Coverage
2022	489	-	489	4,140	8.47 X
2021	489	364	853	3,918	4.59 X
2020	489	364	853	4,129	4.84 X
2019	489	364	853	4,033	4.73 X
2018	489	364	853	4,005	4.70 X
2017	489	364	853	3,942	4.62 X
2016	489	364	853	3,897	4.57 X
2015	489	364	853	3,793	4.45 X
2014	489	364	853	3,746	4.39 X
2013	489	364	853	3,745	4.39 X

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DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
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FOR THE LAST TEN YEARS

(Expressed in Thousands)

METROPOLITAN GOVERNMENT OF NASHVILLE

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QSCB Obligations	Other Pledged Obligations ^{1,2}	Total Obligations	State Shared Taxes	Coverage
2022	5,580	2,414	7,994	137,659	17.22 X
2021	5,580	2,828	8,408	101,402	12.06 X
2020	5,580	2,828	8,408	113,860	13.54 X
2019	5,580	415	5,995	114,132	19.04 X
2018	5,580	415	5,995	105,040	17.52 X
2017	5,580	415	5,995	99,009	16.52 X
2016	5,580	415	5,995	100,038	16.69 X
2015	5,580	415	5,995	90,280	15.06 X
2014	5,580	415	5,995	86,077	14.36 X
2013	5,580	415	5,995	77,201	12.88 X

MONTGOMERY COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QSCB Obligations	Other Pledged Obligations ¹	Total Obligations	State Shared Taxes	Coverage
2022	1,551	-	1,551	5,754	3.71 X
2021	1,551	260	1,811	5,186	2.86 X
2020	1,551	260	1,811	5,363	2.96 X
2019	1,551	260	1,811	5,300	2.93 X
2018	1,551	260	1,811	5,187	2.86 X
2017	1,551	260	1,811	5,148	2.84 X
2016	1,551	260	1,811	5,125	2.83 X
2015	1,551	436	1,987	4,945	2.49 X
2014	1,551	436	1,987	4,824	2.43 X
2013	1,551	436	1,987	4,815	2.42 X

SEVIER COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

Fiscal Year	QSCB Obligations	Other Pledged Obligations	Total Obligations	State Shared Taxes	Coverage
2022	1,608	-	1,608	4,276	2.66 X
2021	1,608	-	1,608	4,329	2.69 X
2020	1,608	-	1,608	4,258	2.65 X
2019	1,608	-	1,608	4,368	2.72 X
2018	1,608	-	1,608	4,360	2.71 X
2017	1,608	-	1,608	4,369	2.72 X
2016	1,608	-	1,608	4,315	2.68 X
2015	1,608	-	1,608	4,057	2.52 X
2014	1,608	-	1,608	3,977	2.47 X
2013	1,608	-	1,608	3,921	2.44 X

SHELBY COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	11,732	-	11,732	17,863	1.52 X
2021	11,732	-	11,732	18,682	1.59 X
2020	11,732	-	11,732	19,740	1.68 X
2019	11,732	-	11,732	19,619	1.67 X
2018	11,732	-	11,732	19,255	1.64 X
2017	11,732	-	11,732	19,268	1.64 X
2016	11,732	-	11,732	19,110	1.63 X
2015	11,732	-	11,732	18,477	1.57 X
2014	11,732	-	11,732	21,015	1.79 X
2013	11,732	-	11,732	20,925	1.78 X

SULLIVAN COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	1,763	-	1,763	5,535	3.14 X
2021	1,763	-	1,763	5,711	3.24 X
2020	1,763	-	1,763	5,923	3.36 X
2019	1,763	-	1,763	6,082	3.45 X
2018	1,763	-	1,763	5,856	3.32 X
2017	1,763	-	1,763	5,857	3.32 X
2016	1,763	-	1,763	5,259	2.98 X
2015	1,763	-	1,763	5,072	2.88 X
2014	1,763	-	1,763	4,967	2.82 X
2013	1,763	-	1,763	4,929	2.80 X

