

**WEST KNOX UTILITY DISTRICT OF
KNOX COUNTY, TENNESSEE**

BUDGET

Fiscal Year Ending June 30, 2026

Providing quality water and sewer services with financial transparency and accountability.

West Knox Utility District
2328 Lovell Road • P.O. Box 51370
Knoxville, TN 37950

WEST KNOX UTILITY DISTRICT
BUDGET SUMMARY
FISCAL YEAR ENDING JUNE 30, 2026

TOTAL REVENUE	\$ 48,059,488
LESS: EXPENSES FOR OPERATION, MAINTENANCE & ADMINISTRATION	(23,271,972)
LESS: BOND INTEREST & OTHER RELATED EXPENSES	(5,953,632)
LESS: DEPRECIATION EXPENSE	<u>(9,207,080)</u>
NET POSITION	\$ 9,626,805

**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2026**

Operating Revenues	Audited Financials June 30, 2024	Budget Fiscal Year June 30, 2025	Projected Fiscal Year June 30, 2025	Budget Fiscal Year June 30, 2026
Water	\$ 12,875,870	\$ 14,054,712	\$ 14,837,063	\$ 15,475,175
Wastewater	18,989,971	19,445,202	19,995,469	20,745,333
E-1 Maintenance Fees	251,448	252,575	316,762	321,514
WW Inspection Fees	26,165	24,512	27,027	27,432
Hydrant Rental Revenue	3,750	2,727	5,244	5,296
Forfeited Discounts	286,355	301,487	326,399	336,191
Service Fees	145,245	131,441	190,460	192,365
Tapping Fees	2,006,278	1,986,923	1,684,317	1,709,582
LP Pump Revenue	115,085	80,800	120,000	121,800
Backflow Testing	60,350	62,418	82,153	82,975
Developer Review Fees	4,275	10,000	7,867	10,000
Reconnect Fees	48,200	41,747	51,740	52,516
Returned Check Fees	6,960	7,089	6,807	6,909
Miscellaneous	96,345	116,497	150,000	151,500
Recovery of Bad Debt	(210)	100	(649)	100
Cash Over/Short	38	100	-	100
Total Operating Revenue	\$ 34,916,124	\$ 36,518,331	\$ 37,800,659	\$ 39,238,788

**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2026**

Other Revenues	Audited Financials June 30, 2024	Budget Fiscal Year June 30, 2025	Projected Fiscal Year June 30, 2025	Budget Fiscal Year June 30, 2026
Visa Rebate Earned	\$ 9,262	\$ -	\$ 1,900	\$ 500
Interest Earned	1,495,989	1,500,000	1,500,000	1,500,000
Retainage Interest Income	-	-	-	-
Unrealized Investment Income	369,517	380,000	365,783	320,000
Gain (Loss) on Disposal of Assets	335,150	5,000	30,000	5,000
Gain (Loss) on Bond Refunding	(4,219)	(4,800)	(4,158)	(4,800)
Grant Revenue	-	-	313,171	7,000,000
Subtotal	\$ 2,205,699	\$ 1,880,200	\$ 2,206,695	\$ 8,820,700
Total Revenue	\$ 37,121,824	\$ 38,398,531	\$ 40,007,354	\$ 48,059,488

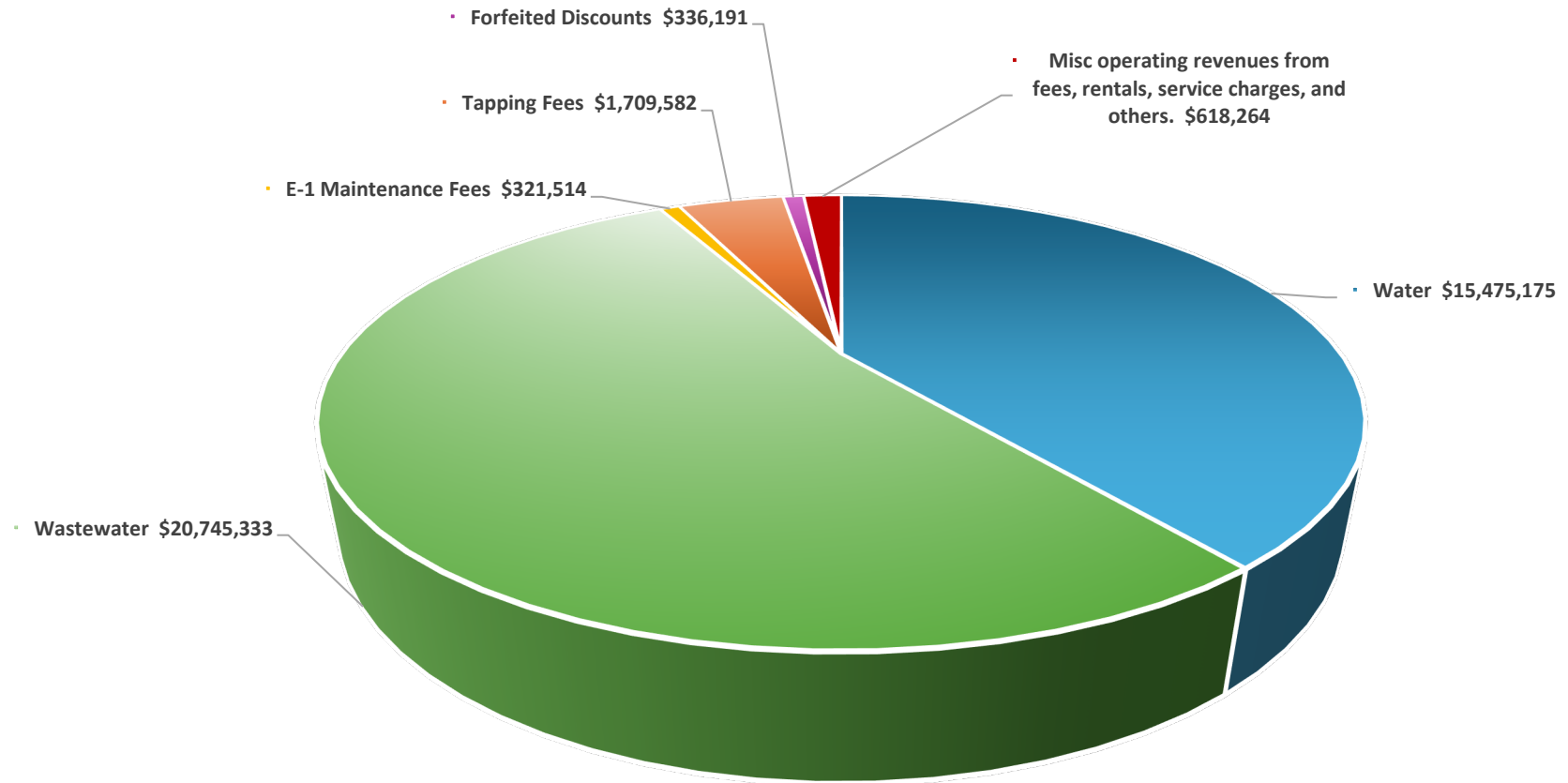
**SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2026**

Expenses	Audited Financials June 30, 2024	Budget Fiscal Year June 30, 2025	Projected Fiscal Year June 30, 2025	Budget Fiscal Year June 30, 2026
Purification & Supply	\$ 3,510,832	\$ 3,517,658	\$ 3,573,370	\$ 3,873,845
Collection & Treatment	4,203,215	4,829,024	4,734,783	5,188,213
CMOM Program	1,826,003	1,905,814	2,215,553	2,439,082
Treatment & Distribution	3,359,418	3,618,669	4,752,526	5,183,491
Pump Stations and Electrical Maintenance	835,292	644,843	829,151	909,741
Shop & General Maintenance	485,540	525,000	521,151	575,000
Depreciation Expense	8,796,465	8,870,868	9,115,920	9,207,080
Customer Acctg. & Collection	589,786	580,000	507,514	700,000
Administrative & General	4,394,265	4,228,607	3,951,191	4,402,600
Interest Expense	6,024,843	6,129,732	5,821,930	5,953,632
Total Expenses	\$ 34,025,659	\$ 34,850,214	\$ 36,023,090	\$ 38,432,683
INCREASE IN NET POSITION - GAAP BASIS	\$ 3,096,165	\$ 3,548,317	\$ 3,984,263	\$ 9,626,805