TROUSDALE COUNTY SCHOOLS**STATE SHARED TAX OBLIGATIONS**

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	280	-	280	2,007	7.17 X
2021	280	-	280	1,835	6.56 X
2020	280	-	280	1,839	6.57 X
2019	280	-	280	1,861	6.65 X
2018	280	-	280	1,830	6.54 X
2017	280	-	280	1,829	6.54 X
2016	280	-	280	1,791	6.40 X
2015	280	-	280	1,721	6.15 X
2014	280	-	280	1,675	5.99 X
2013	280	-	280	1,662	5.94 X

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DEBT SERVICE COVERAGE
TENNESSEE STATE SCHOOL BOND AUTHORITY
QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM
FOR THE LAST TEN YEARS

(Expressed in Thousands)

UNION COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations</u>	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	555	-	555	2,703	4.87 X
2021	555	-	555	2,641	4.76 X
2020	555	-	555	2,746	4.95 X
2019	555	-	555	2,729	4.92 X
2018	555	-	555	2,659	4.79 X
2017	555	-	555	2,655	4.78 X
2016	555	-	555	2,636	4.75 X
2015	555	-	555	2,584	4.65 X
2014	555	-	555	2,497	4.50 X
2013	555	-	555	2,492	4.49 X

WARREN COUNTY SCHOOLS

STATE SHARED TAX OBLIGATIONS

<u>Fiscal Year</u>	<u>QSCB Obligations</u>	<u>Other Pledged Obligations</u> ¹	<u>Total Obligations</u>	<u>State Shared Taxes</u>	<u>Coverage</u>
2022	1,031	-	1,031	2,858	2.77 X
2021	1,031	-	1,031	2,791	2.71 X
2020	1,031	-	1,031	2,904	2.82 X
2019	1,031	-	1,031	2,894	2.81 X
2018	1,031	103	1,134	2,846	2.51 X
2017	1,031	103	1,134	2,837	2.50 X
2016	1,031	-	1,031	2,813	2.73 X
2015	1,031	-	1,031	2,726	2.64 X
2014	1,031	-	1,031	2,687	2.61 X
2013	1,031	-	1,031	2,663	2.58 X

Source: Data on State-Shared Taxes is provided by Tennessee Department of Revenue.

¹ Other Pledged Obligations includes Qualified Zone Academy Bonds (QZAB) and Tennessee Local Development Authority (TLDA)

² Active SRF loans in construction were not previously included in the "Other Pledged Obligations" total. These numbers have been revised to include every approved SRF loan as of the end of the fiscal year.

Tennessee Higher Education Commission
History of Fall Term Full-Time Equivalent Enrollment in Public Higher Education Schools

Institutions¹	2013	2014	2015	2016	2017
Four Year Institutions					
APSU	8,416	8,241	8,180	8,466	8,278
ETSU ³	12,374	12,295	12,347	12,310	12,567
MTSU	19,637	18,787	18,362	18,177	17,957
TSU	7,080	7,388	7,639	7,342	7,189
TTU	9,797	9,983	9,569	9,208	9,043
UM	16,704	16,554	16,112	16,744	16,535
LGI Total	74,007	73,247	72,209	72,247	71,568
UT Chattanooga	10,208	10,029	9,886	10,029	10,301
UT Knoxville ⁴	23,860	24,107	24,601	24,827	25,212
UT Martin	6,555	6,273	5,989	5,670	5,719
UT Health Science	2,859	2,977	3,075	3,097	3,200
UT Southern	NA	NA	NA	NA	NA
UT Total	43,482	43,386	43,551	43,623	44,431
Total 4 Year	117,489	116,633	115,761	115,870	115,999
Two Year Institutions²					
Chattanooga	6,388	5,901	6,190	5,743	5,526
Cleveland	2,487	2,316	2,413	2,282	2,096
Columbia	3,352	3,263	3,634	3,816	4,033
Dyersburg	1,918	1,678	1,690	1,694	1,705
Jackson	2,722	2,825	2,907	2,968	2,931
Motlow	2,984	2,984	3,654	4,152	4,485
Nashville	5,796	5,807	6,272	5,588	5,107
Northeast	3,912	3,888	4,215	4,250	4,261
Pellissippi	6,978	6,644	6,755	6,645	7,206
Roane	3,964	3,777	3,891	3,788	3,652
Southwest	6,801	6,355	6,169	5,624	6,138
Volunteer	4,985	4,747	5,406	5,869	6,008
Walters	4,103	4,008	4,074	4,086	4,206
Total 2 Year	56,392	54,192	57,269	56,505	57,355
Grand Total	173,881	170,825	173,030	172,375	173,354

Tennessee Higher Education Commission
History of Fall Term Full-Time Equivalent Enrollment in Public Higher Education Schools

2018	2019	2020	2021	Percent Change		
				2020-2021	2016-2021	2019-2021
Four Year Institutions						
8,856	8,620	8,151	7,487	-8.1%	-11.6%	-13.1%
12,687	12,525	12,099	11,681	-3.5%	-5.1%	-6.7%
17,745	17,817	17,954	16,861	-6.1%	-7.2%	-5.4%
6,552	6,417	6,289	6,521	3.7%	-11.2%	1.6%
8,918	8,841	8,832	8,523	-3.5%	-7.4%	-3.6%
16,197	16,479	16,726	16,459	-1.6%	-1.7%	-0.1%
70,955	70,700	70,050	67,531	-3.6%	-6.5%	-4.5%
10,380	10,514	10,554	10,255	-2.8%	2.3%	-2.5%
25,673	26,256	27,181	28,145	3.5%	13.4%	7.2%
5,582	5,647	5,620	5,209	-7.3%	-8.1%	-7.7%
3,284	3,250	3,185	3,240	1.7%	4.6%	-0.3%
NA	NA	NA	741	NA	NA	NA
44,919	45,667	46,539	46,849	0.7%	7.4%	2.6%
115,874	116,367	116,589	114,380	-1.9%	-1.3%	-1.7%
Two Year Institutions²						
5,630	5,383	4,992	4,523	-9.4%	-21.2%	-16.0%
2,201	2,341	2,155	2,012	-6.6%	-11.8%	-14.1%
4,361	4,465	4,201	3,798	-9.6%	-0.5%	-14.9%
1,747	1,742	1,630	1,729	6.1%	2.1%	-0.8%
3,039	3,135	2,655	2,426	-8.6%	-18.3%	-22.6%
4,557	4,571	4,156	3,771	-9.3%	-9.2%	-17.5%
5,173	4,984	4,421	4,143	-6.3%	-25.9%	-16.9%
4,281	4,176	3,712	3,567	-3.9%	-16.1%	-14.6%
7,202	6,972	6,110	5,641	-7.7%	-15.1%	-19.1%
3,925	3,983	3,531	3,158	-10.6%	-16.6%	-20.7%
6,142	6,049	4,865	4,343	-10.7%	-22.8%	-28.2%
6,253	6,148	5,801	4,869	-16.1%	-17.0%	-20.8%
4,203	4,259	3,835	3,626	-5.5%	-11.3%	-14.9%
58,713	58,207	52,064	47,606	-8.6%	-15.7%	-18.2%
174,587	174,575	168,653	161,986	-4.0%	-6.0%	-7.2%

Five-Year Annual Growth Rate
-1.2%

¹TBR = Tennessee Board of Regents, APSU = Austin Peay State University, ETSU = East Tennessee State University, MTSU = Middle Tennessee State University, TSU = Tennessee State University, TTU = Tennessee Technological University, UM = University of Memphis, UT = University of Tennessee

²Two Year Schools = State Community Colleges

³ETSU includes the Medical and Pharmacy schools

⁴The University of Tennessee, Knoxville, includes the Veterinary school and the UT Space Institute