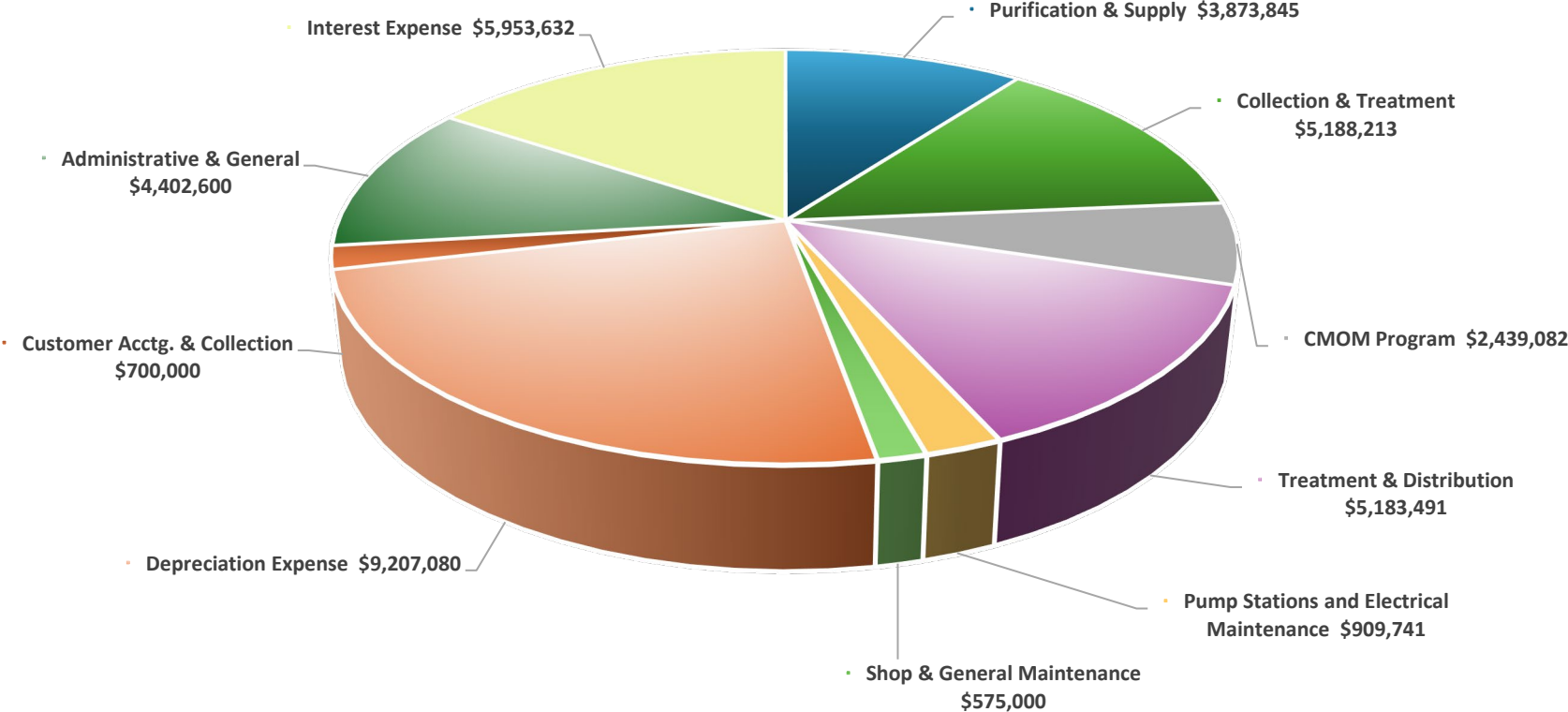
**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2026**

Adjustments for Non-Cash Items	Audited Financials June 30, 2024	Budget Fiscal Year June 30, 2025	Projected Fiscal Year June 30, 2025	Budget Fiscal Year June 30, 2026
Add:				
Depreciation	\$ -	\$ 8,870,868	\$ 9,115,920	\$ 9,207,080
Amortization of Deferred Costs	-	60,000	39,573	45,000
Amortization of Bond Discounts	-	-	-	-
Subtotal	\$ -	\$ 8,930,868	\$ 9,155,493	\$ 9,252,080
Less:				
Payment on Bonds	3,705,000	3,865,000	3,865,000	4,020,000
Increase in Net Position - Net of Non-Cash Items	\$ (608,835)	\$ 8,614,184	\$ 9,274,756	\$ 14,858,884

WKUD FY 2026 Budget Revenues



WKUD FY 2026 Budget Expenses



**WEST KNOX UTILITY DISTRICT
CAPITAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2026**

Water Distribution Systems: Total estimated funding required for planned water distribution infrastructure improvements, equipment upgrades, maintenance projects, and emergency contingencies across the water system.	\$ 8,278,000
Wastewater Collection And Treatment: Total estimated funding required for wastewater collection system upgrades, treatment plant improvements, equipment replacements, related infrastructure projects, and emergency contingencies across the wastewater system.	\$ 5,797,000
General Plant: Total estimated funding required for general plant equipment purchases, fleet replacements, technology improvements, and facility security upgrades.	\$ 868,000
Total Capital Expenses	\$ 14,943,000
Estimated Capital Grants	\$ (4,000,000)
Total Capital Budget After Grants	\$ 10,943,000

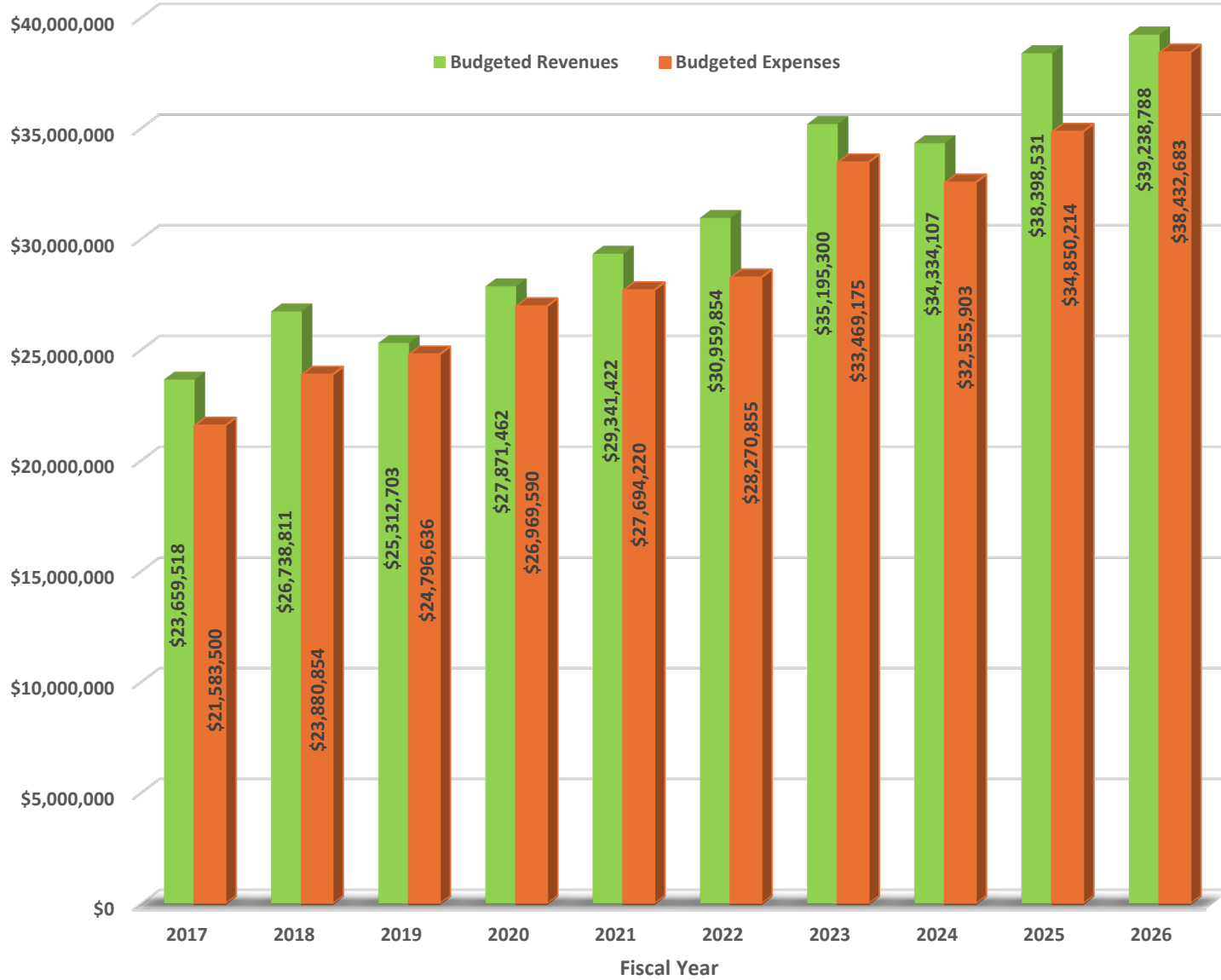
**WEST KNOX UTILITY DISTRICT
BOND COVENANT COVERAGE RATIO
FYE JUNE 30, 2026 BUDGET**