HISTORY OF AVERAGE DAILY MEMBERSHIP GRADES KINDERGARTEN THROUGH TWELVE 2012-2021 **

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ANDERSON COUNTY	5,982	6,143	6,198	6,291	6,360	6,370	6,397	6,433	6,570	6,597
CLINTON	929	933	916	942	898	880	910	905	900	887
OAK RIDGE	4,467	4,564	4,468	4,396	4,391	4,420	4,403	4,492	4,439	4,457
BEDFORD COUNTY	8,455	8,703	8,624	8,558	8,484	8,438	8,335	8,212	8,100	7,964
BENTON COUNTY	1,941	2,071	2,123	2,123	2,120	2,134	2,159	2,212	2,221	2,231
BLED SOE COUNTY	1,468	1,587	1,611	1,656	1,693	1,731	1,763	1,814	1,856	1,801
BLOUNT COUNTY	10,118	10,357	10,275	10,474	10,528	10,748	10,937	10,909	11,060	11,044
ALCOA	2,028	2,036	2,012	1,956	1,918	1,890	1,868	1,812	1,797	1,749
MARYVILLE	5,349	5,336	5,292	5,269	5,153	5,047	5,039	5,062	4,970	4,914
BRADLEY COUNTY	9,425	9,938	9,978	9,884	9,778	9,917	9,990	10,051	10,087	10,056
CLEVELAND	5,505	5,592	5,465	5,524	5,489	5,406	5,275	5,157	5,136	5,082
CAMPBELL COUNTY	4,907	5,105	5,164	5,334	5,443	5,475	5,552	5,617	5,595	5,673
CANNON COUNTY	1,704	1,917	1,898	1,858	1,904	1,938	1,975	1,999	2,008	2,024
CARROLL COUNTY	5	3	6	4	3	2	3	5	5	6
*HOLLOW ROCK-BR	604	610	630	620	633	640	627	629	645	682
*HUNTINGDON	1,273	1,268	1,278	1,237	1,210	1,184	1,204	1,205	1,212	1,229
*MCKENZIE	1,148	1,197	1,228	1,289	1,276	1,306	1,320	1,362	1,358	1,378
*S. CARROLL	309	325	331	336	338	338	349	371	369	352
*W. CARROLL	822	875	862	858	895	893	911	954	970	965
CARTER COUNTY	4,585	4,822	4,942	5,045	5,252	5,241	5,238	5,313	5,425	5,436
ELIZABETHTON	2,527	2,464	2,464	2,460	2,464	2,448	2,433	2,416	2,413	2,326
CHEATHAM COUNTY	5,537	5,873	5,881	6,088	6,231	6,249	6,328	6,494	6,525	6,649
CHESTER COUNTY	2,623	2,752	2,749	2,795	2,850	2,814	2,791	2,739	2,744	2,742
CLAIBORNE COUNTY	3,888	3,956	3,971	4,085	4,191	4,271	4,379	4,446	4,526	4,545
CLAY COUNTY	1,024	1,043	1,065	1,050	1,029	1,039	1,036	1,026	1,024	1,027
COCKE COUNTY	4,227	4,361	4,311	4,383	4,442	4,468	4,522	4,620	4,670	4,676
NEWPORT	647	637	673	671	665	713	729	734	725	703
COFFEE COUNTY	4,075	4,262	4,260	4,291	4,329	4,351	4,381	4,426	4,402	4,351
MANCHESTER	1,344	1,389	1,348	1,341	1,315	1,317	1,256	1,268	1,287	1,373
TULLAHOMA	3,382	3,466	3,409	3,343	3,438	3,410	3,346	3,396	3,333	3,258
CROCKETT COUNTY	1,927	1,926	1,928	1,985	1,984	1,942	1,957	1,910	1,849	1,827
ALAMO	525	570	574	529	571	583	580	596	595	592
BELLS	358	364	367	369	362	373	367	379	388	380
CUMBERLAND COUNTY	6,535	6,959	7,026	7,057	7,138	7,179	7,150	7,170	7,218	7,103
DAVIDSON COUNTY	77,178	80,992	80,815	81,004	81,858	81,571	80,731	79,129	77,860	76,130
DECATUR COUNTY	1,382	1,504	1,511	1,559	1,571	1,585	1,542	1,574	1,603	1,591
DEKALB COUNTY	2,831	2,799	2,824	2,841	2,849	2,864	2,870	2,786	2,886	2,905
DICKSON COUNTY	7,752	7,974	8,067	8,141	8,239	8,179	8,234	8,197	8,265	8,299
DYER COUNTY	3,620	3,721	3,790	3,827	3,769	3,833	3,808	3,723	3,719	3,693
DYERSBURG	2,457	2,447	2,492	2,515	2,621	2,610	2,600	2,622	2,744	2,859
FA YETTE COUNTY	3,004	3,210	3,251	3,288	3,249	3,226	3,259	3,377	3,533	3,475
FENTRESS COUNTY	1,899	2,078	2,080	2,063	2,072	2,093	2,128	2,198	2,242	2,282
FRANKLIN COUNTY	4,841	4,992	5,067	5,092	5,287	5,411	5,398	5,506	5,536	5,585
HUMBOLDT	1,053	1,110	1,043	1,013	1,088	1,046	1,050	1,059	1,092	1,166
*MILAN	1,836	1,906	1,875	1,924	1,953	1,938	1,950	2,000	2,033	2,083
*TRENTON	1,249	1,254	1,287	1,269	1,258	1,289	1,305	1,333	1,321	1,335
*BRADFORD	588	563	541	519	520	500	500	509	506	531
*GIBSON CO. SPEC.	3,793	3,894	3,885	3,912	3,932	3,937	3,879	3,857	3,814	3,722
GILES COUNTY	3,484	3,608	3,595	3,699	3,811	3,861	3,830	3,905	3,921	3,956
GRAINGER COUNTY	3,030	3,191	3,301	3,376	3,401	3,538	3,470	3,562	3,572	3,514