Operating Revenues	\$	39,238,788
Interest Income		1,500,000
Estimated Available Cash	\$	40,738,788
Operating Expenses, Excluding Depreciation and Interest Expense	\$	(23,271,972)
Available Cash for Debt Service	\$	17,466,816
FY 2026 Debt Service		
Bond Principal	\$	4,020,000
Bond Interest		5,953,632
Total FY 2026 Debt Service	\$	9,973,632
Required Debt Service Coverage Ratio (160%)		
Required Available Cash for Debt Service	\$	15,957,811
Coverage Over (Short)	\$	1,509,005
Budgeted Debt Service Coverage Ratio		175%

WEST KNOX UTILITY DISTRICT
SCHEDULE OF OUTSTANDING DEBT AND BUDGETED DEBT SERVICE
FY 2026

Bond Issuance	Original Issuance Amount	Total Principal Outstanding at FYE 2025	FY 2026 Annual Debt Service		
			Principal	Interest	Total
Build America Bonds, Series 2010	\$ 35,000,000	\$ 17,325,000	\$ -	\$ 812,482	\$ 812,482
Local Government Public Improvement Revenue Bonds, Series VB1	35,425,000	19,410,000	1,545,000	970,500	2,515,500
Water & Sewer Revenue Refunding & Improvement Bonds, Series 2016	27,015,000	23,370,000	510,000	958,681	1,468,681
Local Government Public Improvement Revenue Bonds, Series VE1	25,000,000	19,860,000	615,000	993,000	1,608,000
Water and Sewer Revenue Bonds, Series 2018	8,535,000	7,725,000	225,000	289,219	514,219
Water and Sewer Revenue Bonds, Series 2019	20,000,000	18,295,000	480,000	602,200	1,082,200
Local Government Public Improvement Revenue Bonds, Series VF1	15,000,000	13,870,000	300,000	693,500	993,500
Water & Sewer Revenue Refunding Bonds, Series 2022	25,435,000	24,650,000	345,000	809,050	1,154,050
Total Debt	\$ 191,410,000	\$ 144,505,000	\$ 4,020,000	\$ 6,128,632	\$ 10,148,632

WKUD Historical Budgeted Revenues & Expenses



WKUD Customer Historical Growth In Billing Units