(Continued)

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HISTORY OF AVERAGE DAILY MEMBERSHIP GRADES KINDERGARTEN THROUGH TWELVE 2012-2021 **

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GREENE COUNTY	5,794	6,118	6,277	6,421	6,561	6,672	6,875	6,946	6,969	7,063
GREENEVILLE	2,725	2,819	2,800	2,739	2,739	2,769	2,725	2,715	2,726	2,682
GRUNDY COUNTY	1,747	1,830	1,920	1,979	2,060	2,078	2,150	2,118	2,186	2,209
HAMBLEN COUNTY	9,876	10,147	10,203	10,233	10,171	10,091	10,052	10,007	9,976	9,918
HAMILTON COUNTY	43,011	44,053	43,736	43,557	43,203	43,102	42,669	42,385	42,427	41,836
HANCOCK COUNTY	892	900	950	963	968	985	960	967	977	985
HARDEMAN COUNTY	3,171	3,280	3,329	3,475	3,519	3,575	3,731	3,800	3,839	3,883
HARDIN COUNTY	3,308	3,378	3,415	3,436	3,433	3,456	3,522	3,510	3,556	3,581
HAWKINS COUNTY	6,103	6,308	6,372	6,509	6,646	6,899	6,962	7,073	7,235	7,301
ROGERSVILLE	632	634	646	644	657	639	624	648	657	673
HAYWOOD COUNTY	2,630	2,646	2,701	2,763	2,811	2,909	2,970	3,112	3,156	3,225
HENDERSON COUNTY	3,800	3,822	3,814	3,830	3,868	3,870	3,833	3,836	3,768	3,695
LEXINGTON	787	829	807	811	817	881	935	909	970	991
HENRY COUNTY	2,907	2,921	2,926	2,904	2,945	2,957	2,998	3,020	3,050	3,045
*PARIS	1,521	1,561	1,574	1,612	1,615	1,690	1,683	1,685	1,686	1,656
HICKMAN COUNTY	3,131	3,262	3,273	3,295	3,292	3,339	3,488	3,511	3,567	3,615
HOUSTON COUNTY	1,236	1,282	1,299	1,307	1,312	1,308	1,311	1,322	1,345	1,333
HUMPHREYS COUNTY	2,734	2,828	2,850	2,807	2,833	2,886	2,852	2,842	2,942	2,955
JACKSON COUNTY	1,379	1,399	1,409	1,417	1,437	1,468	1,520	1,537	1,577	1,500
JEFFERSON COUNTY	6,573	6,893	6,897	6,982	7,089	7,154	7,228	7,208	7,280	7,246
JOHNSON COUNTY	2,226	1,974	1,936	1,958	1,956	2,004	2,080	2,108	2,128	2,130
KNOX COUNTY	57,320	59,286	58,683	58,616	58,189	57,929	57,582	57,022	56,811	56,298
LAKE COUNTY	731	711	708	748	771	789	813	840	870	873
LAUDERDALE COUNTY	3,544	3,690	3,758	3,926	4,070	4,133	4,318	4,406	4,452	4,441
LAWRENCE COUNTY	6,371	6,553	6,803	6,764	6,712	6,609	6,531	6,659	6,851	6,603
LEWIS COUNTY	1,503	1,614	1,622	1,627	1,660	1,728	1,767	1,797	1,840	1,839
LINCOLN COUNTY	3,583	3,722	3,705	3,695	3,760	3,835	3,859	3,870	3,933	3,921
FA YETTEVILLE	1,236	1,300	1,328	1,365	1,378	1,434	1,432	1,352	1,216	1,166
LOUDON COUNTY	4,473	4,620	4,658	4,737	4,624	4,674	4,723	4,718	4,816	4,928
LENOIR CITY	2,386	2,310	2,220	2,162	2,205	2,264	2,274	2,248	2,234	2,209
MCMINN COUNTY	5,009	5,201	5,305	5,420	5,506	5,518	5,558	5,698	5,801	5,877
ATHENS	1,546	1,626	1,582	1,584	1,551	1,570	1,563	1,587	1,537	1,494
ETOWAH	334	354	363	369	352	353	314	341	339	329
MCNAIRY COUNTY	3,802	3,911	3,988	4,104	4,140	4,199	4,200	4,183	4,225	4,268
MACON COUNTY	3,783	3,867	3,860	3,854	3,818	3,679	3,680	3,670	3,710	3,664
MADISON COUNTY	11,696	11,981	12,069	12,237	12,404	12,492	12,543	12,599	12,704	12,649
MARION COUNTY	3,760	3,857	3,927	3,959	3,992	4,030	4,077	4,161	4,176	4,227
*RICHARD CITY	208	211	244	248	251	275	270	277	297	339
MARSHALL COUNTY	5,202	5,321	5,332	5,373	5,365	5,311	5,266	5,278	5,248	5,211
MAURY COUNTY	12,299	12,541	12,478	12,407	12,247	11,900	11,725	11,664	11,554	11,418
MEIGS COUNTY	1,673	1,659	1,705	1,663	1,661	1,712	1,742	1,726	1,715	1,734
MONROE COUNTY	4,838	5,129	5,160	5,206	5,344	5,353	5,396	5,414	5,458	5,446
SWEETWATER	1,381	1,408	1,430	1,450	1,517	1,532	1,520	1,537	1,513	1,501
MONTGOMERY COUNTY	35,780	35,787	34,713	34,171	32,960	31,882	31,384	30,706	29,871	29,728
MOORE COUNTY	855	862	850	838	829	852	891	924	978	993
MORGAN COUNTY	2,672	2,710	2,774	2,860	2,966	3,032	3,050	3,136	3,189	3,178
OBION COUNTY	2,961	3,128	3,143	3,208	3,299	3,411	3,509	3,576	3,633	3,645
UNION CITY	1,510	1,532	1,564	1,600	1,608	1,565	1,531	1,473	1,447	1,451
OVERTON COUNTY	2,997	3,070	3,032	3,026	3,004	3,099	3,146	3,238	3,298	3,317
PERRY COUNTY	985	1,006	997	1,008	1,039	1,041	1,078	1,087	1,069	1,110
PICKETT COUNTY	620	617	616	646	691	722	740	747	733	725
POLK COUNTY	2,090	2,144	2,163	2,229	2,270	2,361	2,418	2,493	2,520	2,564
PUTNAM COUNTY	11,270	11,357	11,131	10,992	10,872	10,723	10,706	10,640	10,632	10,511

HISTORY OF AVERAGE DAILY MEMBERSHIP GRADES KINDERGARTEN THROUGH TWELVE 2012-2021 **

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
RHEA COUNTY	3,997	4,116	4,166	4,169	4,214	4,248	4,229	4,296	4,275	4,214
DAYTON	784	813	823	835	827	821	791	822	802	791
ROANE COUNTY	6,125	6,282	6,311	6,396	6,472	6,583	6,708	6,874	6,882	7,036
ROBERTSON COUNTY	13,583	12,296	10,959	11,050	11,085	10,977	11,143	10,807	11,182	11,050
RUTHERFORD COUNTY	46,716	46,879	45,888	44,843	43,789	42,650	41,425	40,932	39,969	38,645
MURFREESBORO	8,523	8,690	8,423	8,353	8,015	7,981	7,528	7,072	7,151	7,069
SCOTT COUNTY	2,579	2,769	2,782	2,782	2,767	2,840	2,888	2,904	2,869	2,848
*ONEIDA	1,202	1,220	1,212	1,210	1,238	1,219	1,230	1,241	1,252	1,225
SEQUATCHIE COUNTY	1,964	2,114	2,149	2,165	2,203	2,257	2,260	2,277	2,257	2,261
SEVIER COUNTY	13,829	14,312	14,179	14,141	14,310	14,265	14,253	14,304	14,303	14,216
SHELBY COUNTY ¹	105,299	106,375	104,902	104,515	103,703	106,455	110,807	144,338	146,896	150,109
ARLINGTON	4,834	4,777	4,658	4,568	5,087	4,985	4,850	0	0	0
BARTLETT	8,601	8,906	8,975	8,964	8,691	8,500	8,332	0	0	0
COLLIERVILLE	8,920	9,053	8,951	8,590	8,290	8,021	7,853	0	0	0
GERMANTOWN	5,930	6,076	6,024	6,005	5,877	5,727	5,676	0	0	0
LAKELAND	1,884	1,832	1,736	1,611	944	901	844	0	0	0
MILLINGTON	2,478	2,501	2,467	2,494	2,544	2,539	2,653	0	0	0
SMITH COUNTY	2,864	2,953	2,914	2,980	2,986	3,025	3,013	3,080	3,084	3,138
STEWART COUNTY	1,893	1,980	1,993	1,989	1,977	2,003	2,001	2,113	2,113	2,140
SULLIVAN COUNTY	8,415	8,887	9,086	9,367	9,650	9,899	10,079	10,355	10,596	10,737
BRISTOL	3,730	3,875	4,024	3,940	3,956	3,966	3,990	3,883	3,895	3,842
KINGSPORT	7,277	7,328	7,325	7,361	7,333	7,151	7,038	7,011	6,798	6,698
SUMNER COUNTY	28,846	29,718	29,190	29,110	28,924	28,764	28,346	28,237	27,958	27,612
TIPTON COUNTY	9,991	10,279	10,423	10,673	10,751	10,940	11,152	11,215	11,398	11,544
TROUSDALE COUNTY	1,269	1,293	1,254	1,241	1,260	1,236	1,194	1,225	1,230	1,246
UNICOI COUNTY	2,090	2,168	2,251	2,293	2,287	2,319	2,412	2,499	2,538	2,575
UNION COUNTY	5,219	4,577	4,325	4,021	3,627	3,484	4,228	5,305	5,871	4,549
VAN BUREN COUNTY	712	728	722	701	707	724	728	718	729	732
WARREN COUNTY	6,061	6,242	6,260	6,279	6,445	6,363	6,457	6,396	6,427	6,450
WASHINGTON COUNTY	7,978	8,306	8,243	8,324	8,447	8,596	8,668	8,864	8,927	9,058
JOHNSON CITY	7,587	7,872	7,807	7,738	7,723	7,772	7,732	7,645	7,529	7,425
WAYNE COUNTY	2,007	2,014	2,069	2,157	2,160	2,215	2,229	2,303	2,312	2,333
WEAKLEY COUNTY	3,798	3,945	3,986	4,044	4,147	4,204	4,253	4,340	4,373	4,499
WHITE COUNTY	3,593	3,725	3,732	3,813	3,828	3,859	3,944	3,935	3,929	3,969
WILLIAMSON COUNTY	39,518	40,737	39,879	38,685	37,661	36,303	34,991	33,916	32,912	31,949
*FRANKLIN	3,160	3,456	3,451	3,528	3,538	3,438	3,585	3,633	3,710	3,671
WILSON COUNTY	18,234	18,640	18,314	18,051	17,693	17,206	16,766	16,446	16,002	15,637
*LEBANON	3,683	3,823	3,727	3,627	3,537	3,552	3,628	3,581	3,547	3,381
ASD ²	8,909	10,629	10,453	10,909	11,367	9,603	6,790	3,912	1,503	0
STATE BOARD OF EDUCATION ³	1,231	827	441	152	0	0	0	0	0	0
GRAND TOTAL	949,559	973,632	966,266	965,549	963,294	960,959	959,532	958,276	956,975	951,035

*SPECIAL SCHOOL DISTRICT

**AVERAGE DAILY MEMBERSHIP INCLUDES ADULT HIGH SCHOOL STUDENTS IN GRADES 9-12.

¹ YEARS PRIOR TO 2015 WERE NOT LISTED SEPARATELY BY CITY

² ACHIEVEMENT SCHOOL DISTRICT FOUNDED IN 2013

³ STATED BOARD OF EDUCATION WAS NOT COUNTED PRIOR TO 2018

**STATE OF TENNESSEE
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 FOR THE LAST TEN CALENDAR YEARS
 (expressed in thousands; except per capita)**

For the calendar year ending December 31,	Population	Total personal income	Per capita personal income	Unemployment rate
2021	6,975 (est)	\$ 378,589,000	\$ 54,531	4.7%
2020	6,911	349,174,000	50,726	3.5%
2019	6,829 (est)	332,239,000	48,666	3.6%
2018	6,770 (est)	311,494,000	46,015	3.1%
2017	6,716 (est)	298,646,000	44,504	3.9%
2016	6,651 (est)	287,851,000	42,740	4.6%
2015	6,600 (est)	277,316,000	42,215	5.9%
2014	6,549 (est)	266,467,000	40,233	6.9%
2013	6,496 (est)	256,814,000	40,734	8.2%
2012	6,456 (est)	243,018,000	39,682	8.0%

Source: Population from www.census.gov

All other data from the University of Tennessee Economic Report to the Governor

ACKNOWLEDGMENTS

DIVISION OF STATE GOVERNMENT FINANCE

SANDI THOMPSON*
JACQUELINE FELLAND*
SHARON SCHMUCKER*
MARK GRAUBNER*
MICHAEL MERCER*
TAMMY FIELDS
KRISTI HARRIS
DONNA KAUKAS
CINDY LIDDELL
ALICIA WEST

*PREPARER OF ANNUAL COMPREHENSIVE FINANCIAL REPORT

